



# Annual Report

## 2020/2021

**Agriculture, Land Reform and Rural Development**

**VOTE 29**



**agriculture, land reform  
& rural development**

Department:  
Agriculture, Land Reform and Rural Development  
REPUBLIC OF SOUTH AFRICA



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# PART A:

## General information



## **PART A: GENERAL INFORMATION**

### **1. GENERAL INFORMATION**

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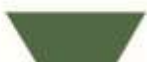
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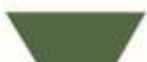


## 2. LIST OF ABBREVIATIONS & ACRONYMS

Automotive (AM)  
Agricultural Production, Health, Food Safety, Natural Resources and Disaster Management (APHFSNRDM)  
Annual Performance Plan (APP)  
Black Economic Empowerment (AgriBEE)  
Agro-Processing Master Plan (AAMP)  
African Union (AU)  
Conservation Agriculture (CA)  
Contagious Bovine Pleuropneumonia Surveillance Programme (CBPP)  
Community Compulsory Services (CCS)  
Communal Property Associations (CPAs)  
Coronavirus Disease-2019 (COVID-19)  
Department of Agriculture, Land Reform and Rural Development (DALRRD)  
Department of Planning, Monitoring and Evaluation (DPME)  
Electronic Certificate (E-Cert)  
Economic Development, Trade and Marketing (EDTM)  
Electronic Deeds Registration System (EDRS)  
Foot-and-mouth Disease (FMD)  
Farmers Production Support Unit (FPSU)  
Free State (FS)  
Gauteng Province (GP)  
Genetically Modified Organism (GMO)  
Hectares (Ha)  
Japan International Cooperation Agency (JICA)  
Kaonafatso ya Dikgomo (KYD)  
Limpopo Department of Agriculture and Rural Development (LDARD)  
Land Development Support (LDS)  
Limpopo Province (LP)  
Mpumalanga Province (MP)  
National Treasury (NT)  
National Office (NO)  
National Rural Youth Service Corps (NARYSEC)  
National Land Acquisition and Allocation Control Committee (NLAACC)  
National Spatial Action Area (NSAA)  
National Spatial Development Framework (NSDF)  
North West (NW)  
Office of the Chief State Law Advisor (OCSLA)  
Office of the Director-General (ODG)  
Operational Plan (OP)  
Owen Sithole College of Agriculture (OSCA)  
Protected Agricultural Area (PAA)  
Presidential Employment Stimulus Initiative (PESI)  
Proactive Land Acquisition Strategy (PLAS)  
Portfolio of Evidence (POE)  
Peste des Petits Ruminants (PPR)  
Quarter 1 (Q1)  
Quarter 2 (Q2)  
Quarter 3 (Q3)  
Quality Control Committee (QCC)  
Rural Enterprise and Industries Development (REID)  
Rural Infrastructure Development (RID)  
Southern African Development Community (SADC)  
South African National Accreditation System (SANAS)  
Supply Chain Management (SCM)  
Social Economic Impact Assessment System (SEIAS)  
Sector Education and Training Authority (SETA)



Smallholder Horticultural Empowerment and Promotion (SHEP)  
State Information Technology Agency (SITA)  
Service Level Agreement (SLA)  
State-owned Enterprise (SOE)  
Strategic Planning (SP)  
Technical Centre for Agriculture and Rural Cooperation (CTA)  
Technical Indicator Description (TID)





**Ms A.T. Didiza**  
**Minister of Agriculture, Land Reform and Rural Development**

### **3. FOREWORD BY THE MINISTER**

I am pleased to present the Department of Agriculture, Land Reform and Rural Development's 2020/2021 annual report. In this annual report, we give an update on the progress we have made in the implementation of our programmes as we reflect on the last financial year. As I write, our country and the world continue to battle the Corona Virus Pandemic (COVID-19), which is wreaking havoc on humanity.

The sector has not been spared from the devastating impact of the virus over the past year, and the department had to step up its efforts to provide the much needed and urgent support to communities who are reliant on agriculture as a source of their livelihoods.

Through our various interventions, we have sought to mitigate the challenges brought by the pandemic and their effect on smallholder and communal farmers, with the provision of the much-needed support. This support was initially in the form of vouchers that farmers could use to purchase agricultural inputs toward the 2020 winter production cycle. The COVID-19 support initiative reached 15 681 farmers, at a total value of R563 million.

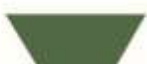
In October last year, President Cyril Ramaphosa announced the Presidential Economic Stimulus Initiative (PESI), which was aimed at creating jobs, supporting and sustaining livelihoods. Through the PESI, the government supported subsistence farmers, whose production capacity was disrupted by the pandemic. These are producers who farm in the backyard gardens of their homes and in communal areas. A total of 53 286 applications were approved for support in the form of vouchers for the acquisition of production inputs. A total of 40 000 of the beneficiaries was women.

#### **Market access and trade**

Access to new market continues to be a key focus area of the department. To achieve the predicted increase in horticultural trade (i.e. R90 billion by 2030), new markets must be accessed and, existing ones must be retained and optimised. The department's work and effort around negotiating, finalising and complying with import requirements is key in achieving these expanded trade goals. In collaboration with the South African fruit industry, various domestic fora were maintained, to coordinate market access of various fruit commodities into nine priority countries (including China, Japan, Thailand, India and European Union). The main focus of these fora is to negotiate fair and scientifically informed market access conditions.

In July 2020, following extensive negotiations, the department concluded a detailed work plan for the exportation of South African citrus fruit to the Philippines. The Philippine market presents an export potential of 20 000 tonnes of citrus and exports earnings close to R205 million. In 2021, 65471 cartons of citrus were already exported to Philippines.

Work towards improvement of market access conditions also continued and, in this reporting period, market access for SA lemon to China, under ideal temperature conditions, has been concluded. The final in-person signature of the revised protocol, as preferred by the trading partner, has been delayed



due to COVID-19 related travel restrictions. With local lemon production expected to grow by 175 000 metric tonnes by 2024, the finalisation of the revised protocol means that China will now become a critical new market for this growth and will secure R325 million in new export revenue and secure 800 jobs in the industry.

Similarly, the protocol for exportation of pears to China has been concluded but awaits the final signature, which has been delayed for similar reason as stated in the preceding section.

### **Land access through redistribution**

During the year under review, we have been able to acquire 22 364 hectares through the pro-active land acquisition strategy, assisting farmers with access to land by allocating to 97 farmers, of which 34 (35%) are female and 32 (33%) are youth.

The State land release announced by the president has managed release 55 167 hectares, to assist over 39 farmers and communities.

Farmworkers' security of tenure has also been attended to, were 7 127 hectares are acquired for the security of tenure for farm dwellers and labour tenants, of which 4 337 is through Labour Tenants Act and 2 790 is through the Extension of Security of Tenure Act. Working with the Special Master, we finalised 196 labour tenant applications.

### **Rural Development**

As part of a revised National Integrated Rural Development Strategy, the department is currently adopting an intergovernmental approach and is re-strategising on how to optimally utilise existing government programmes and other funding to unlock economic opportunities in the various rural districts. The revised National Integrated Rural Development Strategy is aligned to the central thrusts proposed in Chapter 6 of the National Development Plan and provides the basis to optimise South Africa's "demographic dividend", by expanding the educational and skills development opportunities available to rural residents, to enhance their employability and entrepreneurial capability and to promote job creation in rural areas. Specific objectives include:

- linking emerging rural producers (especially women and youth) of farm and non-farm products to markets and appropriate value chains, through the development of the Agriculture and Agro-Processing Master Plan (AAMP) and the implementation of Farmer Production Support Units (FPSUs);
- facilitating business development services for rural enterprises through programmes such as the Comprehensive Agricultural Support Programme (CASP); and
- Assisting rural women, people with disabilities and youth through targeted capacity building and enterprise development support and actively promoting a procurement policy that favours women and youth.

In the last year, several consultations took place within government, through the South African Local Government Association network and via multi-stakeholder policy platforms, coordinated by civil society, on how to effectively implement these objectives over the MTSF period and beyond, in support of Vision 2030.

### **Rural infrastructure projects**

During the 2020/2021 financial year, the department supported 15 FPSUs with different infrastructure projects. The following FPSUs were supported:

- Free State (3) – Odendaalrus, Springfontein and Kroonstad;
- KwaZulu-Natal (5) – Pomoroy, Malenge, Mkhuphula, Manyiseni and Hluhluwe;
- Limpopo (2) – Vleischboom and Masalal;
- Mpumalanga (3) – Sybrandskraal, Mkhuhlu and Kameelrivier;
- North West (1) – Taung; and
- Western Cape (1) – Ebenheser.





A total of 64 infrastructure projects to support production (AVMP and RVCP) and socio-economic activities were also implemented. The department created 800 rural jobs and provided skills development opportunities to 1 926 NARYSEC Youth.

The department, in the past year, implemented the Rural ICT programme and, will continue to provide ICT infrastructure and internet connectivity through the ICT centres that are available throughout the country.

Access to reliable and good quality water means that people have more livelihood opportunities; families can plant better vegetables and eat healthier. In line with this, research was conducted by the department, in partnership with the Council for Scientific and Industrial Research (CSIR), to look at the technological innovations that could be used to improve water yield and water quality from springs, so as to prolong the lifespan of such springs, and to ensure that appropriate infrastructure is provided to protect these springs. This led to the implementation of the Mt Fletcher Spring Water Harvesting, Protection, Development, and Reticulation research project, which was completed in July 2020 in the Fairview villages of the Joe Gqabi District Municipality in the Eastern Cape, where villages such as Ntatyana, Lenge, Esidwabeni, Mathole and Lusibini have benefitted from it.

### **NARYSEC**

The NARYSEC programme had an annual target of 1 916 for the 2020/21 reporting period. The programme had a total achievement of 1 926.

#### ***District Development Model:***

In December 2019, 1 001 youth from the OR Tambo & Waterberg Districts and eThekweni Metro were recruited into the NARYSEC programme, as the DALRRD's contribution towards the District Development Model (DDM).

A total of 644 youth was selected to be trained in agricultural related learning programmes spanning across a range of commodities such as beef, dairy, maize, piggery, poultry, vegetables and others. Agricultural training was implemented in partnership with the Agricultural Research Centre (ARC) and came to completion in April 2021. Of the 644 youth, 554 successfully completed all learning interventions.

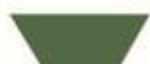
A total of 319 DDM youth was selected to do non-agricultural training. Of these, 53 youth in Limpopo have completed training in Small Business Management, Environmental Waste Management and Accommodation & Operations Services.

The Waterberg District Municipality; Department of Environmental Affairs; Lephalale, Bela-Bela, Modimolle Mookgopong and Thabazimbi Local Municipalities; have committed to provide opportunities to these youth in either further learning, employment or enterprise development. Youth are currently being placed according to confirmed opportunities. A further 100 of these 319 youth, from KwaZulu-Natal and Eastern Cape, have been absorbed into an exit opportunity with the Wholesale and Retail SETA, where funds have been allocated by the SETA for training and towards start-up capital for the youth to start businesses upon completion of training. Business start-ups will be aligned to viable plans which have been developed by the youth during training, with guidance and mentorship by the WRSETA.

A total of 98 youth from KZN and EC have started their training in Environmental Waste Management & New Venture Creation. King Sabata Dalindyebo District Municipality has provided business opportunities for these youth in waste management & recycling and they will be absorbed into their waste management unit. The KZN youth are being provided with the same opportunity by the eThekweni Metro Municipality.

#### ***Rural youth trained in agriculture:***

Since 2010, a total of 4 071 youth were trained in agricultural related learning programmes through the NARYSEC Programme in various provinces. Of these youth, 3 909 have completed training, and 162 are currently engaged in training in various Technical and Vocational Education and Training (TVET)



colleges and are expected to finish by December 2021. Areas of focus in agriculture have been in agribusiness, agricultural equipment service and repair, animal production, plant production, poultry production, mixed farming systems, gardening and horticulture and landscaping. Capacitation in agricultural sub-sectors include food and beverage packaging, fruit packaging and grading, meat processing, fresh meat processing, and food and beverage services.

### **Youth in business, employment or further studies:**

A total of 1 434 former NARYSEC youth and agricultural graduates were employed by the department on a three-month contract, to assist farmers with applications for PESI funding, as part of the department's COVID-19 interventions. This initiative was rolled out into a second phase, whereby 1 209 of these youth had their contracts extended for another 12 months. There are currently 1 130 of these youth who are still active in the PESI initiative.

To date, a total of 1 515 participants have either started their own business, secured employment or studied further. The table below provides a breakdown per province:

Province	Youth Enterprises in	Youth Employment in	Youth Afforded Further Studies	Total
Eastern Cape	20	41	0	61
Free State	45	89	0	134
Gauteng	60	117	25	202
KwaZulu-Natal	23	107	21	151
Limpopo	77	109	0	186
Mpumalanga	43	148	0	191
North West	37	63	16	116
Northern Cape	61	42	25	128
Western Cape	39	307	0	346
<b>Total</b>	<b>405</b>	<b>1 023</b>	<b>87</b>	<b>1 515</b>

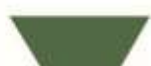
### **Biosecurity challenges**

The opening of international markets in 1994 led to increased exports and imports of agricultural products, as well as increased movement of goods and people, which, in turn, led to the necessity for increased vigilance for possible introductions of animal and plant pests and diseases. The emergence and establishment of plant pest and diseases has the potential to devastate agricultural production. The onset of the global COVID-19 epidemic and the associated restrictions on the movement of people have also impacted on our ability to undertake surveillance actions across the country, in particular during the first quarter of 2020/ 21 and to conduct preclearance inspections or host auditors for preclearance inspections, as required by the agreed export protocol. We are indeed happy that most of our trading partners agreed to interim arrangements for these preclearance inspections.

In 2020/21, the key focus was on the surveillance of the exotic fruit flies such as the Oriental fruit fly (*Bactrocera dorsalis*); citrus greening virus and Banana Bunchy Top Virus (BBTV), which are important quarantine pests for the country and can affect primary production and market access for implicated fruit and production areas. The surveillance outcome of *Bactrocera* does not immediately signal major changes in occurrence and incidence, and none of the vectors involved in citrus greening (Asian strain) were detected in surveillance traps. The situation around the spread of BBTV in KZN is concerning and will remain a key focus of the department.

### **Approval of COVID-19 vaccines**

With the global COVID-19 epidemic, South Africa, as many other countries, had to approve vaccines against COVID-19. Since most of the current COVID-19 vaccines are generated through genetic modification, their use and authorisation in South Africa is subject to the Genetically Modified Organisms



Act, (GMO) 1997 (as amended in 2006). The department has, in collaboration with the South African Health Products Regulatory Authority, approved three COVID-19 vaccines for trial release and commercialisation, as appropriate. The availability of these vaccines contributed to South Africa's ability to minimise serious disease development due to COVID-19 infections.

### **Legislative programme**

The following Bills were introduced to Parliament during the year under review:

1. The Upgrading of Land Tenure Rights Amendment Bill, 2020. (Introduced on 6 May 2020). The Bill sought to:
  - amend the Upgrading of Land Tenure Rights Act, 1991 (Act No. 112 of 1991);
  - provide for the application for conversion of land tenure rights to ownership;
  - provide for the notice of intention to convert tenure rights into ownership;
  - provide for an opportunity for interested persons to object to conversion of tenure rights into ownership;
  - provide for the institution of enquiries to assist in the determination of land tenure rights;
  - provide for equality in the conversion of tenure rights into ownership; and
  - provide for the recognition of conversions that took effect in good faith in the past; and to provide for matters connected therewith.

The Bill was signed into law on 1 June 2021.

2. Sectional Titles Amendment Bill, 2021. (introduced on 2/11/2020) The Bill seeks to introduce technical amendments.
3. Agricultural Produce Agents Amendment Bill, 2021. (Introduced on 26/11/2020) The Bill seeks to, among others:
  - amend the Agriculture Produce Agents Act so as to alter certain definitions and to insert others;
  - change the constitution of the council;
  - apply certain provisions to fresh produce agents only;
  - provide for the extension of the jurisdiction of the council, to enhance the regulating powers of the council;
  - provide for transitional matters; and
  - provide for matters connected therewith.

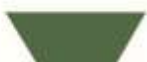
I highlight these initiatives because they form part of the extraordinary measures the department undertook, to mitigate against the impact of the pandemic on the agricultural sector and, to ensure food security and the retention of jobs.

Through our programmes, we have continued to play a leading role in the sector, creating a sound legislative environment, providing policy direction, and appropriate frameworks, to ensure the strategic positioning of the agriculture and agro-processing value chain.

Certain adjustments are inevitable in the face of the pandemic. We have had to replace physical meetings with our stakeholders, with webinars and Zoom & Microsoft Teams meetings. Where possible, within the provisions of the regulations concerning gatherings and social distancing, we went out to meet and engage our stakeholders face to face, to resolve challenges as they arose.

Finally, I want to acknowledge the efforts made by all staff members, our entities, partners, and the broader community of stakeholders and the sector at large. Our achievements and progress in the past year are due, in no small measure, to their resourcefulness, patience, flexibility and willingness to adapt to a new environment.

  
**MS A.T. DIDIZA (MP)**  
**MINISTER OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT**  
**DATE: 30 SEPTEMBER 2021**





**Mr M Ramasodi**  
**Acting Director-General**

## 4. REPORT OF THE ACCOUNTING OFFICER

### Overview of the operations of the department:

The 2020/2021 Annual Report marks the first annual report of the Department of Agriculture, Land Reform and Rural Development (DALRRD) since the merger of the Department of Rural Development and Land Reform and the agriculture component of the erstwhile Department of Agriculture, Forestry and Fisheries. The DALRRD has received an unqualified audit opinion with matters of emphasis, which will be the focus of the improvement plan.

This Annual Report is divided into five parts, namely:

Part A – focuses on the strategic overview, the legislative mandate and policy frameworks for the sector.  
Part B – reflects on the performance information and gives a wall-to-wall reflection of performance at programme level.

Part C – focuses on the governance within the department, reflecting on the institutional mechanisms, structures and frameworks that are regulating and guiding the department.

Part D – gives an account of human resources management within the department; and

Part E – captures the high-level reflections of the report of the auditor-general and the annual financial statements.

The year under reporting has been tumultuous due to COVID-19 and its control measures. Due to organisational realities under COVID-19, the department submitted two sets of annual performance plans, which made reporting challenging. Our challenges were also reflected in the management of COVID-19, as 401 employees of the department tested positive for COVID-19 and, unfortunately, 16 succumbed to this disease. We mourn the loss of our colleagues but equally honour the contribution that they have made to advance the aspirations of South Africa and her people.

COVID-19 has also shown the brittle nature of our food system and the need to build resilient food systems. These future-proofed systems will have to factor in the challenges that continue to plague our sectors; inclusive of climate change, rural-urban migration and land hunger. At the onset of COVID-19, the government instituted control measures, aimed at insulating the agricultural sector and ensuring food security. The food security intervention targeted domestic agriculture, to avoid exposing the most vulnerable of our population to food crisis. The government collaborated with sector stakeholders to protect the security of food supply within the country and in the region, whilst ensuring export of agricultural commodities.

In 2020, despite drought experienced in some districts in the country and outbreak of livestock and plant pests and diseases, the South African agricultural production grew by 13.1% year-on-year. Bumper grain crops and good exports of the fresh fruits drove this growth. Such growth is commendable as relatively during the same period, there was a 7% contraction in the country's economy. Sustaining this growth requires us to leverage technology and making agriculture attractive and market centred.



Pivotal interventions in moving sustainable growth of this sector include the cogeneration of masterplans and social compacting with sector stakeholders. In the reporting period, the drafting of the Agriculture and Agro-processing, and the Cannabis Master Plans was initiated, whilst the department and its entities were pivotal in the finalisation and implementation of the Sugar and Poultry Master Plans. These master plans are important for sustainable transformation of the sector, through massive increase in production of strategic commodities and building agro-processing capacity.

During this period, focusing on the legislative review process, the Upgrading of Land Tenure Rights Amendment Bill, Sectional Title Amendment Bill and the Agriculture Produce Agents Amendment Bill were processed through parliamentary engagements. In strengthening the policy space, the Cabinet approved the Land Allocation and Beneficiary Selection Policy and Land Donations Policy. Furthermore, the Inter-Ministerial Committee on Land Reform processed the Land Tenure Reform Policy Framework and the Communal Land Tenure Government Policy Position Paper.

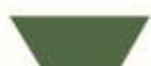
Biosecurity and effective disaster risk reduction in the country has proved once again, to be a vital cog in promoting productivity and competitiveness of our sector. The report reflects on the strategic and regulatory interventions facilitating safe production and trade. Good progress was made in the implementation of Climate Change Adaptation and Mitigation Plan (CCAMP), as a deposition to realise the country's commitments towards the Paris Agreement.

Food security and agrarian reform and land reform programmes were the hardest hit by COVID-19, as most of the deliverables are time bound and would require contact sessions to garner stakeholder mandate for programmes, projects and land restitution and redistribution. Despite these challenges, there were good performances, as 314 land claims were settled, mainly due to agility in budget reprioritisation in the midst of the current disaster. The department also acquired 7 172,5 ha for farm dwellers and labour tenants. The implementation of the COVID-19 Relief Fund and the Presidential Employment Stimulus Initiatives were implemented to a tune of just over R1 billion, which was a good injection for food security and agribusinesses, especially for women and youth.

In building towards fully functional AgriParks, infrastructure support was extended to 15 Farmer Production Support Units. This infrastructure forms the axis for addressing market access for rural farmers. In terms of skills development in the sector, the NARYSEC programme continues to have good performance. However, the focus has to shift towards building sustainable businesses and employment for these youth. Part of the green shoots lie in the number of markets that the department has been able to open during the reporting period and the Africa Continental Free Trade Area, which stands to boost intra-Africa trade.

The department continued to render services in proving geospatial information, cadastral surveys, deeds registration and spatial planning, in addition to technical services in support of sustainable land development.

In building a capable, ethical and developmental state, the merging of the department continued, with the placement of the employees in accordance with the National Macro Organisation of Government prescripts. The department is working towards a fit-for-purpose structure, which is expected to improve the agility of the department to deliver services properly. The department is also making good strides in ensuring that payment of invoices is within the prescribed 30-day period.



## Overview of the financial results of the department:

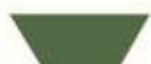
### Departmental receipts

Departmental receipts	2020/21		
	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000
Sales of goods and services other than capital assets	194 600	228 822	(34 222)
Transfers received	0	22	(22)
Fines, penalties and forfeits	20	1	19
Interest, dividends and rent on land	36 185	18 806	17 379
Sale of capital assets	0	0	0
Financial transactions in assets and liabilities	26 250	12 838	13 412
<b>Total</b>	<b>257 055</b>	<b>260 489</b>	<b>(3 434)</b>

The department collected more than what was estimated. The overcollection on actual against estimate is R3,4 million. The increase in actual collection is mainly due to more money collected on the sales of goods and services.

### Programme Expenditure

Programme	Adjusted Appropriation	Virement	Final Appropriation	Actual Expenditure	Variance	% Spent
	R'000	R'000	R'000	R'000	R'000	%
Administration	2,817,077	302,572	3,119,649	3,119,503	146	100%
Agricultural Production, Health, Food Safety, Natural Resources and Disaster Management	2,960,049	(4,751)	2,955,298	2,828,021	127,277	95.7%
Food Security, Land Reform and Restitution	6,986,096	(218,831)	6,767,265	5,915,425	851,840	87.4%
Rural Development	770,405	(45,279)	725,126	715,087	10,039	98.6%
Economic Development, Trade and Marketing	656,900	(1,541)	655,359	538,049	117,310	82.1%
Land Administration	1,057,086	(32,170)	1,024,916	976,946	47,970	95.3%
<b>TOTAL</b>	<b>15,247,613</b>	<b>-</b>	<b>15,247,613</b>	<b>14,093,031</b>	<b>1,154,582</b>	<b>92.4%</b>



Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	% Spent
	R'000	R'000	R'000	R'000	R'000	R'000	%
Current payments	7 816 104	859 577	(44 650)	8 631 031	7 500 202	1 130 829	86.9%
Compensation of employees	4 119 991	1	-	4 119 992	3 753 613	366 379	91.1%
Goods and services	3 691 560	859 118	(47 219)	4 503 459	3 739 009	764 450	83.0%
Interest and rent on land	4 553	458	2 569	7 580	7 580	-	100%
Transfers and subsidies	6 738 730	(1 038 349)	-	5 700 381	5 679 039	21 342	99.6%
Provinces and municipalities	1 790 364	82 642	-	1 873 006	1 866 384	6 622	99.6%
Departmental agencies and accounts	2 231 517	-	-	2 231 517	2 231 348	169	100%
Foreign governments and international organisations	43 886	-	-	43 886	29 338	14 548	66.9%
Public corporations and private enterprises	14 002	-	-	14 002	14 000	2	100%
Non-profit institutions	4 035	-	-	4 035	4 035	-	100%
Households	2 654 926	(1 120 991)	-	1 533 935	1 533 934	1	100%
Payments for capital assets	692 779	178 772	44 650	916 201	909 348	6 853	99.3%
Buildings and other fixed structures	606 879	173 543	13 769	794 191	787 444	6 747	99.2%
Machinery and equipment	64 259	(1 387)	30 881	93 753	93 647	106	99.9%
Heritage assets	16 334	(16 334)	-	-	-	-	*
Biological assets	-	96	-	96	96	-	100%



Land and sub-soil assets	-	27 191	-	27 191	27 191	-	100%
Software and other intangible assets	5 307	(4 337)	-	970	970	-	100%
Payment for financial assets	-	-	-	-	4 442	(4 442)	*
<b>Total</b>	<b>15 247 613</b>	<b>-</b>	<b>-</b>	<b>15 247 613</b>	<b>14 093 031</b>	<b>1 154 582</b>	<b>92.4%</b>

In terms of the budget allocated for 2020/21, the department spent R14,093 billion or 92,4% of the final appropriation of R15,248 billion, leaving the total of unspent funds at R1,155 billion. Unspent funds on the compensation of employee's allocation were due to vacant posts, while goods and services' allocation was for funds earmarked for the Presidential Employment Stimulus Initiative (PESI).

PESI funds approval by National Treasury occurred in September 2020. Prior to the implementation of the programme, the department had to put systems in place intended to avoid audit findings by the Auditor-General South Africa (AGSA) in relation to non-compliance with legislation. Vodacom was appointed to develop a system for application and issuing of vouchers that was completed on 10 March 2021, which resulted in late implementation and spending of the allocated funds. The system enhancement was for preventative control in governing the application process, approval, issuing of vouchers and payment processes.

#### **Virements/rollovers**

Unspent funds were shifted from the following programmes: Programme 2: Agricultural Production, Health, Food Safety, Natural Resources and Disaster Management (R4,8 million); Programme 3: Food Security, Land Reform and Restitution (R218,8 million); Programme 4: Rural Development (R45,3 million); Programme 5: Economic Development, Trade and Marketing (R1,5 million); and Programme 6: Land Administration (R32,2 million).

The total unspent funds within these abovementioned programmes were shifted to Compensation of Employees (R125,4 million), Goods and Services (R110,9 million), Payment of Capital Assets (R59,5 million), Transfers and subsidies (R4,2 million) and Interest (R2,6 million) items within Programme 1: Administration to cater for the shortfalls regarding salaries and wages, office accommodation charges, bulk procurement of computers, leave gratuities and interest charged on office accommodation invoices, respectively.

#### **Rollovers**

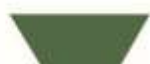
The department requested National Treasury to grant approval for a rollover of unspent Presidential Employment Stimulus Initiative (PESI) earmarked funds amounting to R757 million from goods and services economic classification from 2020/21 to 2021/22. These funds are to accommodate approved applicants before 31 March 2021, but vouchers were not issued by Vodacom before end of financial year. Furthermore, to accommodate applicants excluded in previous advertisement such as males and others due to mandatory requirements set by department. Presidential Employment Stimulus Initiative (PESI) programme rollover funds are to support additional households to produce their own food and relieve the current pressure on the State because of high unemployment levels.

#### **Irregular expenditure**

Cases of Irregular expenditure has increased by R31,599 million (18.34%) in the 2020/21 financial year. The merged department had a combined figure of R172,293 as both former departments of DAFF and DRDLR had historic cases which were not cleared before the merger. Most of these cases were due to contravention of SCM process by both departments.

#### **Fruitless/wasteful expenditure**

Cases of Fruitless and wasteful expenditure has increased by R10,909 million (32.43%) in the 2020/21 financial year. The merged department had a combined figure of R33,639 million as both former departments of DAFF and DRDLR had historic cases which were not cleared before the merger. The





majority of these cases were as a result of training not attended and payment for the mobile clinics that were not delivered.

### **Mitigation plan**

The department has established and capacitated the Directorate: Internal Control to ensure that sound internal controls are in place to curb the cases of unauthorised, irregular, fruitless and wasteful expenditure.

### **Public-private partnerships**

Public-private Partnership (PPP) is defined as a contract between a public sector institution/municipality and a private party, in which the private party assumes substantial financial, technical and operational risk in the design, financing, building and operation of a project.

Summary of Public-private Partnership

PPP is between DALRRD and Tshala Bese Uyavuna Consortium

The status of PPP

The DALRRD has registered a PPP project with National Treasury and prepared the feasibility study comprising of needs analysis, option analysis, project's due diligence, value assessment, economic valuation and procurement plan which were also submitted to National Treasury.

In line with the PPP manual, the department further obtained the following approvals:

Treasury Approval I: Design Procurement Processes

Treasury Approval IIA: Pre-qualification of parties, Issuing of RFP, receive bids, compare bids with feasibility study, select preferred bidder and prepare value for money report

Treasury Approval IIB: Negotiations with the preferred bidder

Treasury Approval III: Approval to sign the PPP agreement (approval granted by National Treasury in May 2017)

The department has signed the PPP agreement with the private party on 03 November 2020. The financial close was reached in February 2021. Currently, the contractor is on site busy with construction of the office accommodation.

PPP project plan

- a) The PPP building will accommodate all Pretoria based offices including the Gauteng: PSSC, National Office, Deeds, Restitution, Plant Production and Inspection Services.
- b) The building will have 82 434 m<sup>2</sup>, 1 124 parking bays and will accommodate 2 400 staff members
- c) The building will be fully serviced which will include the provision of the following services by private party:
  - Printing services
  - Cleaning services
  - Catering services
  - Maintenance services
  - Furniture
- d) Note: The private party will operate the building for a period of 25 years and thereafter the building becomes state property.

New or proposed key activities

Report on producers registered on Producer/Farmer Register will be released during 2021/22. Implementation of shareholder compact agreements with public entities will be implemented during the financial period of 2021/22.

Events after the reporting date

Redeeming of vouchers for PESI supported successful applicants is continuing within the first quarter of 2021/22.

### **Conclusion**

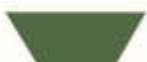
In closing, I would like to pass my sincere gratitude to the minister, deputy ministers and the chairpersons and committee members of the parliamentary committees, for the continued guidance and support. I appreciate our sector stakeholders who have been excellent partners in managing this



multifarious sector under very complex macro environmental conditions. I would also like to express my appreciation to the chief executives and staff of the public entities, for their contribution to this critical sector. Finally, I wish to thank our departmental management team and all departmental staff members, for their dedication and efforts in contributing towards meeting our objectives and commitments to the people of South Africa.



**Mr M Ramasodi**  
**Acting Accounting Officer**  
**Department of Agriculture, Land Reform and Rural Development**  
**Date: 22 September 2021**



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

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

All information and amounts disclosed throughout this Annual Report are consistent.

The Annual Report is complete, accurate and is free from any omissions.

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 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 resource information and the Annual Financial Statements.

The external auditors were engaged to express an independent opinion on the Annual Financial Statements.

In my opinion, this Annual Report fairly reflects the operations, performance and human resource information, and the financial affairs of the department, for the financial year that ended on 31 March 2021.



Yours faithfully

**Mr M Ramasodi**

**Accounting Officer**

**Department of Agriculture, Land Reform and Rural Development**

**Date: 29 September 2021**



## 6. STRATEGIC OVERVIEW

### Vision

Equitable access to land, integrated rural development, sustainable agriculture and food security for all

### Mission

To accelerate land reform, catalyse rural development and improve agricultural production to stimulate economic development and food security through:

- transformed land ownership patterns
- agrarian reform
- implementation of an effective land administration system
- sustainable livelihoods
- innovative sustainable agriculture
- promotion of access to opportunities for youth, women and other vulnerable groups
- integrated rural development

### Values

1. Courtesy and compassion
2. Effective communication and transparency
3. People-centred service standards
4. Professionalism and accountability
5. Respect and integrity (ethics and honesty)

## 7. LEGISLATIVE AND OTHER MANDATES

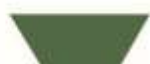
The Department of Agriculture, Land Reform and Rural Development's legislative and policy mandates are informed by national, provincial and local legislations and policies. The legislations and policies can be concurrent or apply to one level.

### Legislative mandates

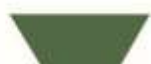
The legislative mandate which informs the operations of the department is drawn from, amongst others, the following legislations:

#### *Legislation and purpose*

Act, number and year	Purpose
Agricultural Debt Management Act, 2001 (Act No. 45 of 2001)	Provides for the establishment of the Agricultural Debt Account and the use of the account as a mechanism to manage agricultural debt repayment.
Agriculture Laws Extension Act, 1996 (Act No. 87 of 1996)	Provides for the extension of the application of certain laws relating to agricultural matters to certain territories, which form part of the national territory of the Republic of South Africa; the repeal of certain laws which apply in those territories; and for matters connected therewith.
Agricultural Law Rationalisation Act, 1998 (Act No. 72 of 1998)	Provides for the rationalisation of certain laws relating to agricultural affairs that remained in force in various areas of the national territory of the Republic prior to the commencement of the Constitution of the Republic of South Africa.
Agricultural Pests Act, 1983 (Act No. 36 of 1983)	Provides for measures by which agricultural pests may be prevented and combated.
Agricultural Produce Agents Act, 1992 (Act No. 12 of 1992)	Provides for the establishment of an Agricultural Produce Agents Council and fidelity funds in respect of agricultural produce agents and for the control of certain activities of agricultural produce agents.
Agricultural Product Standards Act, 1990 (Act No. 119 of 1990)	Provides for the control over the sale and export of certain agricultural products; control over the sale of certain imported agricultural products; and control over other related products.
Agricultural Research Act, 1990 (Act No. 86 of 1990)	Provides for the establishment of a juristic person to deal with agricultural research; the determination of its objects, functions, powers and duties.
Animal Diseases Act, 1991 (Act No. 35 of 1984)	Provides for the control of animal diseases and parasites, and for measures to promote animal health.
Animal Identification Act, 2002 (Act No. 6 of 2002)	Provide the consolidation of the law relating to the identification of animals and incidental matters.
Animal Improvement Act, 1998 (Act No. 62 of 1998)	Provides for the breeding identification and utilisation of genetically superior animals to improve the production and performance of animals.
Animals Protection Act, 1962 (Act No. 71 of 1962)	Provides the consolidation and amendment of the law relating to the prevention of cruelty to animals.
Communal Property Associations Act, 1996 (Act No. 28 of 1996)	The Act makes provision for communities to form juristic persons, to be known as communal property associations, to acquire, hold and manage property on a basis agreed to by members of a community. This has to be done in terms of a written constitution.
Conservation of Agricultural Resources, 1983 (Act No. 43 of 1983)	Provides for control over the utilisation of the natural agricultural resources of the Republic to promote the conservation of the soil, water sources and vegetation and the combating of weeds and invader plants.
Deeds Registries Act, 1937 (Act No. 47 of 1937)	Provides for the provision for the administration of the land registration system and the registration of rights in land. Through the Office of the Chief Registrar of Deeds, the department is mandated to register title.



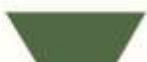
Act, number and year	Purpose
Extension of Security of tenure Act, 1997 (Act No.62 of 1997)	The Act makes provision for the facilitation of long-term security of land tenure, to regulate the conditions of residence on certain land and to regulate the conditions on and circumstances under which the right of persons to reside on land may be terminated.
Fencing Act, 1963 (Act No. 31 of 1963)	Provides for the consolidation of the laws relating to fences and the fencing of farms and other holdings and matters incidental thereto
Fertilizers, Farm Feeds Agricultural Remedies and Stock Remedies, 1947 (Act No. 36 of 1947)	Provides for the appointment of a Registrar of Fertilisers, Farm Feeds, Agricultural Remedies and Stock Remedies; the registration of fertilisers, farm feeds, agricultural remedies, stock remedies, sterilising plants and pest control operators; the regulation or prohibition of the importation, sale, acquisition, disposal or use of fertilisers, farm feeds, agricultural remedies and stock remedies; and the designation of technical advisers and analysts.
Genetically Modified Organisms, 1997 (Act No. 15 of 1997)	Provides for measures to promote the responsible development, production, use and application of genetically modified organisms, to provide for an adequate level of protection during all activities involving genetically modified organisms that may have an adverse impact on the conservation and sustainable use of biological diversity, human and animal health.
Groot Constantia Trust Act, 1993 (Act No. 58 of 1993)	Provides for the provision of the incorporation of the Groot Constantia Control Board as an association not for gain; for the transfer of the Groot Constantia Estate to the said association; and for matters connected therewith.
Interim Protection of Informal Land Rights Act, 1996 (Act No. 31 of 1996)	The Act makes provision for temporary protection of certain rights to and interests in land which are not otherwise adequately protected by law.
KwaZulu Cane Growers' Association Repeal Act, 2002 (Act No. 24 of 2002)	Provides for the repealing of the KwaZulu Cane Growers' Association Act, 1981 (Act No. 21 of 1981) and matters connected therewith.
KwaZulu-Natal Ingonyama Trust Act, 1994 (Act No. 3 of 1994)	The Act makes provision for establishment of the Ingonyama Trust and for certain land to be held in trust.
Land Reform: Provision of Land and Assistance Act, 1993 (Act No. 126 of 1993)	Provides for the designation of certain land, the regulation of the subdivision of such land and the settlement of persons on it. In addition, it provides for the acquisition, maintenance, planning, development, improvement and disposal of property and the provision of financial assistance for land reform purposes.
Land Reform (Labour Tenants) Act, 1996 (Act No. 3 of 1996)	Provides for the provision of security of tenure for labour tenants and those persons occupying or using land as a result of their association with labour tenants. It also makes provision for the acquisition of land and rights in land by labour tenants.
Land Survey Act, 1997 (Act No. 8 of 1997)	Provides for the regulation of the surveying of land in South Africa.
Liquor Products Act, 1989 (Act No. 60 of 1989)	Provides for control over the sale and production for sale of certain alcoholic products, the composition and properties of such products and the use of certain particulars in connection with the sale of such products; for the establishment of schemes; and for control over the import and export of certain alcoholic products.
Marketing of Agricultural Products Act, 1996 (Act No. 47 of 1996)	Provides for the authorisation of the establishment and enforcement of regulatory measures to intervene in the marketing of agricultural products, including the introduction of levies on agricultural products; and to establish a National Agricultural Marketing Council.
Meat Safety Act, 2000 (Act No. 40 of 2000)	Provides for measures promoting meat safety and the safety of animal products; to establish and maintain essential national standards in respect of abattoirs; to regulate the importation and



Act, number and year	Purpose
	exportation of meat; to establish meat safety schemes; and to provide for matters connected therewith.
Onderstepoort Biological Products Incorporation Act, 1999 (Act No. 19 of 1999)	Provides for the establishment of a company to manage the institution known as Onderstepoort Biological Products.
Performing Animals Protection Act, 1935 (Act No. 24 of 1935)	Provides for the regulation of the exhibition and training of performing animals and the use of dogs for safeguarding.
Perishable Products Export Control Act, 1983 (Act No. 9 of 1983)	Provides the control of perishable products intended for export from the Republic of South Africa.
Planning Profession Act, 2002 (Act No. 36 of 2002)	Provides for the establishment of the South African Council for Planners as a juristic person; provides for different categories of planners and the registration of planners; authorises the identification of areas of work for planners; recognises certain voluntary associations; protects the public from unethical planning practices; maintains a high standard of professional conduct and integrity; establishes disciplinary mechanisms and an appeal board; and provides for incidental matters.
Plant Breeders' Rights Act, 1976 (Act No. 15 of 1976)	Provides for a system under which plant breeders' rights relating to varieties of certain kinds of plants may be granted and registered; for the requirements which must be complied with for the granting of such rights; for the protection of such rights; and the granting of licences in respect of the exercise thereof.
Plant Improvement Act, 1976 (Act No. 53 of 1976)	Provides for the registration of premises from which the sale of certain plants or the cleansing, packing and sale of certain propagating material may be undertaken; prescribes the conditions subject to which such plants or propagating material may be sold for the purposes of cultivation.
Restitution of Land Rights Act, 1994 (Act No. 22 of 1994)	Provides for the provisioning of restitution of rights in land to persons or communities dispossessed of such rights after 19 June 1913 as a result of past racially discriminatory laws or practices. To administer this task, the Act provides for the establishment of a Commission on Restitution of Land Rights and a Land Claims Court, and for matters connected with land restitution.
Societies for the Prevention of Cruelty to Animals Act, 1993 (Act No. 169 of 1993)	Provides for control of societies for the prevention of cruelty to animals and for matters connected therewith.
State Land Disposal Act, 1961 (Act No. 48 of 1961)	The Act makes provision for the disposal of certain State land and to prohibit the acquisition of State land by prescription.
Subdivision of Agricultural Land Act, 1970 (Act No. 70 of 1970)	Provides the subdivision and, in connection therewith, the use of agricultural land.
Spatial Planning and Land Use Management Act (SPLUMA), 2013 (Act No. 16 of 2013)	Provides to bridge the racial divide in spatial terms and to enable transformation of the settlement patterns of this country in a manner that gives effect to the key constitutional provisions, by the introduction of a new approach to spatial planning and land use management, based on the following instruments: <ul style="list-style-type: none"> <li>▪ Development principles, norms and standards that must guide spatial planning, land use management and land development throughout the country by every sphere of government</li> <li>▪ Spatial development frameworks, to be prepared by national, provincial and local government</li> <li>▪ Municipal wall-to-wall Land Use Schemes to manage and facilitate land use and land development, and</li> <li>▪ Land development management procedures and structures.</li> </ul>

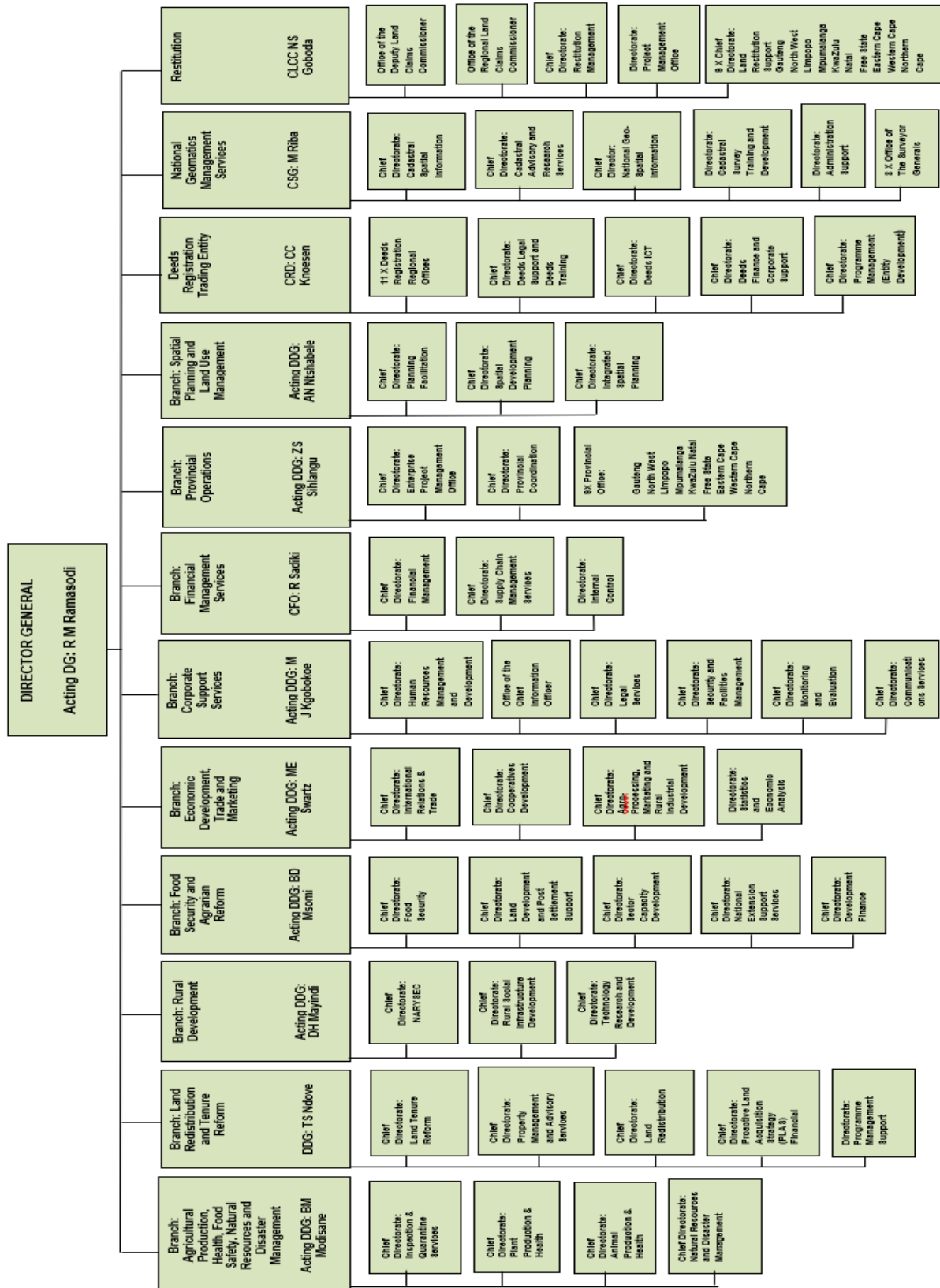


Act, number and year	Purpose
Transformation of Certain Rural Areas Act, 1998 (Act No. 94 of 1998)	The Act provides for the transfer of certain land to municipalities and certain other legal entities and for the removal of restrictions on the alienation of land.
Veterinary and Para-Veterinary Professions Act, 1982 (Act No.19 of 1982)	Provides for the establishment, powers and functions of the South African Veterinary Council.
Spatial Data Infrastructure Act, Act No. 54 of 2003	The act intends to establish the South African Spatial Data Infrastructure, the Committee for Spatial Information and an electronic metadata catalogue; to provide for the determination of standards and prescriptions with regard to the facilitation of the sharing of spatial information; to provide for the capture and publishing of metadata and the avoidance of duplication of such capture; and to provide for matters connected therewith.





## 8. ORGANISATIONAL STRUCTURE



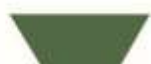
## 9. ENTITIES REPORTING TO THE MINISTER

The table below indicates the entities that report to the minister:

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
Agricultural Research Council (ARC)	Agricultural Research Act, 1990 (Act No. 86 of 1990)	Transfer payment	Conducts fundamental and applied research with partners to generate knowledge, develop human capital and foster innovation in agriculture through development and transfer of technology, and the dissemination and commercialisation of research results
National Agricultural Marketing Council (NAMC)	Marketing of Agricultural Products Act, 1996 (Act No. 47 of 1996)	Transfer payment	Provides strategic advice to the minister on all agricultural marketing issues, improves market efficiency and market access by all participants, optimises export earnings and improves the viability of the agricultural sector
Onderstepoort Biological Products (OBP)	Onderstepoort Biological Products Incorporation Act, 1999 (Act No.19 of 1999)	None	Prevents and controls animal diseases that have an impact on food security, human health and livelihoods. It aims to ensure financial viability to sustain the strategic capabilities in manufacturing veterinary vaccines
Perishable Products Export Control Board (PPECB)	Perishable Products Export Control Act, 1993 (Act No. 9 of 1983) Agricultural Product Standards Act, 1990 (Act No. 119 of 1990)	Transfer payment	Food Safety Services; Transformation and Development
KwaZulu-Natal Ingonyama Trust Board (ITB)	Established in 1994 by the erstwhile KwaZulu Government in terms of the KwaZulu Ingonyama Trust Act, 1994 (Act No. 3KZ of 1994) to hold all the land that was owned or belonged to the KwaZulu Government		Land and Tenure Management
Registration of Deeds Trading Account	The Registration of Deeds Trading	Augmentation of the entity's budget	The core operations are as follows:



	<p>Account is a trading entity established in terms of the Public Finance Management Act, Act, 1999 (Act No. 1 of 1999). Regulation 84 of the Act. Deeds Registries Act, 1937 (Act No. 47 of 1937)</p>		<p>Register land and real rights in land Maintain a public land register Provide registration information Maintain an archive of registered deeds and documents. Generates revenue by selling information and levying fees in accordance with the schedule of prescribed fees</p>
Office of the Valuer-General	<p>Statutory office; Schedule 3A Public Entity in terms of the Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999)</p>		<p>Property Valuations</p>
Commission on the Restitution of Land Rights	<p>Restitution of Land Rights Act, 1994 (Act No. 22 of 1994) Emerging from Section 25(7) of the Constitution, the Restitution of Land Rights Act, 1994 (Act No. 22 of 1994), as amended (“the Restitution Act”), was promulgated. The long title of the Restitution Act is “to provide for the restitution of rights in land to persons or communities dispossessed of such rights after 19 June 1913 as a result of past racially discriminatory laws or practices; to establish a CRLR and a Land Claims Court (LCC); and to provide for matters connected therewith”. The Restitution Act also empowers the Minister of Agriculture, Land Reform and Rural Development and the LCC to make awards to restitution claimants where he or she is satisfied that there is a valid</p>	<p>The Commission on Restitution of Land Rights “CRLR” still relies on the Department of Agriculture, Land Reform and Rural Development “DALRRD” in terms of the Budget allocation as part of Programme 3</p>	<p>To solicit, investigate and attempt to resolve land claims through negotiation and/or mediation, or otherwise refer the claim for adjudication to the Land Claims Court</p>



	restitution claim, by awarding to the claimant land, a portion of land or any other right in land, the payment of financial compensation, or an award of both land and financial compensation		
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Other Boards/Councils of Agriculture reporting to the minister

Board/Council	Legislative Mandate	Financial Relationship	Nature of Operations
Wine and Spirit Board	<p>Liquor Products Act, 1989 (Act 60 of 1989) and the Wine of Origin Scheme and Scheme for Integrated Production of Wine.</p> <p>Wine and Spirit Board is a juristic person and is established by Section 2 of the Liquor Products Act.</p> <p>Members of the Board are appointed by the Minister of Agriculture as contemplated in Section 2 of the Act.</p>	<p>None. (Activities of the Board are funded by the participants to these schemes).</p> <p>Section 2(11) and (12) of the Liquor Product Act regulates the funding of the Wine and Spirit Board:</p> <p>The board shall utilize its funds for the defrayal of the expenses incurred by the board in the performance of its functions.</p>	<p>The Wine and Spirit Board is a technical board that deals with the administration of the Wine of Origin Scheme and the Scheme for Integrated Production of Wine</p> <p>Objectives of the Scheme are:</p> <p>(a) to serve as a basis for the development of the distinctiveness and quality of wines.</p> <p>(b) to confirm the correctness of certain indications in connection with the origin of wine; and</p> <p>(c) to create confidence in such indications.</p>
Agricultural Produce Agents Council (APAC)	Section 2 of the Agricultural Produce Agent Act, 1992 (Act No. 12 of 1992)	None	To regulate the occupations of fresh produce, export and livestock agents and to maintain and enhance the status and dignity of those occupations and the integrity of persons practising those occupations.
South African Veterinary Council (SAVC)	Veterinary and Para-veterinary Professions Act, 1982 (Act No. 19 of 1982)	None. Funded by registrees	<ul style="list-style-type: none"> <li>To regulate the registration of persons practising veterinary professions and para-veterinary professions.</li> <li>To control the practicing of veterinary professions and</li> </ul>



			para-veterinary professions; and for matters connected therewith.
National Council of Societies for the Prevention of Cruelty to Animals	Societies for the Prevention of Cruelty to Animals Act, 1993 (Act No. 169 of 1993)	None. Funded from donations	<ul style="list-style-type: none"> <li>• To provide for the control of societies for the prevention of cruelty to animals.</li> <li>• To promote animal welfare and enforce the Animals Protection Act, 1962 (Act No. 71 of 1962).</li> </ul>



# PART B:

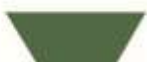
## Performance Information



## **PART B: PERFORMANCE INFORMATION**

### **1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES**

The audit conclusion on the performance against predetermined objectives has been included in the report to management, with no material findings identified on the usefulness and reliability of the reported performance information for selected programme. Please refer to page 194 of the Report of the Auditor-General, published in Part E: Financial Information.



## 2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

### Service delivery environment

In the period under review, the department had set aside a stimulus package valued at R400 000 million to support smallholder farmers/beneficiaries of the Proactive Land Acquisition Strategy (PLAS) farms during the National Lockdown. Employment and placement of young agricultural graduates to service 146 PLAS farms, which are spread across all nine provinces, was facilitated. These graduates were placed within the provincial shared service centres (PSSCs) in each province. The following key appointments were made: 19 agricultural advisors specialising in livestock; 18 agricultural advisors specialising in crop production and nine agricultural economists (one per province). A strategy for the employment of 10 000 extension practitioners has been developed and consulted with provincial departments of agriculture.

The department collaborated with the Japan International Cooperation Agency (JICA) on the implementation of the Smallholder Horticultural Empowerment and Promotion (SHEP) approach. The JICA has placed a SHEP advisor (Mr Shinji Abe) within DALRRD to assist with the implementation and rollout of the SHEP approach in South Africa. The JICA provided training on SHEP Planning and Management to one official from DALRRD (National Extension Support) from 9 to 13 November and 23 to 27 November 2020. DALRRD in collaboration with the JICA provided training on Market Oriented Agriculture to 19 extension practitioners, including all provincial extension coordinators from 1 to 5 February and 15 to 19 February 2021. DALRRD in conjunction with JICA, hosted an annual SHEP International Workshop on 5 March 2021, which was attended by over 600 participants from Africa and Asia. The seventh SHEP International Workshop was held online owing to COVID-19 restrictions. DALRRD received sponsorship from JICA of 120 tablets valued at R475 179,60 to assist with the SHEP approach implementation and reporting. Each tablet is worth R3 959,83. Tablets will be transferred to provinces for distribution to extension practitioners who are implementing the SHEP approach.

To mitigate the effect of COVID-19, smallholder and communal farmers received support in the form of specific agricultural inputs to enable them to complete the 2020 winter production cycle—a total of 15 681 applicants were funded to the value of R563 million. Farmers received vouchers up to a maximum of R50 000. Farmers on PLAS farms were supported in line with the business plans that had already been approved—a total amount of R400 million was spent to support no less than 100 farmers. A total R100 million was transferred to the Land Bank to assist farmers in distress as a result of the COVID-19 pandemic.

As at 31 March 2021, two Agri-Hubs were functional in Mpumalanga and four Agri-Hubs were partially operational: Nchora in the Eastern Cape; Springbokpan in North West; Witzenberg in the Western Cape and Mkhuhlu Agri-Hub in Mpumalanga. In addition, five Agri-Hubs were supported. With regard to investing in accelerated inclusive growth, 18 232 jobs were created through various initiatives; 384 youth and 405 women were placed in the jobs that were created in the period under review. The implementation framework and action plan of the Agriculture and Agro-processing Master Plan (AAMP) has been finalised and circulated to social partners for inputs. The AAMP communication strategy is currently being developed.

The draft KAROO Regional Spatial Development Framework (RSDF) situational and spatial analysis is available. The National Spatial Development Framework (NSDF) Implementation Charter has been developed.

South Africa experienced a brown locust outbreak. The first outbreak started in the Northern Cape in January 2020, after eight years of dormancy since 2012, and ended in July 2020. In September 2020, the second outbreak began – again in the Northern Cape because of the rain received in August and spread to the Karoo parts of the Eastern Cape and the Western Cape. Owing to strong north-eastern winds in December 2020, some of the adult swarms migrated from the Northern Cape to the Free State, where they were effectively controlled. The country had a challenge controlling these locust swarms that migrated from Namibia. These outbreaks were on grazing lands and they were controlled before they could reach the crop lands and planted pastures. The department had liaised with organised agriculture for nominations of people who were trained and appointed as locust control contractors. The contractors were provided with insecticides, spray pumps and protective clothing to enable them to control the outbreaks. The contractors were reimbursed for the days they controlled the locusts and for the kilometres they travelled during the control operation. A helicopter service provider was also





appointed to conduct aerial spraying in the outbreak areas that were not accessible to ground control teams.

### Drought relief

In March 2020, the Department of Cooperative Governance and Traditional Affairs, through the National Disaster Management Centre (NDMC), availed R138 489 000 for agricultural drought relief. Seven provinces, the Western Cape, Eastern Cape, Northern Cape, KwaZulu-Natal, North West, Limpopo and Mpumalanga received a share of this funding support, as illustrated in the following table:

Province	Municipality	Projects	Funding	Progress
Northern Cape	Namaqua Pixley ka Seme ZF Mgcawu	Fodder Fodder bank Removal of alien invasive trees (Prosopis)	R36 million	In progress. Lucerne planting to support the fodder bank pending
Western Cape	Eden Overberg Central Karoo West Coast Cape Winelands	Fodder	R25 million	Complete
Eastern Cape	OR Tambo Joe Gqabi Amathole Sarah Baartman Alfred Nzo Chris Hani	Fodder production and water infrastructure	R35 million	Complete
North West	Dr Ruth Segomotsi Mompoti Ngaka Modiri Molema	Equipping of boreholes	R8 million	Complete
Limpopo	Capricon Mopani Vhembe Waterberg Sekhukhune	Drilling and equipping of boreholes	R18,5 million	In progress
Mpumalanga	Bohlabela Gert Sibande Ehlanzeni Nkangala	Fodder bank establishment Drilling and equipping of boreholes Fodder	R12,5 million	Complete
KwaZulu-Natal	King Cetshwayo uMkhanyakude Harry Gwala uThukela Zululand	Desilting of dams	R4 million	Complete



## Service Delivery Improvement Plan

DALRRD did not have a Service Delivery Improvement Plan (SDIP) for the period under review, i.e. 2020/2021.

The primary reasons for the absence of an SDIP for the department were as follows:

- The merger of the former Department of Rural Development and Land Reform and the Department of Agriculture, Forestry and Fisheries with the ancillary issues and processes.
- The impact of the COVID-19 pandemic.
- The absence of information is indicated in the following table:

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
No information to report for the year under review: 2020/2021	No information to report for the year under review: 2020/2021	No information to report for the year under review: 2020/2021	No information to report for the year under review: 2020/2021	No information to report for the year under review: 2020/2021

### Batho Pele arrangements with beneficiaries (Consultation access, etc.)

Current/actual arrangements	Desired arrangements	Actual achievements
No exhibitions or outreach drives were conducted during the year under review (2020/2021) owing to the COVID-19 pandemic	No exhibitions or outreach drives were conducted during the year under review (2020/2021) owing to the COVID-19 pandemic	No exhibitions or outreach drives were conducted during the year under review (2020/2021) owing to the COVID-19 Pandemic

### Service delivery information tool

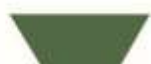
Current/actual information tools	Desired information tools	Actual achievements
No exhibitions or outreach drives were conducted during the year under review (2020/ 2021) owing to the COVID-19 pandemic	No exhibitions or outreach drives were conducted during the year under review (2020/2021) owing to the COVID-19 pandemic	No exhibitions or outreach drives were conducted during the year under review (2020/2021) owing to the COVID-19 pandemic

### Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
1. Enquiries are processed according to developed SOPs, however, the processing of enquiries is not standardised across the department	1. Enquiries management systems (IT systems) in place and functional (for both call centre enquiries in addition to other categories of enquiries)	1. SOPs have been developed through department-wide consultation processes
2. There is monthly performance reporting of enquiries a) At branch, provincial and district levels across the department (amount received, closed and outstanding), with an expectation that the senior management collective must take resolutions regarding the closure/resolution of outstanding enquiries	2. All categories of enquiries managed and accounted for from a single component in the department	2. Monthly departmental performance reporting is currently regularised across the department



Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
b) Submission of monthly performance reports (which include performance analysis and provision of recommendations) to chief directors, branch heads and director-general		
3. Coordinators have been appointed in branches and provinces to coordinate enquiries received in those components (though the location of this function and the level of functionaries in branches and provinces is not standardised), contributing to uneven performance across the branches and provinces	3. SOPs relating to the processing (receiving, registering, referring/responding, follow-ups, closure/resolution, service delivery diagnostics and nationalised progress/performance reporting) institutionalised through the department and deviations managed departmental performance management system	3. Enquiries management is currently institutionalised as a standing item on the agenda of all departmental decision-making structures
4. The processing of enquiries (registration, database management, accessing, storage, sifting and searches, etc.) is managed through make-shift systems (spreadsheets, emails, etc.) making information management unreliable, creating duplication of efforts (databases management, follow up processes, etc.) and generally exposing the department to a myriad of risks due to the lack of enquiries handling systems (IT systems)	4. Regularisation of closure/resolution rate of 90% across all categories of enquiries	4. A responsive, agile, and empathetic Service Delivery Model drafted and submitted for consideration (awaiting approval for implementation)
5. The DALRRD Enquiries Forum, a governance structure, meets three times a year to evaluate enquiries management implementation against norms and standards, capacity building, enhance processes and tools, etc.)	5. Leveraging the Fourth Industrial Revolution (4IR) and integrating digital platforms into the enquiries management processes and systems	5. Enquiries management system (Tswelopele – an IT system) developed though it is presently dysfunctional. Crucial steps are being taken to resuscitate it
	6. Organisational culture that values enquiries management as a strategic area that supports positive organisational image/identity, that serves as a diagnostic tool for service delivery improvements and mitigate against a wide spectrum of risks (reputational, financial, litigation, service delivery and financial).	6. Enquiries management institutionalised throughout the department as a standing item on branches and provincial decision-making structures.
	7. Service delivery model (structure) at national, branches and provincial	7. DALRRD Enquiries Management Forum, as a governance structure, has



Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
	levels that enable agile, responsive and Batho Pele inspired service delivery orientation in support of a developmental state	been institutionalised and is fully functional



## Organisational environment

The announcement of the reconfiguration of the department led to the merging of the agricultural functional area of the Department of Agriculture, Forestry and Fisheries with the Department of Rural Development and Land Reform (DRDLR) into one new department, the Department of Agriculture, Land Reform and Rural Development, under the leadership of Minister Thoko Didiza, the Deputy Minister of Land Reform, Mr Mcebisi Skwatsha and the Deputy Minister of Rural Development, Mr Sdumo Dlamini.

The implications of the merger were that the department would be managed under one administration and one Budget Vote, effective from 1 April 2020.

The organisational design of the start-up structure (Macro structure) for the new Department of Agriculture, Land Reform and Rural Development encapsulated the following:

- The alignment, reconciliation, rearrangement and consolidation of functions from the affected departments into the new functional organisational structure
- The new functional organisational structure clearly indicates purposes, functions and senior management levels of organisational units
- Funded posts as aligned to the PERSAL information from both departments was used (unfunded posts were removed from PERSAL)
- A reduced number of programmes
- An Alternative Placement Strategy for supernumerary posts to address critical functional areas in the new department will be applied.

In terms of regulation 25(2) (a) of the Public Service Regulations, 2016, the Minister of Public Service and Administration (MPSA) issued a letter of concurrence, dated 11 November 2019, for the start-up macro structure (SMS level) and issued another letter dated 11 December 2020 for the micro structure (level 12 and below) of DALRRD. The approved structure of DALRRD consists of 9 207 posts.

During the 2019/2020 financial year, the MPSA issued a letter dated 4 November 2020 regarding compliance and monitoring on implementation of the start-up organisational structure. Within the letter, the MPSA advised that when the department reviews the organisational structure to design a fit-for-purpose structure, it be based on the approved mandate of the new department, its strategic objectives, Service Delivery Model, quantifiable outputs and available funding.

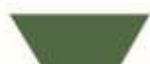
In view of the approval of the start-up organisational structure and concerns by the MPSA, DALRRD will embark on a fit-for-purpose structure aligned to the Strategic Plan, objectives, service delivery model and available budget once the migration process for the lower levels positions has been completed.



## Key policy developments

The following illustrate work undertaken regarding policies coordinated by the department during 2020/2021:

Name	Aim/purpose	Key impact	Progress on the policy
Communal Land Tenure Government Policy Position Paper	To establish a framework and institutions for democratic and inclusive communal land administration as guided by the Constitution	Enable legal provisions for the land rights holders within the customary tenure system who are currently holding insecure land rights to legally secured tenure forms of their choice	The National Policy Review Committee endorsed the policy position paper.  Cabinet approved the policy position paper for public consultation
Land Tenure Reform Policy Framework	Provide tenure policy reforms to formalise and integrate administration of South Africa's land mass	Establish legal provisions for a unitary land tenure system to institutionalise tenure rights within communal, /customary, urban, church, commercial and private land and state-owned land	The policy was approved by the National Policy Review Committee for tabling at EXCO
Land Donations Policy	Provide a framework to respond to the various forms and configurations in which land donations are made	Increase opportunities for land ownership among farm dwellers, labour tenants, small families and cooperative farmers, the landless in informal settlements, women, youth, and persons with disabilities	Approved by Cabinet and SOPs are developed to guide implementation
Land Allocation and Beneficiary Selection Policy	Provide for a uniform, fair, credible and transparent process and criteria for selection of beneficiaries for land allocation or leasing of State properties	Address diverse or different land needs for agricultural production, human settlements, commonage, residential and industrial development purposes	Approved by Cabinet and preparing DALRRD for implementation



## Legislative changes

### Bills introduced to Parliament

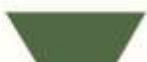
Name of Bill	Strategic focus
1. Upgrading of Land Tenure Rights Amendment Bill	<p>The Bill seeks to:</p> <ul style="list-style-type: none"> <li>• Amend the Upgrading of Land Tenure Rights Act, 1991 (Act No. 112 of 1991);</li> <li>• Provide for the application for conversion of land tenure rights to ownership;</li> <li>• Provide for the notice of intention to convert tenure rights into ownership;</li> <li>• Provide for an opportunity for interested persons to object to conversion of tenure rights into ownership;</li> <li>• Provide for the institution of enquiries to assist in the determination of land tenure rights;</li> <li>• Provide for equality in the conversion of tenure rights into ownership;</li> <li>• Provide for the recognition of conversions that took effect in good faith in the past; and to provide for matters connected therewith.</li> </ul>
2. Sectional Titles Amendment Bill	The Bill seeks to introduce technical amendments.
3. Agriculture Produce Agents Amendment Bill	<p>The Bill seeks to:</p> <ul style="list-style-type: none"> <li>• Amend the Agriculture Produce Agents Act so as to alter certain definitions and to insert others;</li> <li>• Change the constitution of the council;</li> <li>• Apply certain provisions to fresh produce agents only;</li> <li>• Make certain textual alteration;</li> <li>• Provide for the extension of the jurisdiction of the council, to enhance the regulating powers of the council;</li> <li>• Provide for transitional matters; and</li> <li>• Provide for matters connected therewith.</li> </ul>

### Bills to be introduced to parliament in 2021

Name of Bill	Strategic focus
1. Preservation and Development of Agricultural Land Bill	<p>The Bill seeks to provide for:</p> <ul style="list-style-type: none"> <li>• The application of the Act applies to all agricultural land within the Republic;</li> <li>• Principles for the management of agricultural land;</li> <li>• Agricultural land evaluation and classification;</li> <li>• the preparation, purpose and content of provincial agricultural sector plans;</li> <li>• The declaration of protected agricultural areas;</li> <li>• The general objectives of agro-ecosystem management, agro-ecosystem authorisations, the listing and delisting of activities or areas within the agro-ecosystems and the identification of competent authorities;</li> <li>• The establishment of committees and the appointment of technical and other advisors to advise the minister, MECs and competent authorities;</li> <li>• The establishment and management of the national agro-eco information system;</li> <li>• Appeal procedures;</li> <li>• The appointment and functions of inspectors;</li> <li>• The contravention directives and the investigation and gathering of data on property;</li> <li>• The delegation of powers;</li> </ul>



Name of Bill	Strategic focus
	<ul style="list-style-type: none"> <li>• The minister to make regulations and determine norms and standards;</li> <li>• Offences and penalties;</li> <li>• The Amendment of the Subdivision of Agricultural Land Repeal Act, 1998; and matters connected therewith.</li> </ul>
2. Plant Health (Phytosanitary) Bill	<p>The Bill seeks to:</p> <ul style="list-style-type: none"> <li>• Provide for Phytosanitary measures to prevent the introduction, establishment and spread of regulated pests in the Republic;</li> <li>• Provide for the control of regulated pests;</li> <li>• Provide for regulation of the movement of plants, plant products and other regulated articles into, within and out of the Republic;</li> <li>• Provide for matters connected therewith.</li> </ul>
3. Agricultural Products Standards Amendment Bill	<p>The Bill seeks to:</p> <ul style="list-style-type: none"> <li>• Amend the Agricultural Product Standards Act, 1990, so as to insert definitions and substitute others;</li> <li>• Provide for auditing of a product for management control systems;</li> <li>• Make provision for the setting of tariffs by assignees on cost-recovery basis;</li> <li>• Make further provisions for the Minister to make regulations pertaining to audit and management control systems; and to provide for matters connected therewith.</li> </ul>

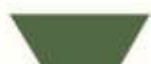




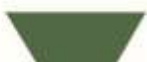
### 3. PROGRESS TOWARDS ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

The department is coordinating with and providing oversight to other sector partners that include provincial departments of agriculture (PDAs) for implementation of targets relevant to its mandate contributing toward the Medium-Term Strategic Framework 2019 – 2024. The following are some of the highlights achieved during the 2020/21 financial year under department coordination.

Outcome	Indicators	2021 Targets	Cumulative performance for period 1 April 2020 to March 2021
Investing in accelerated inclusive growth	Jobs created	14 980 jobs	<ul style="list-style-type: none"> <li>18 232 jobs were created through various initiatives.</li> <li>384 youth and 405 women placed in jobs that were created in the period under review.</li> <li>According to the Quarter 4 Labour Force Survey, Employment in Agriculture.</li> </ul>
Re-industrialisation of the economy and emergence of globally competitive sectors	AAMP developed and aligned to identified commodities per district	AAMP developed by March 2021	<ul style="list-style-type: none"> <li>The draft AAMP is at consultation stage.</li> <li>The implementation framework and action plan of the AAMP have been finalised and circulated to social partners for inputs. The AAMP communication strategy is currently being developed.</li> </ul>
Expand access to Post-Secondary Education and Training (PSET)	Number of extension officers supporting commodity groups	135 extension officers	<ul style="list-style-type: none"> <li>2 732 extension officers deployed.</li> <li>2 600 extension officers supported agriculture, communal and land reform projects.</li> <li>122 existing extension officers were capacitated.</li> <li>A strategy for the employment of 10 000 extension practitioners has been developed and consulted with PDAs.</li> </ul>
Shared national spatial vision and frames to support integration between sector departments, provinces and regions	NSDF Implementation Charter	NSDF Implementation charter by June 2021	<ul style="list-style-type: none"> <li>The framework for the Implementation Charter has been developed.</li> </ul>



Outcome	Indicators	2021 Targets	Cumulative performance for period 1 April 2020 to March 2021
Land administration system and regulatory framework review for land reform and agricultural produce and exports review for repealing, or amendment or revision or finalisation	<ul style="list-style-type: none"> <li>• Reviewed Ingonyama Trust Act, 1994 (Act No. 3 of 1994)</li> <li>• Communal Property Associations Act, 1996 (Act No. 28 of 1996)</li> <li>• Preservation and Development of Agriculture Land Framework Act.</li> <li>• Transformation of Certain Rural Areas Act, 1998 (Act No. 94 of 1998) and the Rural Areas Act.</li> </ul>	Report on the progress of legislative framework review and implementation, as well as land administration system development	<ul style="list-style-type: none"> <li>• Draft Communal Property Association Bill has been finalised;</li> <li>• Draft Preservation and Development of Agricultural Land Bill is in the parliamentary process;</li> <li>• The development of the consolidated analytical report on policies, legislation, and systems to inform the National Land Information Systems is in progress.</li> </ul>



## 4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

The department had two tabled Annual Performance Plans (APP) in the 2020/2021 financial year. The first APP was tabled in March 2020 and the revised APP was tabled in August 2020 to consider the implications of COVID-19. An addendum affecting some indicators and targets for programmes 2 and 3 was also tabled in November 2020. This report will reflect the state of performance against both tabled APPs for every programme in two separate tables in line with the guideline.

Table 2.4.4.1 contains performance of the first tabled APP in which state of progress, as it happened during Quarter 1, is reported against annual targets. It is important to state upfront that there will be variance against almost all the targets, precisely because the reported achievements are only for what was achieved in Quarter 1 measured against annual targets that were initially planned to be implemented over a period of four quarters.

Some of the Quarter 1 targets were achieved but will still have a variance when measured against annual targets, reasons for the variances are provided and key among them is the fact that the reported Quarter 1 achievements were realised against Quarter 1 targets that were planned and not the annual targets which are realisable for the duration of the financial year. To manage this misalignment so that the reported achievements can be fairly measured against the targets they were set, these targets are also reflected in expansion of the reasons for variance.

Table 2.4.4.2 reflects the performance realised against annual targets in the re-tabled APP. In this table, performance against all annual targets is reported for a period of three quarters, for which the re-tabled APP implementation was applicable. This means that in this table, the department reported the achievements realised from the second to the fourth quarter (three quarters) against planned annual targets.



## Programme 1: Administration

### Purpose

Provide strategic leadership, management and support services to the department.

### The programme comprises the following subprogrammes:

**Management:** Provide strategic leadership and governance.

**Financial Services:** Ensure prudent financial management.

**Risk Management:** Ensure all risks are managed/mitigated and identify new risks to the department. Institutional outcomes that each programme contributes towards according to the Annual Performance Plan:

Outcome 1: Improved governance and service excellence.

### Outcomes, outputs, output indicators, targets and actual achievements

The administration of the department continued to provide leadership in pursuing the transformation of the sector along with implementation of the National Development Plan 2030 through implementation and monitoring of the Human Resource Plan (HR Plan). Priorities focused on include elimination of duplication of functions and alignment of the organisational structure; development of the Talent Management Strategy and strengthening transformation capacity, among others.

The department worked hard during 2020/21 in strengthening the performance control environment to improve its accountability on the use of resources that are at its disposal. Strengthening oversight over PDAs and public entities is also an area that has been consistently attended to; to this end, the Sectoral Planning, Monitoring and Evaluation Working Group continued with its quarterly meetings to look at ways of providing institutional performance management guidance to the sector. Engagements were undertaken with all public entities and shareholder agreements have been developed and planned to be signed during 2021/22 to promote oversight and coordination on the work done by public entities. DALRRD is continuing to strengthen understanding with various service providers to ensure that a 100% payment of valid invoices within 30 days is achieved – a lot of hard work has been done to achieve 86% under very difficult COVID-19 circumstances.

**Table 2.4.4.1: Report against the originally tabled Annual Performance Plan until date of re-tabling**

Programme/subprogramme: Administration									
Outcome	Output	Output indicator	Audited actual performance 2018/2019	Audited actual performance 2019/2020	Planned actual target 2020/2021	*Actual achievement 2020/2021 until date of re-tabling	Deviation from planned target to actual achievement 2020/2021	Reasons for deviations	Reasons for revisions to the outputs/output indicators/annual targets
Outcome 1: Improved governance and service excellence	1.1 Improved audit outcomes	1.1.1 Unqualified audit opinion	DAFF: N/A DRDLR: Unqualified audit opinion	DAFF: Qualified audit opinion DRDLR: Unqualified audit opinion	Unqualified audit opinion	Unqualified audit opinion was not obtained	Unqualified audit opinion was not obtained	The audit outcome of 2019/20 was not concluded during the reporting period	N/A
Outcome 1: Improved governance and service excellence	1.2 Compliance with government legislation and prescripts	1.2.1 Percentage of valid invoices paid within 30 days upon receipt by the department	DAFF: N/A DRDLR: 96%	DAFF: 95% DRDLR: 95%	100%	65%	-35%	COVID-19 led to reduction in staff capacity as a result of staff rotation resulting in reduced	N/A



Programme/subprogramme: Administration									
Outcome	Output	Output indicator	Audited actual performance 2018/2019	Audited actual performance 2019/2020	Planned actual target 2020/2021	*Actual achievement 2020/2021 until date of re-tabling	Deviation from planned target to actual achievement 2020/2021	Reasons for deviations	Reasons for revisions to the outputs/output indicators/output annual targets
								number of workers, which negatively impacted normal operations	
Outcome 1: Improved governance and service excellence	1.3 Compliance to Performance Management Framework	1.3.1 Percentage compliance to Performance Management Framework	-	-	100%	0%	-100%	The planned target was affected by the Department of Public Service and Administration (DPSA) circular for Performance Agreements to be submitted end of August 2020	The indicator was removed as the department was still working on finalising placement of staff in their new roles in compliance to PSCBC Resolution 1 of 2019



**Table 2.4.4.2: Report against the re-tabled Annual Performance Plan**

Programme/Subprogramme: Administration								
Outcome	Output	Output indicator	Audited actual performance 2018/2019	Audited actual performance 2019/2020	Planned actual target 2020/2021	**Actual achievement 2020/2021	Deviation from planned target to actual achievement 2020/2021	Reasons for deviations
Outcome 1: Improved governance and service excellence	1.1 Improved audit outcomes	1.1.1 Unqualified audit opinion	DAFF: N/A DRDLR: Unqualified audit opinion	DAFF: Qualified audit opinion. DRDLR: Unqualified audit opinion	Unqualified audit opinion	DAFF obtained a qualified and DRDLR unqualified audit opinion for 2019/20	DAFF did not obtain an unqualified audit opinion	DAFF: The material finding under forestry's biological assets resulted in a qualified audit opinion outcome
Outcome 1: Improved governance and service excellence	1.2 Compliance with government legislation and prescripts	1.2.1 Percentage of valid invoices paid within 30 days upon receipt by the department	DAFF: N/A DRDLR: 96%	DAFF: 95% DRDLR: 95%	100%	86%	-14%	Delays in submission of delivery notes and automotive (AM) for bulk procurement of laptops. Delays in verification of Information Technology (IT) equipment before processing of invoices.

**Strategy to overcome areas of under performance**

Regular programme meetings at various levels of management have been held, with focus strictly on assessing the state of performance. The discussions about performance against operational plans is assessed monthly and key issues escalated to the departmental Executive Committee.

Dedicated support officials from the monitoring, strategic planning and risk management units, who all have a strong working relationship with the Internal Audit Unit, provide strategic support, which assists in identifying areas of challenges in time to allow the development of improvement plans.



## Programme 2: Agricultural Production, Health, Food Safety, Natural Resources and Disaster Management

### Purpose

Oversee livestock production, game farming, animal and plant health, natural resources and disaster management.

### The programme comprises of the following subprogrammes:

**Plant Production and Health:** To develop policy, norms and standards to support plant production and plant health.

**Animal Production and Health:** To promote livestock production, game farming and animal health.

**Inspection and Quarantine Services:** Ensure compliance with regulatory frameworks for food safety.

**Natural Resources and Disaster Management:** To facilitate the development of infrastructure and the sustainable use of natural resources and integrate, coordinate and implement disaster management policies and frameworks with special emphasis on mitigation of disasters in rural and agricultural areas.

Institutional outcomes that each programme contributes towards according to the APP:

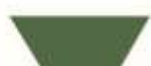
- Outcome 4: Increased production in the agricultural sector.
- Outcome 7: Enhanced biosecurity and effective disaster risk reduction.

### Outcomes, outputs, output indicators, targets and actual achievements

This programme plays a very significant role in a regulatory environment and offers essential services to the country. Despite the difficulties posed by COVID-19 restrictions, particularly on people's freedom of movement, the programme still managed to discharge its mandate of undertaking surveillances on pests and animal diseases. This is important for enhanced biosecurity and effective disaster risk reduction in the country. This programme engaged with farmers by doing various assessments, briefing sessions and mobilisation work—all of these were negatively affected by COVID-19 restrictions and feature strongly among targets that were not achieved.

**Table 2.4.4.1: Report against the originally tabled Annual Performance Plan until date of re-tabling**

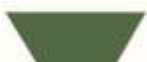
Programme/subprogramme: Agriculture Production, Health, Food Safety, Natural Resources and Disaster Management									
Out-come	Output	Output indicator	Audited actual performance 2018/ 2019	Audited actual performance 2019/ 2020	Planned actual target 2020/ 2021	*Actual achievement 2020/ 2021 until date of re-tabling	Deviat-ion from planned target to Actual achievement 2020/ 2021	Reasons for deviat-ions	Reasons for revisions to the outputs/ output indicators / annual targets
Out-come 4: Increased production in the agricultural sector	2.1 Genetic material for food and agriculture conserved for sustainable use	2.1.1 Number of targeted plant taxa conserved <i>Ex situ</i>	2 targeted taxa conserved <i>Ex situ</i> (Bambara, calabash gourd)	2 Targeted taxa conserved <i>Ex situ</i> (pearl millet, sorghum)	<i>Ex situ</i> collection of 2 targeted plant taxa expanded (Amarant hus, cucurbits)	Consultat ions with farmers did not take place	Consultat ion with farmers was not done	Briefing sessions in Limpopo districts with LDARD farmers as targeted in Quarter 1 could not take place as anticipated due to lock-down regula-tions	The indicator has been dropped from the APP owing to budget reprioritisa tion informed by DPME Circular 02 of 2020 informed by COVID-19 implications



Programme/subprogramme: Agriculture Production, Health, Food Safety, Natural Resources and Disaster Management									
Outcome	Output	Output indicator	Audited actual performance 2018/ 2019	Audited actual performance 2019/ 2020	Planned actual target 2020/ 2021	*Actual achievement 2020/ 2021 until date of re-tabling	Deviation from planned target to Actual achievement 2020/ 2021	Reasons for deviations	Reasons for revisions to the outputs/ output indicators / annual targets
								prohibiting travelling between provinces made it impossible for intended briefing sessions with farmers to be held	
	2.1.2 Number of indigenous animal conservation projects implemented	1 Indigenous Animal Conservation Project implemented (indigenous goats in North West)	4 Community-based indigenous goat conservation projects in Limpopo monitored	–	1 Indigenous Animal Conservation Project implemented (indigenous goats in North West)	Assessments did not take place	Assessments for North West farmers were not done	Lock down regulations prohibited travelling between provinces and made it impossible for intended assessments with farmers to be held	The indicator has been dropped from the APP owing to budget reprioritisation informed by DPME Circular 02 of 2020 informed by COVID-19 implications
	2.2 Animal improvement schemes implemented	2.2.1 Number of animal improvement schemes for prioritised value chain commodities implemented	A report on the implementation of 2 animal improvement schemes (Kaonafats o ya Dikgomo and poultry) has been compiled	Report on 2 two animal Improvement Schemes has been compiled	2 Animal improvement schemes (Kaonafats o ya Dikgomo and poultry) implemented	2 Animal improvement schemes (Kaonafats o ya Dikgomo and poultry) were not implemented	The farmer mobilisation process was put on hold	Lock-down regulations prohibiting travelling between provinces made it impossible to mobilise farmers for data collection as targeted in Quarter 1	N/A

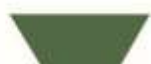


Programme/subprogramme: Agriculture Production, Health, Food Safety, Natural Resources and Disaster Management									
Outcome	Output	Output indicator	Audited actual performance 2018/ 2019	Audited actual performance 2019/ 2020	Planned actual target 2020/ 2021	*Actual achievement 2020/ 2021 until date of re-tabling	Deviation from planned target to Actual achievement 2020/ 2021	Reasons for deviations	Reasons for revisions to the outputs/ output indicators / annual targets
	2.3 Agriculture master plans for priority commodities	2.3.1 Cannabis Master Plan implemented	-	-	Cannabis Master Plan developed	Draft Cannabis Master Plan was developed	The development of a Cannabis Master Plan was not completed	The intended target for Quarter 1 was development of the draft Cannabis Master Plan, which was achieved. The reflected deviation is a result of evaluating the reported actual achievement for Quarter 1 against annual target	N/A
	2.4 Preservation and sustainable use of natural agricultural resources	2.4.1 Number of provinces with delineated protected agricultural areas	-	-	2 Provinces with delineated protected agricultural areas	Draft spatial delineation report was compiled	2 Provinces with delineated protected agricultural areas were not done	Draft report as targeted in Quarter 1 was achieved. The reflected deviation is a result of evaluating the reported actual achievement for Quarter 1 against annual target	N/A
	2.5 Transformation from degenerative to regenerative	2.5.1 Area (ha) of cultivated fields changed from	New indicator	New indicator	10 000 ha	N/A	10 000 ha of cultivated fields were not changed	There was no Quarter 1 target to report against	N/A

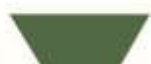


Programme/subprogramme: Agriculture Production, Health, Food Safety, Natural Resources and Disaster Management									
Out-come	Output	Output indicator	Audited actual performance 2018/ 2019	Audited actual performance 2019/ 2020	Planned actual target 2020/ 2021	*Actual achievement 2020/ 2021 until date of re-tabling	Deviat-ion from planned target to Actual achievement 2020/ 2021	Reasons for deviations	Reasons for revisions to the outputs/ output indicators / annual targets
	agricultural systems and practices	conventional to conservation agriculture practices					from conventional to conservation agriculture practices	contributing to this annual target	
Outcome 7: Enhanced bio-security and effective disaster risk reduction	3.1 Bio-security policies and strategies strengthened	3.3.1 Number of plant pest risk surveillances conducted	1 Plant pest risk surveillance (Exotic fruit fly) was conducted and a report has been compiled	1 Plant pest risk surveillance was conducted (Exotic fruit fly)	3 Pest surveillances conducted (Exotic fruit fly surveillance; Citrus Greening Survey; banana bunchy top virus)	No surveillance was conducted	No planned surveillance took place	Owing to COVID-19 lock-down regulations on movement of people, no planned surveillance took place in Quarter 1	N/A
		3.1.2 Number of animal disease risk surveillances conducted	2 Animal disease risk surveillances were conducted (FMD and Peste des Petits Ruminants (PPR)) and a report has been compiled	2 Animal disease risk surveillances were conducted (FMD-protection zone and PPR) and a report has been compiled	3 Animal disease surveillances conducted (CBPP, PPR, FMD)	The guidelines for the FMD, PPR and CBPP surveillance systems were reviewed and found to be suitable and fit for purpose and therefore left unchanged	No planned surveillance took place	Owing to COVID-19 lockdown regulations, no surveillance took place. The intended target for Quarter 1 was reviewed of the guideline, which was achieved. The reflected deviation is a result of evaluating the reported actual achievement for Quarter 1 against annual target	N/A

Programme/subprogramme: Agriculture Production, Health, Food Safety, Natural Resources and Disaster Management									
Out-come	Output	Output indicator	Audited actual performance 2018/ 2019	Audited actual performance 2019/ 2020	Planned actual target 2020/ 2021	*Actual achievement 2020/ 2021 until date of re-tabling	Deviat-ion from planned target to Actual achievement 2020/ 2021	Reasons for deviations	Reasons for revisions to the outputs/ output indicators / annual targets
	3.2 Implementation of the Veterinary Strategy (Placement of compulsory community service (CCS) veterinarians)	3.2.1 Percentage of eligible veterinarians placed under the CCS programme	181 CCS veterinarians have been deployed to resource-poor communities	168 Veterinarians were deployed for the 2019/20 financial year	100% Eligible veterinarians placed under CCS programme	Draft Standard Operating Procedure for the Placement of CCS Veterinarians is in place	No placement was done at the end of quarter one as applications for placement had not yet been received	The identified CCS posts have not yet been advertised to the students due to the process of approving the Standard Operating Procedure which was not concluded. The reported progress was a pre-requisite towards management of application for placement as targeted in Quarter 1	N/A
	3.3 Reduce level of risks associated with food	3.3.1 Number of new agricultural inputs products registered	–	–	6 350	118 New agricultural inputs products were registered	6 232 New agricultural inputs products could not be registered	118 Products were registered against a Quarter 1 target of 1 500 resulting in variance of 1 390. This was due to COVID-19 restricting clients from physically	The annual target was dropped from 6 350 to 3 850. Reprioritisation that occurred in the department in response to DPME circular



Programme/subprogramme: Agriculture Production, Health, Food Safety, Natural Resources and Disaster Management									
Outcome	Output	Output indicator	Audited actual performance 2018/ 2019	Audited actual performance 2019/ 2020	Planned actual target 2020/ 2021	*Actual achievement 2020/ 2021 until date of re-tabling	Deviation from planned target to Actual achievement 2020/ 2021	Reasons for deviations	Reasons for revisions to the outputs/ output indicators / annual targets
								submitting the applications. As a result, less work was done in Quarter 1. 6 232 is the annual variance	
		3.3.2 Number of provincial agricultural bio-security coordinating structures established	–	–	9 Provincial agricultural biosecurity coordinating structures established	Draft concept document in preparation for consultation processes with provinces was discussed within the branch	Coordinating structures were not established	The provincial consultations and workshop, which were targeted for Quarter 1, could not be conducted as the concept note was still in progress	The annual target was dropped from 9 to 5 provinces. Reprioritisation that occurred in the department in response to DPME circular
		3.3.3 Number of laboratories accredited	–	–	1 Laboratory accredited	Application has been made to the South African National Accreditation System (SANAS) in respect of additives, dairy and liquor laboratories	No laboratory was accredited	The intended target for Quarter 1 was application for laboratory accreditation, which was achieved. The reflected deviation is a result of evaluating the reported actual achievement for Quarter 1	N/A

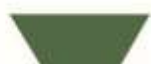


Programme/subprogramme: Agriculture Production, Health, Food Safety, Natural Resources and Disaster Management									
Out-come	Output	Output indicator	Audited actual performance 2018/ 2019	Audited actual performance 2019/ 2020	Planned actual target 2020/ 2021	*Actual achievement 2020/ 2021 until date of re-tabling	Deviat-ion from planned target to Actual achievement 2020/ 2021	Reasons for deviations	Reasons for revisions to the outputs/ output indicators / annual targets
								against annual target	
		3.3.4 Number of export protocols for Phytosanitary requirements implemented	4 Regulatory compliance and monitoring interventions (quarantine inspections, surveillance and testing) were implemented and a report has been compiled	25 Export protocols for Phytosanitary requirements were implemented	Certification of Phytosanitary requirements for 41 export protocols	13 Export protocols have been certified	28 Export protocols were not certified	13 Export protocols were certified as planned for Quarter 1. The reflected deviation is a result of evaluating the reported actual achievement for Quarter 1 against annual target	Reprioritisation that occurred in the department in response to DPME circular
					Inspection of Phytosanitary requirements for 41 export protocols	13 Export protocols have been inspected	28 Inspection of Phytosanitary requirements out of 41 export protocols were not done	13 Export protocols were inspected as planned for Quarter 1. The reflected deviation is a result of evaluating the reported actual achievement for Quarter 1 against annual target	Reprioritisation that occurred in the department in response to DPME circular
	3.4 Adaptation and mitigation to climate change	3.4.1 Implementation of Climate Change Adaptation and	Climate Change Mitigation and Adaptation Plan implemented	Annual report on the implementation of CCAMP was	Annual Monitoring Report on Piloting of Crop	N/A	Annual monitoring report was not compiled	There was no Quarter 1 target to report against	N/A

Programme/subprogramme: Agriculture Production, Health, Food Safety, Natural Resources and Disaster Management									
Out-come	Output	Output indicator	Audited actual performance 2018/ 2019	Audited actual performance 2019/ 2020	Planned actual target 2020/ 2021	*Actual achievement 2020/ 2021 until date of re-tabling	Deviat-ion from planned target to Actual achievement 2020/ 2021	Reasons for deviat-ions	Reasons for revisions to the outputs/ output indicators / annual targets
		Mitigation Plan (CCAMP) monitored	tation guidelines have been developed	developed	Suitability to Climate Change Programme in 4 provinces			contributing to this annual target	
		3.4.2 Number of small-holder producers capacitated on Crop Suitability to Climate Change Programme	–	–	120	N/A	120 Small-holder producers were not capacitated on the Crop Suitability to Climate Change Programme	There was no Quarter 1 target to report against contributing to this annual target	N/A

**Table 2.4.4.2: Report against the re-tabled Annual Performance Plan**

Programme/subprogramme: Agriculture, Production, Health, Food Safety, Natural Resources and Disaster Management								
Outcome	Output	Output indicator	Audited actual performance 2018/2019	Audited actual performance 2019/2020	Planned actual target 2020/2021	**Actual achievement 2020/2021	Deviation from planned target to actual achievement 2020/2021	Reasons for deviations
Outcome 4: Increased production in the agricultural sector	2.1 Registration of new plant varieties	2.1.1 Number of approved new plant varieties registered	-	-	100 New plant varieties registered	180 New plant varieties have been registered for the 2020/21 financial year	80 Additional new plant varieties were registered	Ornamental plants could not be evaluated in previous financial years owing to seedlings that died and had to be replanted and evaluated
	2.2 Animal improvement schemes implemented	2.2.1 Number of animal improvement schemes for prioritised value chain commodities implemented	A report on the implementation of 2 animal improvement schemes (Kaonafatso ya Dikgomo and poultry) has been compiled	Report on 2 animal improvement schemes has been compiled	2 Animal improvement schemes (KyD and poultry) implemented	1 Improvement scheme (poultry) was implemented	KyD was not implemented	The actual mobilisation for KyD could not occur owing to unfavourable conditions to have large gatherings in compliance with COVID-19 lockdown restrictions. Regarding the poultry scheme, the data of existing farmers

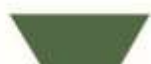


Programme/subprogramme: Agriculture, Production, Health, Food Safety, Natural Resources and Disaster Management								
Outcome	Output	Output indicator	Audited actual performance 2018/2019	Audited actual performance 2019/2020	Planned actual target 2020/2021	** Actual achievement 2020/ 2021	Deviation from planned target to actual achievement 2020/ 2021	Reasons for deviations
								was used
	2.3 Agriculture master plans for priority commodities	2.3.1 Cannabis Master Plan implemented	–	–	Cannabis Master Plan approved	Version 5 of Cannabis Master Plan has been developed	Cannabis Master Plan was not approved	A huge interest shown in this subject by various stakeholders led to the need to expand consultations to get inputs widely. Other key stakeholders who had to be engaged include representatives of the industry, other government departments, provinces, labour, communities, other SOEs, growers, universities and other stakeholders





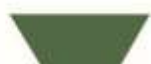
Programme/subprogramme: Agriculture, Production, Health, Food Safety, Natural Resources and Disaster Management								
Outcome	Output	Output indicator	Audited actual performance 2018/2019	Audited actual performance 2019/2020	Planned actual target 2020/2021	**Actual achievement 2020/2021	Deviation from planned target to actual achievement 2020/2021	Reasons for deviations
								olders in the cannabis sector
	2.4 Preservation and sustainable use of natural agricultural resources	2.4.1 Number of provinces with delineated protected agricultural areas	–	–	2 Provinces with delineated protected agricultural areas	2 Provinces (Gauteng and Mpumalanga) are delineated protected agricultural areas. Final report to this effect has been compiled	N/A	N/A
	2.5 Transformation from degenerative to regenerative agricultural systems and practices	2.5.1 Area (ha) of cultivated fields changed from conventional to conservation agriculture practices	Annual performance monitoring report on agricultural land rehabilitation interventions has been compiled	Annual performance monitoring report on agricultural land rehabilitation interventions yet to be finalised	5 000 ha	13 556.22 ha of cultivated fields were changed from conventional to conservation agriculture practices	8 556.22 more hectares were converted to conservation agriculture practices	Availability of conservation agriculture implements to farmers enable for doing much more than initially targeted. These implements include 4 row no-till planters and boom sprayers that DALRRD procure and



Programme/subprogramme: Agriculture, Production, Health, Food Safety, Natural Resources and Disaster Management								
Outcome	Output	Output indicator	Audited actual performance 2018/2019	Audited actual performance 2019/2020	Planned actual target 2020/2021	**Actual achievement 2020/2021	Deviation from planned target to actual achievement 2020/2021	Reasons for deviations
								distributed to provinces
Outcome 7: Enhanced biosecurity and effective disaster risk reduction	3.1 Biosecurity policies and strategies strengthened	3.1.1 Number of plant pest risk surveillances conducted	1 Plant pest risk surveillance (Exotic fruit fly) was conducted and a report has been compiled	1 Plant pest risk surveillance was conducted (Exotic fruit fly)	3 Pest surveillances conducted (Exotic fruit fly surveillance; Citrus Greening Survey; Banana bunchy top virus)	3 Plant pest surveillances were conducted (Exotic fruit fly surveillance; Citrus Greening Survey; Banana bunchy top virus)	N/A	N/A
		3.1.2 Number of animal disease risk surveillances conducted	2 Animal disease risk surveillances were conducted (FMD and PPR) and a report has been compiled	2 Animal diseases risk surveillances were conducted (FMD-protection zone and PPR) and a report has been compiled	3 Animal disease surveillances conducted (CBPP, PPR, and FMD)	3 Animal diseases risk surveillances were conducted (CBPP, PPR and FMD)	N/A	N/A
	3.2 Implementation of the Veterinary Strategy (Placement of CCS veterinarians)	3.2.1 Percentage of eligible veterinarians placed under the CCS programme	181 CCS veterinarians have been deployed to resource-poor communities	168 Veterinarians were deployed for the 2019/20 financial year	100% Eligible veterinarians placed under the CCS programme	100% Eligible veterinarians have been placed under CCS programme. 100% was achieved due to all 144 eligible veterinarians	N/A	N/A



Programme/subprogramme: Agriculture, Production, Health, Food Safety, Natural Resources and Disaster Management								
Outcome	Output	Output indicator	Audited actual performance 2018/2019	Audited actual performance 2019/2020	Planned actual target 2020/2021	** Actual achievement 2020/ 2021	Deviation from planned target to actual achievement 2020/ 2021	Reasons for deviations
						ns being placed		
	3.2 Implementation of the Veterinary Strategy (Placement of CCS veterinarians)	3.3.1 Number of new agricultural input products	–	–	3 850	522 New agricultural input products were registered	3 328 New agricultural input controls could not be registered to achieve the intended annual target	32 Applications were rejected, which affected the number of registered products. In addition, the department lost 3 technical advisors in the past 10 months. These advisors were the key role players in the evaluation of scientific data to register the agricultural input products
		3.3.2 Number of provincial agricultural	–	–	5 Provincial agricultural	Draft terms of reference have been developed	No provincial agricultural biosecurity	Rigorous and intense consultations



Programme/subprogramme: Agriculture, Production, Health, Food Safety, Natural Resources and Disaster Management								
Outcome	Output	Output indicator	Audited actual performance 2018/2019	Audited actual performance 2019/2020	Planned actual target 2020/2021	**Actual achievement 2020/2021	Deviation from planned target to actual achievement 2020/2021	Reasons for deviations
		al biosecurity coordinating structures established			biosecurity coordinating structures established (GP, MP, LP, NW and FS)		y coordinating structures have been established	on the concept note were conducted, which left little time for consultations on the terms of reference with the provinces for approval
		3.3.3 Number of laboratories accredited	–	–	1 Laboratory accredited	A confirmation letter for accreditation of 1 Stellenbosch laboratory was issued	Actual certificate of accreditation had not been issued at the end of financial year	The SANAS Accreditation Committee has issued a letter confirming accreditation of Stellenbosch laboratory, though the actual accreditation certificate was not yet issued by end of the financial year
		3.3.4 Percentage	4 Regulators	25 Export protocols	100% Certified	100% Phytosanit	N/A	N/A

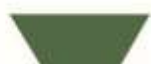
Programme/subprogramme: Agriculture, Production, Health, Food Safety, Natural Resources and Disaster Management								
Outcome	Output	Output indicator	Audited actual performance 2018/2019	Audited actual performance 2019/2020	Planned actual target 2020/2021	**Actual achievement 2020/2021	Deviation from planned target to actual achievement 2020/2021	Reasons for deviations
		ge of export protocols for Phytosanitary requirements implemented	ry compliance and monitoring interventions (quarantine inspections, surveillance and testing) were implemented and a report has been compiled	for Phytosanitary requirements were implemented	ation of Phytosanitary requirements for export protocols	ary requirements for export protocols were certified. The turnaround time for processing is 48 hours, which means only applications received until 28 March are considered against the target		
	3.4 Adaptation and mitigation to climate change	3.4.1 Implementation of Climate Change Adaptation and Mitigation Plan (CCAMP) monitored	Climate Change Mitigation and Adaptation Plan implementation guidelines have been developed	Annual report on the implementation of CCAMP was developed	Annual Monitoring Report on Piloting of Crop Suitability to Climate Change Programme in 4 provinces	Annual Monitoring Report on Piloting of Crop Suitability to Climate Change in 4 provinces has been compiled	N/A	N/A
		3.4.2 Number of small-holder producers capacitated on Crop Suitability to Climate Change	–	–	120	120 Small-holder producers were capacitated on Crop Suitability to Climate Change Programme	N/A	N/A



Programme/subprogramme: Agriculture, Production, Health, Food Safety, Natural Resources and Disaster Management								
Outcome	Output	Output indicator	Audited actual performance 2018/2019	Audited actual performance 2019/2020	Planned actual target 2020/2021	** Actual achievement 2020/2021	Deviation from planned target to actual achievement 2020/2021	Reasons for deviations
		Program me						
	3.5 Reduce d levels of risks associat ed with Genetic ally Modifie d Organisms (GMOs)	3.5.1 Number of new GMO events approved	–	–	5 New GMO events approv ed	13 New GMO events have been approved for the financial year under review	8 New GMO events approved	More applicat ions receive d from the applica nts than initially anticipa ted

#### **Strategy to overcome areas of underperformance**

Management meetings are held regularly at which the status of performance for planned priorities is discussed. Consensus on improvement plans and strategies for underperforming areas is reached and implementation thereof is intensively monitored. Management decisions are filtered throughout different levels of branch operations. The branch also uses various committees in its coordination role for the work done by provincial departments, public entities and the industry.



## Programme 3: Food Security, Land Reform and Restitution

### Purpose

Acquire and distribute land and promote food security and agrarian reform programmes

### The programme comprises of the following subprogrammes:

**Food Security:** Provides national frameworks to promote sustainable household food security.

**Land Tenure Reform:** Develops land tenure policies, programmes and procedures.

**Land Acquisition and Redistribution:** Provides land acquisition and strategic institutional partnerships.

**National Extension Services and Sector Capacity Development:** Provides national extension support services, sustainable growth and equitable participation in the sector.

**Farmer Support and Development:** Develops and provides strategic support to farmers, agro-processors and cooperatives.

**Property Management and Advisory Support:** Provides property management and advisory support services.

**Restitution:** Settles land restitution claims under the Restitution of Land Rights Act, 1994 (Act No. 22 of 1994).

Institutional outcomes that each programme contributes towards according to the Annual Performance Plan:

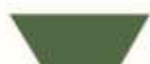
Outcome 3: Redress and equitable access to land and producer support.

### **Outcomes, outputs, output indicators, targets and actual achievements**

Programme 3 implements most parts of its mandate in provincial departments and provincial shared service centres. As a result, most of the intended interventions were negatively affected by COVID-19 restrictions as they require travelling to interact with beneficiaries and projects, either through offering of training, assessments of land or mediating in areas of land acquiring, etc. It is therefore, understandable that most targets in this programme were revised after Quarter 1 in fulfilment of the DMPE Circular 2 of 2020, advising departments to review their APP if they are affected by budget cuts or reprioritising their budgets and deliverables to respond to the COVID-19 pandemic. Among the targets whose performance was affected by conditions that were outside the department's control, is intended support to 50 000 subsistence producers through the COVID-19 Relief Fund. Delays in completing verification, which requires physical visits to areas of applicants, resulted in support not being concluded by the end of the financial year. The extension of the academic year, which resulted in registration processes for students at higher institutions being extended, meant that the intended target of having 800 students registered at Colleges of Agriculture was affected as only 743 were registered by the end of this reporting period.

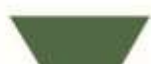
Good performance was however, recorded in some indicators by the programme, as follows:

- ✓ A total of 324 land claims were settled for period under review. 10 against first tabled APP and 314 against revised APP.
- ✓ A total of 385 land claims were finalised for period under review. 49 against first tabled APP and 336 against revised APP.
- ✓ A total of 7 172,5 ha were acquired for farm dwellers and/or labour tenants in relation to the 5 857 ha that was planned against the revised APP.



**Table 2.4.4.1: Report against the originally tabled Annual Performance Plan until date of re-tabling**

Programme/subprogramme: Food Security, Land Reform and Restitution									
Out-come	Output	Output indicator	Audited actual performance 2018/ 2019	Audited actual performance 2019/ 2020	Planned actual target 2020/ 2021	*Actual achievement 2020/ 2021 until date of re-tabling	Deviation from planned target to Actual achievement 2020/ 2021	Reasons for deviations	Reasons for revisions to the outputs/ output indicators/ annual targets
Outcome 3: Redress and non-equitable access to land and producer support	4.1 Provide financial and non-financial support to producer	4.1.1 National Policy on Comprehensive Producer Development Support implemented	The policy was tabled at NEDLAC and consulted with the ESEID cluster departments	The National Policy on Comprehensive Producer Development Support	Annual report on the implementation of National Policy on Comprehensive Producer Development Support	Annual report on the implementation of National Policy on Comprehensive Producer Development Support was not compiled	Annual report on the implementation of National Policy on Comprehensive Producer Development Support was not compiled	There was no Quarter 1 target to report against this annual target. The reflected variance is the Quarter 1 achievement against annual target	N/A
		4.1.2 Number of smallholder and medium-scale producers supported through Blended Finance Scheme	-	-	150	No smallholder and medium-scale producers were supported	150 Small-holders could not be supported as planned	No progress was reported against the Quarter 1 target of producers targeted to be supported. Preparations to implement the scheme were affected by the COVID-19 pandemic lockdown. The reflected variance is the Quarter 1 achievements against annual target	Budget was cut owing to COVID-19, in line with the DPME Circular 2 of 2020, which led the department to delay implementation of the scheme to review it for possible improvements. Restrictions on people movement due to COVID-19 made it impossible for department officials to engage in necessary verification visits to





Programme/subprogramme: Food Security, Land Reform and Restitution									
Out-come	Output	Output indicator	Audited actual performance 2018/ 2019	Audited actual performance 2019/ 2020	Planned actual target 2020/ 2021	*Actual achievement 2020/ 2021 until date of re-tabling	Deviation from planned target to Actual achievement 2020/ 2021	Reasons for deviations	Reasons for revisions to the outputs/ output indicators/ annual targets
									assess state of readiness before support decisions were undertaken.
		4.1.3 Number of farms supported through the Land Development Support Programme	208	71	200	1 Farm was supported through the Land Development Support Programme . By the end of Quarter 1	199 Farms were not supported	The COVID-19 lockdown resulted in restriction of movements. As a result, 29 out of 30 farms targeted for support in Quarter 1 could not be supported. The reflected variance is the Quarter 1 achievements against annual target	The target was revised from 200 to 116 owing to budget reprioritisation informed by the DPME Circular 2 of 2020, informed by COVID-19 implications
		4.1.4 Number of red meat producers supported	-	-	11 250	No red meat producers were supported during this period	11 250 Red meat producers were not supported	This indicator has no Quarter 1 target to report against this annual target. The reflected variance is the Quarter 1 achievement against annual target	The indicator has been dropped from the APP owing to budget reprioritisation informed by the DPME Circular 2 of 2020 informed by COVID-19 implications. The Quarterly APP targets adding up to 9000 while the annual target for

Programme/subprogramme: Food Security, Land Reform and Restitution									
Out-come	Output	Output indicator	Audited actual performance 2018/ 2019	Audited actual performance 2019/ 2020	Planned actual target 2020/ 2021	*Actual achievement 2020/ 2021 until date of re-tabling	Deviation from planned target to Actual achievement 2020/ 2021	Reasons for deviations	Reasons for revisions to the outputs/ output indicators/ annual targets
									2020/21 at a table showing 3 financial years was 11 250 had to be corrected and eventually this target was revised.
Outcome 3: Redress and equitable access to land and producer support	4.2 Skilled and employable youth in the agricultural sector	4.2.1 Graduates placed in agricultural sector for capacity building monitored	255 Graduates have been placed	Status report on graduates placed in agriculture sector has been compiled	Status report on graduates placed in agricultural sector compiled	Status report on graduates placed in agricultural sector was not compiled	Status report on graduates placed in agricultural sector was not compiled	This indicator has no Quarter 1 target to report against this annual target. The reflected variance is the Quarter 1 achievement against annual target	N/A
		4.2.2 Number of new students enrolled at the agricultural training institutes	-	-	1 100	No new students were enrolled at agricultural training institutes during this period	1 100 New students were not enrolled	This indicator has no Quarter 1 target to report against this annual target. The reflected variance is Quarter 1 achievement against annual target	The target was revised from 1 100 to 800 because of budget reprioritisation informed by the DPME Circular 2 of 2020 informed by COVID-19 implications
	4.3 Security of tenure ensured	4.3.1 Number of TRANCRA A areas transferred	-	-	21	0	21 TRANCRA A areas were not transferred	The COVID-19 lockdown resulted in restriction of movement and large gatherings of people. As a result, 1 TRANCRAA	The target was revised from 21 to 9 due the DPME Circular 2 of 2020.

Programme/subprogramme: Food Security, Land Reform and Restitution									
Out-come	Output	Output indicator	Audited actual performance 2018/ 2019	Audited actual performance 2019/ 2020	Planned actual target 2020/ 2021	*Actual achievement 2020/ 2021 until date of re-tabling	Deviation from planned target to Actual achievement 2020/ 2021	Reasons for deviations	Reasons for revisions to the outputs/ output indicators/ annual targets
								area could not be transferred in Quarter 1. The reflected variance is the Quarter 1 -achievement against annual target	
		4.3.2 Number of hectares of state land allocated	-	-	525 330	0	525 330 Ha of state land could not be allocated	The COVID-19 lockdown resulted in restriction of movement and large gatherings of people resulted in some activities towards allocation being prohibited against the Quarter 1 target of 181 105 ha. The reflected variance is the Quarter 1 achievements against annual target.	The target was revised from 525 330 to 401 787 owing to the DPME Circular 2 of 2020
Outcome 3: Redress and equitable access to land and producer support	4.4 Outstanding land claims settled and finalised	4.4.1 Number of land claims settled	502	436	454	10 Land claims were settled	444 Land claims could not be settled	10 Land claims against a target of 57 were settled in Quarter 1, which resulted in a variance of 47 under Quarter 1. The variance was caused by the COVID-19 lockdown restrictions that made it impossible to interact physically with claimants, which is	The target was revised from 454 to 244 due to budget reprioritisation informed by the DPME Circular 2 of 2020

Programme/subprogramme: Food Security, Land Reform and Restitution									
Out-come	Output	Output indicator	Audited actual performance 2018/ 2019	Audited actual performance 2019/ 2020	Planned actual target 2020/ 2021	*Actual achievement 2020/ 2021 until date of re-tabling	Deviation from planned target to Actual achievement 2020/ 2021	Reasons for deviations	Reasons for revisions to the outputs/ output indicators/ annual targets
								required in the process of settlement. 444 is the variance in the Quarter 1 achievement of 10 against annual the target of 456	
		4.4.2 Number of land claims finalised	995	686	479	49 Land claims were finalised	430 Land claims were not finalised	49 Land claims against a target of 79 were finalised in Quarter 1, which resulted in a variance of 30. The variance was caused by the COVID-19 lockdown restrictions that made it impossible to interact physically with claimants, which is required in the process of settlement. 430 is the variance in the Quarter 1 achievement of 49 against annual target of 479	The target was revised from 479 to 295 owing to budget reprioritisation informed by the DPME Circular 2 of 2020
	4.5 Acquisition of land for redistribution	4.5.1 Number of hectares of strategically located land acquired	85 324.5523	94 050 ha	50 000 ha (Female: 25 000; Youth: 20 000; PWD: 5 000)	8 843 hectares of strategically located land was acquired during quarter 1. The disaggregation could not be included because it was not	41 157 ha of strategically located land was not acquired.	The over achievement of 1 343 ha against the 7 500 ha Quarter 1 target was because of implementation of commitments/ carry overs from the 2019/2020 financial year.	The target was revised from 50 000 ha to 16 473 ha owing to the DPME Circular 2 of 2020. The misalignment regarding disaggrega

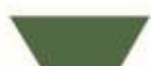
**Programme/subprogramme: Food Security, Land Reform and Restitution**

Out-come	Output	Output indicator	Audited actual performance 2018/ 2019	Audited actual performance 2019/ 2020	Planned actual target 2020/ 2021	*Actual achievement 2020/ 2021 until date of re-tabling	Deviation from planned target to Actual achievement 2020/ 2021	Reasons for deviations	Reasons for revisions to the outputs/ output indicators/ annual targets
						aligned to the indicator on acquired but the disaggregation was based on the allocation.		The reflected variance is Quarter 1 achievement against annual target	tion was been rectified in the re-tabled APP of 2020/21.
	4.6 Labour tenants' applications settled	4.6.1 Number of labour tenants' applications settled	624	486	500	No labour tenant application was settled by end of Quarter 1	500 Labour tenants' applications were not settled	COVID-19 lockdown resulted in restriction of movement and large gatherings of people, which resulted in the activities towards the settlement of labour tenants being prohibited against the reflected variance is Quarter 1 achievements against annual target of 500 ha. The reflected variance is Q1 achievements against annual target.	The target was revised from 500 ha to 450 ha due to Circular 02 of 2020 issued by DPME.



**Table 2.4.4.2: Report against the re-tabled Annual Performance Plan**

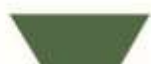
Programme/Subprogramme: Food Security, Land Reform and Restitution								
Outcome	Output	Output indicator	Audited actual performance 2018/2019	Audited actual performance 2019/2020	Planned actual target 2020/2021	**Actual achievement 2020/2021	Deviation from planned target to Actual achievement 2020/2021	Reasons for deviations
Outcome 3: Redress and equitable access to land and producer support	4.1 Provide financial and non-financial support to producers	4.1.1 National Policy on Comprehensive Producer Development Support implemented	The policy was tabled at NEDLAC and consulted with ESEID cluster departments	The National Policy on Comprehensive Producer Development Support	Annual report on the implementation of National Policy on Comprehensive Producer Development Support	Annual report on the implementation of National Policy on Comprehensive Producer Development Support was not compiled	The annual report was not developed	The annual report could not be compiled since approval of the policy, which will give effect to implementation, was delayed by the long process of engagement at NEDLAC. However, the policy is <i>en route</i> to the minister to facilitate the process for cabinet approval
		4.1.2 Number of farms supported through the Land Development Support Programme	208	71	116	113 Farms have been supported through Land Development Support Programme	3 Farms were not supported	After getting concurrence late in 2019/2020, implementation was only affected in the second quarter of 2020/2021, therefore, there is a variance of -6 projects, which could not be finalised
		4.1.3. Number of subsistence producers supported through COVID-19 Relief Fund	-	-	50 000	No subsistence producers were supported by the end of the financial year)	50 000 Subsistence producers have not been supported through COVID-19 Relief Fund	The implementation of this intervention started late and a lot of planning and verification had to be carried out to ensure efficient use of the fund, as a result the process of support was not concluded at the end of the financial year 53 286



Programme/Subprogramme: Food Security, Land Reform and Restitution								
Out-come	Output	Output indicator	Audited actual performance 2018/2019	Audited actual performance 2019/2020	Planned actual target 2020/2021	**Actual achievement 2020/2021	Deviation from planned target to Actual achievement 2020/2021	Reasons for deviations
								subsistence producers (EC: 9 927; FS: 2 905; GP: 2 594; KZN: 13 134; LP: 7 707; MP: 8 942; NC: 1 649; NW: 5 505 and WC: 923) were, however, approved to receive support through the COVID-19 Relief Fund by the end of the financial year
Outcome 3: Redress and equitable access to land and producer support	4.2 Skilled and employable youth in the agriculture sector	4.2.1 Graduates placed in agriculture sector for capacity building monitored	255 Graduates have been placed	Status report on graduates placed in agriculture sector has been compiled	Status report on graduates placed in agriculture sector has been compiled	Status report on graduates placed in agriculture sector was compiled	N/A	N/A
		4.2.2. Number of new students enrolled at the agricultural training institutes	-	-	800	743 New students were enrolled at agricultural training institutes. These students are enrolled in institutes as follows: (CEDARA: 41; Elsenburg: 158; Fort Cox: 71; GADI: 47; Glen: 199; Madzivhandila: 23; Potchefstroom: 96; Taung: 45 and Tsolo: 63)	57 Students could not be enrolled to achieve the annual target	Extension of the academic year, as pronounced by Minister of DHET, has resulted in some students that registered after end of March not to be considered among 743 reflected as an achievement. A total of 199 (Fort Cox: 52; OSCA: 60; Tompi: 44; Taung: 1; Madzivhandila: 37; GADI: 4 and Tsolo: 1) students who were registered in April are not accounted for among 743 as they fall outside the

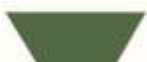


Programme/Subprogramme: Food Security, Land Reform and Restitution								
Out-come	Output	Output indicator	Audited actual performance 2018/2019	Audited actual performance 2019/2020	Planned actual target 2020/2021	**Actual achievement 2020/2021	Deviation from planned target to Actual achievement 2020/2021	Reasons for deviations
								reporting period of 2020/21
Outcome 3: Redress and equitable access to land and producer support	4.3 Security of tenure ensured	4.3.1. Number of TRANCRAA areas transferred	-	-	9	No TRANCRAA area was transferred during the financial year	9	In the WC, Haarlem and Ebenhaezer were transferred as planned, however, 2 portions from Ebenhaezer and 1 portion in Haarlem were mistakenly excluded from the Gazette notice, therefore, they were not transferred with the entire properties. The transfer of the rest of the properties were delayed due to COVID-19 restrictions since the department could not hold community meetings to take resolutions
		4.3.2 Number hectares of state land allocated	-	-	401 787 ha	55 167 ha of state land was allocated for period under review	346 620 ha of state land was not allocated	There was a delay in the advertisement of State Land allocation due to COVID-19 and the advertisement went out in October 2020 and closed in November. The process of allocation commenced in January 2021. Several properties have been allocated amounting to





Programme/Subprogramme: Food Security, Land Reform and Restitution								
Out-come	Output	Output indicator	Audited actual performance 2018/2019	Audited actual performance 2019/2020	Planned actual target 2020/2021	**Actual achievement 2020/2021	Deviation from planned target to Actual achievement 2020/2021	Reasons for deviations
								around 300 000 ha, which are currently undergoing verification processes
Outcome 3: Redress and equitable access to land and producer support	4.4 Outstanding land claims settled and finalised	4.4.1 Number of land claims settled	502	436	244	314 Land claims were settled during this period under review	70 More claims were settled	The deviation was due to the extra claims settled in LP and KZN during Quarter 4 where there was no target and Gauteng where urban claims that were previously not settled were settled. The WC also managed to recover from its backlog and contributed to this overachievement
		4.4.2 Number of land claims finalised	995	686	295	336 Land claims were finalised	41 More claims were finalised	Payment of claims that could have been done in Quarter 1 of 2021/22 was fast tracked and paid in Quarter 4 of 2020/21 and now contributed to overachievement. Finalisation of dismissed claims in MP and transfer of state land in NW also contributed to overachievement
	4.5 Land acquired and	4.5.1 Number of hectares of strategically	85 324,55 23 ha	92 643 ha	16 473 ha	13 521, 8 ha of strategically located land	2 951,2 ha could not be acquired	The sale agreement for a 3 000 ha farm in Free



Programme/Subprogramme: Food Security, Land Reform and Restitution								
Out-come	Output	Output indicator	Audited actual performance 2018/2019	Audited actual performance 2019/2020	Planned actual target 2020/2021	**Actual achievement 2020/2021	Deviation from planned target to Actual achievement 2020/2021	Reasons for deviations
	redistributed	located land acquired				was acquired for period under review		State lapsed owing to restriction on the transfer of a property resulted in delays of obtaining a court order, which led to the transfer being cancelled
		4.5.2 Number of hectares acquired for farm dwellers and/or labour tenants	9 675,520 1 ha	10 290,3133 ha	5 857 ha	7 127.5 ha were acquired for farm dwellers and/or labour tenants	1 270,5 More hectares were acquired.	The target was overachieved due to the projects that were at transfer stage at the end of Quarter 4 of the 2019/2020 financial year that were however transferred to the 2020/2021 financial year
	4.6 Labour tenants' applications settled	4.6.1 Number of labour tenants' applications settled	624	486	450	196 Labour tenants' applications were settled during period under review	254 Labour tenants' applications could not be settled	The target was not achieved due to the delays in finalising settlement agreements through Land Acquisition and approximately 250 applications had to be referred to court via Office of the State Attorney
	4.7 Communal Property Associations (CPA) supports to be compliant with the Act	4.7.1 Number of CPAs supported to be compliant with legislation	360	540	394	455 CPAs were supported to be compliant with legislation	61 More CPAs were supported	The target was overachieved owing to a catch-up plan, which was developed and implemented when the country moved to lockdown levels 2 and 1

**Strategy to overcome areas of underperformance**

The branch has well established coordinating structures with approved terms of references made up of senior officials from DAFF and PDAs focusing mainly on concurrent mandate interventions. These structures mainly focus on coordination of food security and natural resource management mandates of the agricultural sector. There is also a structure that looks at coordination of disaster management and mitigation in the sector. Extension Services also has its specific structure in coordination to its work. Performance issues from all these structures flow into the strategic planning process of the department.

Programme management meetings are also scheduled regularly to assess state of performance and to adopt strategies for improvement in identified weak areas. These meetings are also extended to PSSC management who are responsible for managing implementation of set priorities. This programme has appointed Planning and Reporting Coordinators who work very closely with departmental performance monitoring practitioners to advise management on performance areas that needs frequent attention. The targets that were not achieved in the 2020/21 financial year are included in the 2021/22 integrated operational plan so that they can still be reported on and monitored.



## Programme 4: Rural Development

### Purpose

To initiate, facilitate, coordinate and act as a catalyst for the implementation of a comprehensive rural development programme leading to sustainable and vibrant rural communities.

### The programme comprises the following subprogrammes:

**National Rural Youth Service Corps (NARYSEC):** Provides social organisation, youth development and economic upliftment.

**Rural social infrastructure coordination:** Coordinate infrastructure development in rural areas.

**Technology research and coordination:** Coordinate provision of innovative and appropriate technologies in rural areas.

Institutional outcomes that each programme contributes towards according to the Annual Performance Plan:

Outcome 6: Integrated and inclusive rural economy.

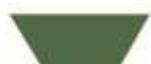
### Outcomes, outputs, output indicators, targets and actual achievements

The department did not create enough jobs for women, youth and people with disabilities (women = 2 (9%), youth = 7 (30%) and people with disabilities = 0). Advocacy sessions will be held with the contractors to ensure that women and youth are given employment opportunities.

The department targeted to train a total of 1 916 NARYSEC participants. The department achieved the target and recorded a total of 1 926 skilled participants. The department targeted to support 15 farmer production support units (FPSUs) with infrastructure projects. The department achieved 15 FPSUs (100%) against the set target.

**Table 2.4.4.1: Report against the originally tabled Annual Performance Plan until date of re-tabling**

Programme/subprogramme: Rural Development									
Out-come	Output	Output indicator	Audited actual performance 2018/2019	Audited actual performance 2019/2020	Planned actual target 2020/2021	*Actual achievement 2020/ 2021 until date of re-tabling	Deviation from planned target to Actual achievement 2020/ 2021	Reasons for deviations	Reasons for revisions to the outputs/output indicators/ annual targets
Outcome 6: Integrated and inclusive rural economy	5.1 Increased job opportunities and development of skills	5.1.1. Number of skills development opportunities provided	8 589 RID = 2 299 NARYSEC = 2 215 REID = 4 075	7 627 REID = 4 305 (Females = 2 391 & youth = 1 608) RID = 1 172 NARYSEC = 2 150	7 591	No skills development opportunity was provided during Quarter 1	7 591 Skills development opportunity was not provided	No skills development was done against the Quarter 1 target of 700 because of the COVID-19 lockdown restrictions imposed in terms of the Disaster Management Act. Participants could attend physical	The target was revised from 7 591 to 1 916, specifically to NARYSEC owing to budget reprioritisation informed by the DPME Circular 2 of 2020



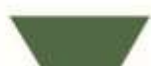
Programme/subprogramme: Rural Development									
Outcome	Output	Output indicator	Audited actual performance 2018/2019	Audited actual performance 2019/2020	Planned actual target 2020/2021	*Actual achievement 2020/ 2021 until date of re-tabling	Deviation from planned target to Actual achievement 2020/ 2021	Reasons for deviations	Reasons for revisions to the outputs/output indicators/ annual targets
								training sessions due to COVID-19 restrictions	
		5.1.2 Number of job opportunities created in rural development initiatives	6 275 RID: 1 379 REID: 4 896	6 425 REID: 4 445 RID: 1 980	5 652	23 Job opportunities were created in rural development initiatives during Quarter 1	5 629 Job opportunities were not created in rural development initiatives	23 Job opportunities were created against a Quarter 1 target of 654 which resulted in a Quarter 1 variance of 631. This was not achieved because of the COVID-19 lockdown restrictions imposed in terms of the Disaster Management Act. The COVID-19 restrictions resulted in people not being able to report for duty for projects. Overall variance is 5 629 considering achievement of Quarter 1 from annual target	The indicator was removed from the APP due to budget reprioritisation informed by the DPME Circular 2 of 2020.
Outcome 6: Integrated and inclusive rural	5.2 Infrastructure development to support rural	5.2.1 Number of infrastructure projects completed	209 (Inclusive of AVMP, RVCP, SEI and Agri-Parks)	143	130	7 Infrastructure projects were completed	123 Infrastructure projects could not be completed	7 Infrastructure projects were completed against a	The indicator was removed from the



Programme/subprogramme: Rural Development									
Out-come	Output	Output indicator	Audited actual performance 2018/2019	Audited actual performance 2019/2020	Planned actual target 2020/2021	*Actual achievement 2020/ 2021 until date of re-tableing	Deviation from planned target to Actual achievement 2020/ 2021	Reasons for deviations	Reasons for revisions to the outputs/ output indicators/ annual targets
economy	economic transformation					during Quarter 1		target of 20 during Quarter 1 which resulted in a variance of 13 for Quarter 1. COVID-19 restrictions resulted in this non-achievement and eventually an overall non-achievement of 123 annually when evaluating the reported actual achievement for Quarter 1 against the annual target of 130	APP due to budget reprioritisation informed by the DPME Circular 2 of 2020

**Table 2.4.4.2: Report against the re-tabled Annual Performance Plan**

Programme/subprogramme: Rural Development									
Out-come	Output	Output indicator	Audited actual performance 2018/2019	Audited actual performance 2019/2020	Planned actual target 2020/2021	**Actual achievement 2020/ 2021	Deviation from planned target to Actual achievement 2020/ 2021	Reasons for deviations	
Outcome 6: Integrated and inclusive rural economy	5.1 Increased job opportunities and development of skills	5.1.1 Number of NARYSEC youth trained	2 215	2 150	1 916	1 926 NARYSEC youth were trained	10 More NARYSEC youth were trained during this period under review	The deviation is due to additional certificates which were expected for Quarter 1 of the 2021/22	

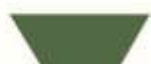


Programme/subprogramme: Rural Development								
Out-come	Output	Output indicator	Audited actual performance 2018/2019	Audited actual performance 2019/2020	Planned actual target 2020/2021	**Actual achievement 2020/2021	Deviation from planned target to Actual achievement 2020/2021	Reasons for deviations
								financial year and received earlier than anticipated
	5.2 Infrastructure development to support rural economic transformation	5.2.1 Number of farmer production support units (FPSUs) supported with infrastructure projects	New indicator	New indicator	15	15 FPSU were supported with infrastructure projects	0	N/A

#### **Strategy to overcome areas of underperformance**

Regular programme meetings at various levels of management are being undertaken with the focus strictly on assessing the state of performance and to adopt strategies for improvement in identified weak areas. These meetings are also extended to PSSC management who are responsible for managing implementation of set priorities. The discussions about performance against operational plans is assessed monthly and key issues are escalated to the departmental Executive Committee.

Dedicated support officials from the monitoring, strategic planning and risk management units, who all have a strong working relationship with the Directorate: Internal Audit, provide strategic support which assist in identifying areas of challenges in time to allow the development of improvement plans. The programme has appointed planning and reporting coordinators who work closely with departmental performance monitoring practitioners to advise management on performance areas that need frequent attention.



## Programme 5: Economic Development, Trade and Marketing

### Purpose

Promote economic development, trade and market access for agricultural products; and foster international relations for the sector.

### The programme comprises the following subprogrammes:

**International Relations and Trade:** Promote, coordinate and support international relations and trade through the development and implementation of appropriate policies and programmes.

**Cooperatives and Development:** Facilitate and support the implementation of programmes and initiatives to promote cooperatives to participate in economic development.

**Agro-processing, Marketing and Industrial Development:** Ensure the transformation of primary product commodities into value added products and ensure domestic and international market access.

Institutional outcomes that each programme contributes towards according to the Annual Performance Plan:

- Outcome 5: Increased market access and maintenance of existing markets.
- Outcome 6: Integrated and inclusive rural economy.

### Outcomes, outputs, output indicators, targets and actual achievements

This programme plays an important economic role in the sector. Sectoral statistics and economic analysis information provide a useful base that enhances management decision making on impactful areas to prioritise investing in. The AgriBEE Fund, which plays a critical role in transformation and empowerment, continued to be managed under this programme and all assessment of applications was finalised. Sectoral trade agreements, whether bilaterally or multilaterally, with both African and international countries, were coordinated and various reports have been compiled providing more details.

**Table 2.4.4.1: Report against the originally tabled Annual Performance Plan until date of re-tabling**

Programme/subprogramme: Economic Development, Trade and Marketing									
Out-come	Output	Output indicator	Audited actual performance 2018/2019	Audited actual performance 2019/2020	Planned actual target 2020/2021	*Actual achievement 2020/2021 until date of re-tabling	Deviation from planned target to Actual achievement 2020/2021	Reasons for deviation	Reasons for revisions to the outputs/output indicator/annual targets
Outcome 5: Increased market access and maintenance of existing markets	6.1 Cooperatives trained	6.1.1 Number of cooperatives supported/trained	126 Cooperatives were supported with Farmtogether training as follows: EC: 22 FS: 22 GP: 12 KZN: 14 LP: 12 MP: 15 NC: 5 NW: 18 WC: 6	144 Cooperatives were supported with Farmtogether training as follows: EC: 21 FS: 23 GP: 26 KZN: 17 LP: 16 MP: 21 NC: 4 NW: 16	148	No cooperative was supported with Farmtogether training during the period under review	148 Cooperatives were not supported	Quarter 1 target of 36 could not be achieved due to COVID-19 restrictions. 148 is the variance annually considering nil achievement of Quarter 1 against an annual target of 148	The indicator was removed from the APP due to budget reprioritisation informed by the DPME Circular 2 of 2020

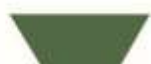




Programme/subprogramme: Economic Development, Trade and Marketing									
Out-come	Output	Output indicator	Audited actual performance 2018/2019	Audited actual performance 2019/2020	Planned actual target 2020/2021	*Actual achievement 2020/2021 until date of re-tabling	Deviation from planned target to Actual achievement 2020/2021	Reasons for deviations	Reasons for revisions to the outputs/output indicator/annual targets
Outcome 5: Increased market access and maintenance of existing markets	6.2 AgriBEE Fund implemented	6.2.1 Percentage of AgriBEE Fund applications finalised	-	-	100%	0% (Quarterly Progress Report on the received AgriBEE Fund applications was compiled)	100% Annually was not achieved during the period under review	The Quarterly Progress Report on the received AgriBEE Fund applications targeted for Quarter 1 was achieved as planned. The variance is the result of calculating variance from what was achieved in Quarter 1 out of annual target	N/A
Outcome 5: Increased market access and maintenance of existing markets	6.3 Marketing of Agricultural Products Act	6.3.1 Marketing of Agricultural Products Act reviewed	-	-	Draft Marketing of Agricultural Products Amendment Bill developed	The first Draft Marketing of Agricultural Products Amendment Bill was developed	The development of the Marketing of Agricultural Products Amendment Bill was not concluded	The planned Quarter 1 target of draft Bill was achieved to enable further work on the finalisation towards achieving the intended annual target of the final draft	N/A
Outcome 5: Increased market access and maintenance	6.4 Agro-processing entrepreneurs capacitated	6.4.1 Number of agro-preneurs capacitated on food manufacturing	45 Agro-processing entrepreneurs were trained on processing norms and	60 Agro-processing entrepreneurs were trained on processing norms and	185	0	185 Agro-preneurs could not be capacitated on food manufactu	There was no Quarter 1 target planned for the indicator	The indicator was removed from the APP owing to budget

Programme/subprogramme: Economic Development, Trade and Marketing									
Outcome	Output	Output indicator	Audited actual performance 2018/2019	Audited actual performance 2019/2020	Planned actual target 2020/2021	*Actual achievement 2020/2021 until date of re-tableling	Deviation from planned target to Actual achievement 2020/2021	Reasons for deviations	Reasons for revisions to the outputs/output indicator/annual targets
ance of existing markets		ing standards	standards as follows: KwaZulu-Natal: 14  Mpumalanga: 17  North West: 14	standards within their respective provinces as follows: Gauteng: 21  KwaZulu-Natal: 24  Mpumalanga: 8  North West: 7			ring standards	under review	reprioritisation informed by the DPME Circular 2 of 2020
Outcome 5: Increase and maintenance of existing markets	6.5 Trade agreements	6.5.1 Trade agreements implemented	Trade agreements were implemented and the department also participated in trade negotiations. Quarterly reports on the implementation of trade agreements and participation in trade negotiations have been compiled for activities undertaken during the 2017/18 period	Report on implementation of trade agreements was compiled	Report on the implementation of 6 trade agreements	Quarterly Progress Report on the implementation of trade agreements was compiled	Consolidated report on the implementation of 6 trade agreements was not compiled	Quarterly Progress Report on the implementation of trade agreements as targeted for Quarter 1 was achieved as planned. The variance reflected is the result of planned annual target that could not have been achieved in Quarter 1 alone	N/A
		6.5.2 Trade agreements negotiated	Report on participation in trade negotiations was compiled	Report on participation in trade negotiations was compiled	Report on participation in 4 trade negotiations	Quarterly Progress Report on participation in trade negotiations was compiled	Consolidated report on participation in trade negotiations was not compiled	Quarterly Progress Report on participation in trade negotiations as targeted for	N/A

Programme/subprogramme: Economic Development, Trade and Marketing									
Out-come	Output	Output indicator	Audited actual performance 2018/2019	Audited actual performance 2019/2020	Planned actual target 2020/2021	*Actual achievement 2020/2021 until date of re-tabling	Deviation from planned target to Actual achievement 2020/2021	Reasons for deviations	Reasons for revisions to the outputs/output indicator/annual targets
								Quarter 1 was achieved as planned. The variance reflected is the result of planned annual target that could not have been achieved in Quarter 1 alone	
Outcome 5: Increased market access and maintenance of existing markets	6.6 International Relations Strategy implemented	6.6.1 Multilateral agreements implemented	Report on facilitating the implementation of BRICS action plans was compiled	Report on facilitating the implementation of BRICS was compiled	Report on multilateral engagements	Quarterly Progress Report on multilateral engagements was compiled	Consolidated report on multilateral engagements was not compiled	Quarterly Progress Report on multilateral engagements targeted for Quarter 1 was achieved as planned. The variance reflected is the result of planned annual target that could not have been achieved in Quarter 1 alone	N/A
			Status report on compliance to AU and SADC obligations was compiled	Status report on compliance to AU and SADC obligations was compiled	Report on AU and SADC engagements	Quarterly Progress Report on AU and SADC engagements was compiled	Consolidated report on AU and SADC engagements was not compiled	Quarterly Progress Report on AU and SADC engagements targeted for Quarter 1 was	N/A



Programme/subprogramme: Economic Development, Trade and Marketing									
Outcome	Output	Output indicator	Audited actual performance 2018/2019	Audited actual performance 2019/2020	Planned actual target 2020/2021	*Actual achievement 2020/2021 until date of re-tableling	Deviation from planned target to Actual achievement 2020/2021	Reasons for deviations	Reasons for revisions to the outputs/output indicator/annual targets
								achieved as planned. The variance reflected is the result of the planned annual target that could not have been achieved in Quarter 1 alone	
		6.6.2 Bilateral agreements implemented	Report on strategic engagement of partners within South-South, North-South and multilateral agencies/forums was compiled	Report on strategic engagement of partners within South-South, North-South and multilateral agencies/forums was compiled	Status report on bilateral engagements (South-South and North-South)	Quarterly Progress Report on bilateral engagements (South-South and North-South) was compiled	Consolidated report on bilateral engagements (South-South and North-South) was not compiled	Quarterly Progress Report on bilateral engagements (South-South and North-South) targeted for Quarter 1 was achieved as planned. The variance reflected is the result of the planned annual target that could not have been achieved in Quarter 1 alone	N/A
			Report on strategic engagement of partners within Africa and African	Report on strategic engagement of partners within Africa and African agencies	Status report on bilateral engagements (Africa continent)	Quarterly Progress Report on bilateral engagements (African continent)	Consolidated report on bilateral engagements (African continent)	Quarterly Progress Report on bilateral engagements (African continent)	N/A

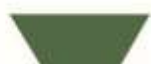
Programme/subprogramme: Economic Development, Trade and Marketing									
Outcome	Output	Output indicator	Audited actual performance 2018/2019	Audited actual performance 2019/2020	Planned actual target 2020/2021	*Actual achievement 2020/2021 until date of re-tableting	Deviation from planned target to Actual achievement 2020/2021	Reasons for deviations	Reasons for revisions to the outputs/output indicator/annual targets
			agencies was compiled	was compiled		was compiled	was not compiled	targeted for Quarter 1 was achieved as planned. The variance reflected is the result of the planned annual target that could not have been achieved in Quarter 1 alone	
Outcome 6: Integrated and inclusive rural economy	7.6 Rural enterprises and industries supported in areas with economic opportunities	7.6.1 Number of farmer production support units (FPSUs) functional	-	13	24	0	24 FPSUs were not functional by the end of quarter 1.	There was no Quarter 1 target planned for the indicator under review	The indicator was removed from the APP owing to budget reprioritisation informed by the DPME Circular 2 of 2020
		7.6.2 Number of rural enterprises supported	302 (Inclusive of agric and non-agric)	249 (Females = 17 and Youth = 16)	265	4 Rural enterprises were supported during the period under review	261 Rural enterprises could not be supported	4 Rural enterprises were supported against a Quarter 1 target of 58 which resulted in variance of 54. As a result of COVID-19, staff capacity was reduced, which impacted normal operations. This led to	The indicator was removed from the APP owing to budget reprioritisation informed by the DPME Circular 2 of 2020



Programme/subprogramme: Economic Development, Trade and Marketing									
Outcome	Output	Output indicator	Audited actual performance 2018/2019	Audited actual performance 2019/2020	Planned actual target 2020/2021	*Actual achievement 2020/2021 until date of re-tableting	Deviation from planned target to Actual achievement 2020/2021	Reasons for deviations	Reasons for revisions to the outputs/output indicator/annual targets
								the delayed creation for delivering cattle and medication to 10 enterprises in MP. In KZN, the SLA partner had to provide inputs to 4 enterprises due to the pressing need experienced by the goat farmers. 261 is the variance annually considering that 4 was done in Quarter 1 against an annual target of 265	

**Table 2.4.4.2: Report against the re-tabled Annual Performance Plan**

Programme/subprogramme: Economic Development, Trade and Marketing									
Outcome	Output	Output indicator	Audited actual performance 2018/2019	Audited actual performance 2019/2020	Planned actual target 2020/2021	**Actual achievement 2020/2021	Deviation from planned target to Actual achievement 2020/2021	Reasons for deviations	
Outcome 5: Increased market access and maintenance	6.1 AgriBEE Fund implemented	6.1.1 % of AgriBEE Fund applications finalised	–	–	100%	100% (37) AgriBEE Fund applications were received, assessed	N/A	N/A	



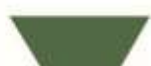
Programme/subprogramme: Economic Development, Trade and Marketing								
Outcome	Output	Output indicator	Audited actual performance 2018/2019	Audited actual performance 2019/2020	Planned actual target 2020/2021	**Actual achievement 2020/2021	Deviation from planned target to Actual achievement 2020/2021	Reasons for deviations
ce of existing markets						and finalised during the period under review		
Outcome 5: Increased market access and maintenance of existing markets	6.2 Marketing of Agricultural Products Act	6.2.1 Marketing of Agricultural Products Act reviewed			Draft Marketing of Agricultural Products Amendment Bill developed	Draft Marketing of Agricultural Products Amendment Bill was recommended for submission to DPME by the National Policy Review Committee (NPRC) for the first phase of the Socio-Economic Impact Assessment System (SEIAS)	The development of the draft Marketing of Agricultural Products Amendment Bill was not completed	Submission to DPME was not yet concluded to allow further consultations with the Office of the State Law Advisor (OCSLA) to achieve the planned target
Outcome 5: Increased market access and maintenance of existing markets	6.3 Trade agreements	6.3.1 Trade agreements implemented	Trade agreements were implemented, and the department also participated in trade negotiations. Quarterly reports on the implementation of trade agreements and participation in trade negotiations have been compiled for activities undertaken during the 2017/18 period	Report on implementation of trade agreements was compiled	Report on the implementation of 6 trade agreements	Report on the implementation of 6 trade agreements was compiled	N/A	N/A
		6.3.2 Trade agreement	Report on participation in trade	Report on participation in trade	Report on participation	Report on participation in 4 trade	N/A	N/A

Programme/subprogramme: Economic Development, Trade and Marketing								
Outcome	Output	Output indicator	Audited actual performance 2018/2019	Audited actual performance 2019/2020	Planned actual target 2020/2021	**Actual achievement 2020/2021	Deviation from planned target to Actual achievement 2020/2021	Reasons for deviations
		s negotiated	negotiations was compiled	negotiations was compiled	in 4 trade negotiations	negotiations was compiled		
Outcome 5: Increased market access and maintenance of existing markets	6.4 International Relations Strategy implemented	6.4.1 Multilateral agreements implemented	Report on facilitating the implementation of BRICS action plans was compiled	Report on facilitating the implementation of BRICS was compiled	Report on multilateral engagements	Report on multilateral engagements was compiled	N/A	N/A
			Status report on compliance to AU and SADC obligations was compiled	Status report on compliance to AU and SADC obligations was compiled	Report on AU and SADC engagements	Report on AU and SADC engagements were compiled	N/A	N/A
		6.4.2 Bilateral agreements implemented	Report on strategic engagement of partners within South-South, North-South and multilateral agencies/forums was compiled	Report on strategic engagement of partners within South-South, North-South and multilateral agencies/forums was compiled	Status report on bilateral engagements (South-South and North-South)	Status report on bilateral engagements (South-South and North-South) was compiled	N/A	N/A
			Report on strategic engagement of partners within Africa and African agencies was compiled	Report on strategic engagement of partners within Africa and African agencies was compiled	Status report on bilateral engagements (Africa continent)	Status report on bilateral engagements (Africa continent) was compiled	N/A	N/A

### **Strategy to overcome areas of underperformance**

Regular programme meetings at various levels of management are being undertaken with the focus strictly on assessing state of performance and to adopt strategies for improvement in identified weak areas. These meetings are also extended to PSSC management and relevant programme managers in PDAs and public entities where implementation of set priorities are managed. The discussions about performance against operational plans is assessed monthly and key issues escalated to departmental Executive Committee.

Dedicated support officials from the monitoring, strategic planning and risk management units, who all have a strong working relationship with the Directorate: Internal Audit, provide strategic support which assist in identifying areas of challenges in time to allow development of improvement plans. This programme has appointed planning and reporting coordinators who work closely with departmental performance monitoring practitioners to advise management on performance areas that frequently need attention.





## Programme 6: Land Administration

### Purpose

Provide geospatial information, cadastral surveys, deeds registration and spatial planning in addition to technical services in support of sustainable land development.

### The programme comprises the following subprogrammes:

**National Geomatics Management Services:** Responsible for examining and approving all surveys of land and real rights intended to be registered in the deeds office; maintaining records; compiling, maintaining and revising maps of property boundaries; providing cadastral advisory services to other government institutions; promoting and controlling all matters relating to geodetic and topographical surveying; establishing and maintaining a network of national geo-referencing stations; facilitating state surveys relating to land reform; and providing cadastral and geospatial information services, including South African spatial data infrastructure.

**Spatial Planning and Land Use Management:** Provides for national land use management and spatial planning systems; develops the national spatial development framework and rural development plans, guidelines, norms and standards; and ensures compliance with the Spatial Land Use Management Act (2013). This subprogramme also provides support to the South African Council of Planners and technical assistance to other spheres of government by providing spatial development frameworks and land use schemes; and establishing functional municipal land use tribunals.

**Registration of Deeds Trading Account:** Transfers funds annually to the South African Council of Planners, a non-profit organisation dealing with the registration and other activities of the planning profession.

**South African Geomatics Council:** Regulates and promotes the transformation of the geomatics profession.

Institutional outcomes that each programme contributes towards according to the Annual Performance Plan:

Outcome 2: Spatial transformation and effective and efficient land administration.

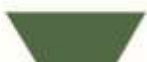
### ***Outcomes, outputs, output indicators, targets and actual achievements***

Some of the key targets achieved by the programme will be reflected. The detailed performance of the programme against all targets set for 2020/21 are to follow in tables. The programme achieved targets of the Deeds Amendment Bill that was approved by the minister for submission to Cabinet and 23 district development plans have been updated.

There was no achievement on the following: Land Administration Legislative Framework approved, Consolidated analytical report on policies, legislation and systems to inform the National Land Information System, e-DRS Phase 1 completed, recordals on three sites conducted.

The reason for the deviation is the COVID-19 regulations that affected the movement of people. Two of the above-listed indicators were only applicable in Quarter 1 and were later removed in the APP of 2020/2021. The indicator on CPAs was moved to Programme 3.

During the period under review the programme further successfully compiled a submission to the minister to introduce the Deeds Registries Amendment Bill to Cabinet and five NSDF spatial action area implementation plans were drafted.



**Table 2.4.4.1: Report against the originally tabled Annual Performance Plan until date of re-tabling**

Programme/subprogramme: Land Administration									
Outcome	Output	Output indicator	Audited actual performance 2018/2019	Audited actual performance 2019/2020	Planned actual target 2020/2021	*Actual achievement 2020/2021 until date of re-tabling	Deviation from planned target to Actual achievement 2020/2021	Reasons for deviation	Reasons for revisions to the outputs/output indicators / annual targets
Outcome 2: Spatial transformation and effective and efficient land administration	8.1 An overarching Land Administration Legislative Framework	8.1.1 Land Administration Legislative Framework approved	N/A	N/A	Land Administration Legislative Framework approved	The stakeholder consultation on the draft framework was not achieved	Land Administration Legislative Framework has not been approved	The target was not achieved owing to COVID-19 restrictions. Consultation with various stakeholders, including rural communities is a prerequisite towards its achievement	The indicator was removed from the APP owing to budget reprioritisation informed by the DPME Circular 2 of 2020
	8.2 Integrated Land Administration System	8.2.1 National Land Information System Developed	N/A	N/A	Consolidated analytical report on policies, legislation and systems to inform the National Land Information System	The target was not achieved	Consolidated analytical report on policies, legislation and systems to inform the National Land Information System	The work could not be done due to the placement of officials to the new roles not being finalised	N/A
	8.3 Electronic land Registration System (registration and Recordal)	8.3.1 e-DRS Phase 1 completed	N/A	N/A	e-DRS Phase 1 completed	e-DRS Phase 1 has not been completed	e-DRS Phase 1 not completed	The target could not be achieved due to COVID-19 restrictions that affected	N/A



Programme/subprogramme: Land Administration									
Out-come	Output	Output indicator	Audited actual performance 2018/2019	Audited actual performance 2019/2020	Planned actual target 2020/2021	*Actual achievement 2020/2021 until date of re-tabling	Deviation from planned target to Actual achievement 2020/2021	Reasons for deviation	Reasons for revisions to the outputs/output indicators / annual targets
								the ability of the entity to generate income which was to fund the project	
	8.4 Deeds Registries Act Amendment Bill	8.4.1 Deeds Amendment Bill drafted	N/A	N/A	Deeds Registration Act Amendment Bill approved by the minister for submission to Cabinet	Draft Amendment Bill available	N/A	The intended target for Quarter 1 was achieved. However, the annual target is not satisfied by the achievement of Quarter 1 and this is in accordance with the DPME reporting guide	N/A
	8.5 District pilot projects on recordals	8.5.1 District recordal projects piloted	N/A	N/A	Business case	Draft Business case is available	Business case	The deviation is due to lockdown regulations resulting in budget cuts to finalise the project	The indicator was removed from the APP owing to budget reprioritisation informed by the DPME Circular 2 of 2020
	8.5 Policies and legislation	8.5.1 Number of National	N/A	N/A	5 NSDF spatial action areas	5 NSDF spatial action areas	5 NSDF spatial action areas	There was no Quarter 1 to	N/A

Programme/subprogramme: Land Administration									
Out-come	Output	Output indicator	Audited actual performance 2018/2019	Audited actual performance 2019/2020	Planned actual target 2020/2021	*Actual achievement 2020/2021 until date of re-tabling	Deviation from planned target to Actual achievement 2020/2021	Reasons for deviation	Reasons for revisions to the outputs/output indicators / annual targets
	n developed to give effect to spatial transformation	Spatial Development Framework (NSDF) spatial action areas implementation plans developed			implementation plans developed	implementation plans could not be developed	implementation plans were not developed	report against contributing to this annual target	
	8.7 Updated and mainstreamed district development plans (Operation Khauleza)	8.7.1 Number of district development model plans (Operation Khauleza updated)	N/A	N/A	23 District development plans updated	25 District development plans were updated. This annual target was achieved during Quarter 1.	2	The department managed to complete additional two projects due to the quick turnaround on the targeted 23	N/A
	8.8 Communal Property Associations (CPAs) compliant with legislation	8.8.1 Number of CPAs supports to be compliant with legislation	418	540	477	2 CPAs were supported to be compliant with legislation during Quarter 1	475 CPAs were not supported to be compliant with legislation	Deviation of 81 was realised during Quarter 1 as 3 CPAs were supported against a Quarter 1 target of 83. The deviation was due to COVID-19 restrictions that restricted	The target was moved to Programme 3 owing to restructuring process of the department

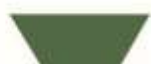


Programme/subprogramme: Land Administration									
Out-come	Output	Output indicator	Audited actual performance 2018/2019	Audited actual performance 2019/2020	Planned actual target 2020/2021	*Actual achievement 2020/2021 <u>until date of re-tabling</u>	Deviation from planned target to Actual achievement 2020/2021	Reasons for deviation	Reasons for revisions to the outputs/output indicators / annual targets
								<p>d staff from travelling to farms and restricted community gatherings. The deviation of 474 is for annual period due to 3 Quarter 1 achieved from annual target of 477</p>	



**Table 2.4.4.2: Report against the re-tabled Annual Performance Plan**

Programme/subprogramme: Land Administration								
Outcome	Output	Output indicator	Audited actual performance 2018/2019	Audited actual performance 2019/2020	Planned actual target 2020/2021	**Actual achievement 2020/2021	Deviation from planned target to Actual achievement 2020/2021	Reasons for deviations
Outcome 2: Spatial transformation and effective and efficient land administration	7.1 Integrated Land Administration System	7.1.1 National Land Information System Developed	N/A	N/A	A consolidated analytical report on policies, legislation and systems to inform the National Land Information System	A consolidated analytical report on policies, legislation and systems to inform the National Land Information System was not compiled	A consolidated analytical report on policies, legislation and systems to inform the National Land Information System was not compiled	Inputs on the draft Land Administration Policy Framework and approval have not been received from the stakeholders to commence with the compilation of the report
	7.2 Electronic land Registration System (registration and Recordal)	7.2.1 e-DRS Phase 1 completed	N/A	N/A	e-DRS Phase 1, 60% completed	e-DRS Phase 1, 60% did not start	e-DRS Phase 1, 60% was not completed	Delays in approval to source development partner due to suspension of the e-DRS project as a result of project funds not being guaranteed by NT and due to strain in the fiscus
	7.3 Deeds Registries Act Amendment Bill	7.3.1 Deeds Amendment Bill drafted	N/A	N/A	Submission to minister to introduce the Deeds Registries Amendment Bill to Cabinet	A submission of the Deeds Registries Amendment Bill to Cabinet was presented to the minister	N/A	N/A
	7.4 Policies and	7.4.1 Number of National	N/A	N/A	5 NSDF spatial action	5 NSDF spatial action	N/A	N/A



Programme/subprogramme: Land Administration								
Outcome	Output	Output indicator	Audited actual performance 2018/2019	Audited actual performance 2019/2020	Planned actual target 2020/2021	**Actual achievement 2020/2021	Deviation from planned target to Actual achievement 2020/2021	Reasons for deviations
	legislation developed to give effect to spatial transformation	Spatial Development Framework spatial action areas implementation plans developed			area implementation plans drafted	area implementation plans were drafted		

### **Strategy to overcome areas of underperformance**

Regular programme meetings at various levels of management are held, with focus strictly on assessing the state of performance and to adopt strategies for improvement in identified weak areas. These meetings are also extended to PSSC management who are responsible for managing implementation of set priorities. The discussions about performance against operational plans is assessed monthly and key issues escalated to the departmental Executive Committee.

Dedicated support officials from the monitoring, strategic planning and risk management units, who all have a strong working relationship with the Directorate: Internal Audit, provide strategic support which assist in identifying areas of challenges in time to allow the development of improvement plans. This programme appointed planning and reporting coordinators who work closely with departmental performance monitoring practitioners to advise management on performance areas that frequently need attention.

The department has rephrased the targets on e-DRS so that it is easy to track achievements and can be implemented in a phased-in approach.

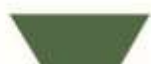
### **Performance in relation to standardised outputs and output indicators for sectors with concurrent functions**

The following indicators are implemented by PDAs with DALLRD providing oversight and institutional monitoring and reporting services over their performance. Supporting evidence for reported performance is, therefore, in provinces under management of provincial monitoring practitioners.

Output indicators	Planned Annual target	Annual achievement	Deviation from planned target to Actual achievement	Reasons for deviations
<b>Programme 2: Sustainable Resource Management</b>				
Number of agricultural infrastructures established	517	407	-110	COVID-19 hard lockdown affected completion of projects
Number of hectares of agricultural land rehabilitated	48 152	73 687.85	-25 535	COVID-19 hard lockdown affected completion of projects
Number of green jobs	7 870	6 679	-1 191	COVID-19 hard lockdown affected job creation
Number of farm management plans developed	304	334	+30	More demand of plans

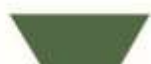


Output indicators	Planned Annual target	Annual achievement	Deviation from planned target to Actual achievement	Reasons for deviations
Number of agro-ecosystem management plans developed (annual)	20	20	0	None
Number of disaster risk reduction services managed	137	165	+28	Increase in the number of risk reduction interventions and risk reduction measures
Number of disaster relief schemes managed (annual)	11	15	+4	High demand
<b>Programme 3: Farmer Support Development</b>				
Number of smallholder producers supported	23 117	26 156	+3 039	More support occurred from COVID-19 Relief Fund to smallholder farmers
Number of smallholder producers supported with agricultural advice	57 617	48 548	-9 069	COVID-19 hard lockdown affected contact with farmers
Number of households supported with agricultural food production initiatives	80 170	79 529	-641	COVID-19 hard lockdown affected contacts with farmers
Number of hectares planted for food production	103 363	122 710.13	+19 347,13	Agriculture was declared as critical during lockdown to combat food insecurity. More hectares were planted through departmental support
<b>Programme 4: Veterinary Services</b>				
Number of visits to epidemiological units for veterinary interventions	101 515	91 620	-9 895	Less visits were undertaken due to hard lockdown of COVID-19.
Number of export control certificates issued	50 950	44 699	-6 251	Unavailability of state veterinarians to issue certificates. The achievement is dependent on the clients
Average percentage of compliance of all operating abattoirs in the province to the meat safety legislation (annual)	79.2%	79.7%	+0.5%	Variance is within accepted standard
Number of laboratory tests performed according to	731 524	975 684	+244 160	More tests conducted as all role players played part in the laboratory achieving numbers that





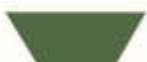
Output indicators	Planned Annual target	Annual achievement	Deviation from planned target to Actual achievement	Reasons for deviations
prescribed standards				are more than what was projected
<b>Programme 5: Technology Research and Development Services</b>				
Number of research projects implemented to improve agricultural production (annual)	310	354	+44	Using online means of conducting the peer review events during COVID-19 lockdown enabled more presentations
Number of research presentations made at peer reviewed events	167	99	-68	COVID-19 lockdown caused all conferences (national and international) to be cancelled and moved to 2021
Number of research presentations made at technology transfer events	560	434	-126	Difficult to plan due to COVID-19 pandemic
Number of scientific papers published (annual)	57	72	+15	Scientific papers submitted to journals and still under review
Number of research infrastructure managed (annual)	42	45	+3	More dilapidating infrastructure required attention
<b>Programme 6: Agricultural Economics Services</b>				
Number of agri-businesses supported with marketing services	2 949	4 039	+1 090	Demand increased due to lockdown relaxation in the latter part of the financial year
Number of agri-businesses supported with production economic services	9 871	6 881	-2 990	Demand affected by COVID-19 lockdown
Number of agro-processing initiatives supported (annual)	82	424	+342	Demand increased due to lockdown relaxation in the latter part of the financial year
Number of economic reports compiled	126	216	+90	Changing economic environment due to COVID-19 pandemic leading to lockdown necessitated production of an additional economic report
<b>Programme 7: Structured Agricultural Training</b>				
Number of students graduated from Agricultural Training Institutes (annual)	541	534	-7	High student dropout rate in the 2019 academic year, subsequently completed in 2020
Number of participants trained in skills	16 250	10 278	-5 972	Participants trained are government officials



Output indicators	Planned Annual target	Annual achievement	Deviation from planned target to Actual achievement	Reasons for deviations
development programmes in the sector				

**Reporting on the institutional response to the COVID-19 pandemic**

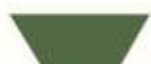
Budget programme	Intervention	Geographic location (Province/district / local municipality) (where possible)	No. of beneficiaries (where possible)	Disaggregation of beneficiaries (where possible)	Total budget allocation per intervention (R'000)	Budget spent per intervention (R'000)	Contribution to the outputs in the APP (where applicable)	Immediate outcomes
LR&TR	COVID-19 Disaster Agricultural Support Fund	All provinces	15 681	Women – 5 187 Youth – 2 450 Disabled persons - 164	1 200 000	565 128 000	Support to small-holder farmers	Food Security
FSAR	Presidential Employment Stimulus Initiative (PESI)	All nine (9) provinces	By 31 March 2021, a total number of <b>53 286</b> beneficiaries were approved by the NTT out of 72 940 verified. Number of e-vouchers issued were <b>18 386</b> to the value of R83 865 900	EC = 9 927 FS = 2 905 GP = 2 594 LP = 7 707 KZN = 13 134 MP = 8 942 NC = 1 649 NW = 5 505 WC = 923	1 000 000 was allocated for the PESI Project	231 546 was transferred to assist 53 286 beneficiaries	Number of subsistence producers supported through COVID-19 Relief Fund	Disaster relief for distressed subsistence producers due to COVID-19



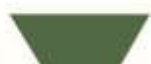
## 5. TRANSFER PAYMENTS TO ALL ORGANISATIONS OTHER THAN PUBLIC ENTITIES

The following table reflects the transfer payments made for the period 1 April 2020 to 31 March 2021.

Name of transferee	Type of organisation	Purpose for which funds were used	Did the dept. comply with	Amount transferred	Amount spent by the entity	Reasons for funds not spent by the entity
Province				R'000	R'000	
EC	Provincial department	CASP, LandCare and Ilima/Letsema	N/A	240 420	232 868	Delay in implementation of projects due to poor performance of contractors and the impact of COVID-19 restrictions
FS	Provincial department	CASP, LandCare and Ilima/Letsema	N/A	200 743	200 743	N/A
GP	Provincial department	CASP, LandCare and Ilima/Letsema	N/A	109 292	107 138	N/A
KZN	Provincial department	CASP, LandCare and Ilima/Letsema	N/A	227 909	227 909	N/A
LP	Provincial department	CASP, LandCare and Ilima/Letsema	N/A	234 862	179 273	Poor performance due to COVID-19 restrictions.
MP	Provincial department	CASP, LandCare and Ilima/Letsema	N/A	187 392	164 313	<ul style="list-style-type: none"> <li>• The development of designs and specifications was delayed by COVID-19 Level 4 and 5 lockdown regulations when movement and gatherings were restricted, which led to a delay in the implementation of infrastructure projects;</li> <li>• Shortages in the steel supply across</li> </ul>



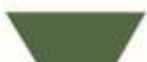
						the country also delayed the projects; <ul style="list-style-type: none"> <li>• The Tropical Cyclone Eloise also negatively impacted the implementation of projects</li> </ul>
NC	Provincial department	CASP, LandCare and Ilima/Letsema	N/A	157 397	119 566	Late start of projects' implementation owing to COVID-19 restrictions
NW	Provincial department	CASP, LandCare and Ilima/Letsema	N/A	195 310	77 394	Poor performance due to COVID-19 restrictions, delays due to procurement issues and incompetent service providers
WC	Provincial department	CASP, LandCare and Ilima/Letsema	N/A	135 174	135 175	N/A
<b>Subtotal</b>				<b>1 688 499</b>	<b>1 444 379</b>	
<b>Municipalities</b>						
Amatole	Local government	Vehicle licences	N/A	111	111	N/A
Ehlanzeni	Local government	Vehicle licences	N/A	33 976	49 813	N/A
Gert Sibande	Local government	Vehicle licences	N/A	15 000	21 669	N/A
Nkangala	Local government	Vehicle licences	N/A	15 021	24 015	N/A
City of Tshwane	Local government	Vehicle licences	N/A	3	2	N/A
Uthungula	Local government	Arbour City Awards	N/A	16	16	N/A
<b>Subtotal</b>				<b>64 127</b>	<b>95 626</b>	
<b>Departmental agencies</b>						
Primary Agricultural Sector Education and Training Authority	Departmental agency	Contribution to operations	N/A	1 308	1 308	N/A
Agricultural land holdings	Departmental agency	Contribution to operations	N/A	448 040	448 040	N/A



Agricultural Research Council	Departmental agency	Contribution to operations	N/A	1 249 920	1 249 920	N/A
Ingonyama Trust Board	Departmental agency	Contribution to operations	N/A	22 192	22 192	N/A
National Agricultural Marketing Council	Departmental agency	Contribution to operations	N/A	47 422	47 422	N/A
Registration of Deeds Trust Account	Departmental agency	Contribution to operations	N/A	358 034	358 033	N/A
Office of the Valuer-General	Departmental agency	Contribution to operations	N/A	100 000	100 000	N/A
SA Geomatics Council	Departmental agency	Contribution to operations	N/A	4 333	4 191	N/A
<b>Subtotal</b>				<b>2 231 249</b>	<b>2 231 106</b>	
<b>Public corporations</b>						
Land and Agri Bank of SA	Public corporation	Contribution to operations	N/A	14 000	14 000	N/A
<b>Subtotal</b>				<b>14 000</b>	<b>14 000</b>	
<b>Private enterprises</b>						
Red Meat Industry Forum	Private enterprises			1	0	N/A
<b>Subtotal</b>				<b>1</b>	<b>0</b>	
<b>Foreign governments and international organisations</b>						
Foreign rates and taxes	Foreign governments and international organisations	Rates and taxes paid in foreign regions	N/A	240	185	N/A
International organisations	Foreign governments and international organisations	Membership fees	N/A	43 646	29 153	N/A
<b>Subtotal</b>				<b>43 886</b>	<b>29 338</b>	
<b>Non-profit institutions</b>						
SA Council for Planners	Non-profit institution	Contribution to the pest control programme	N/A	4 035	4 035	N/A
<b>Subtotal</b>				<b>4 035</b>	<b>4 035</b>	
<b>Households</b>						



Claims against the state	Households	Excess payment subsidised motor insurance	N/A	2 735	2 735	N/A
Bursaries (non-employees)	Households	Grootfontein Agricultural Development Institute students	N/A	14 242	14 242	N/A
Farmer support	Households	Compensation to farmers due to avian influenza outbreak	N/A	27 522	27 522	N/A
Restitution grants	Households		N/A	1 345 539	1 345 539	N/A
Rural Graduates Skills Development and Training Stipend	Households		N/A	74 893	74 893	N/A
<b>Subtotal</b>				<b>1 533 935</b>	<b>1 533 934</b>	



## 6. CAPITAL INVESTMENT, MAINTENANCE AND ASSET MANAGEMENT PLAN

### Infrastructure projects currently in progress:

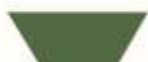
Air-conditioning and electrical installation: Repair and Maintenance Programme (RAMP) project at Sefala building (WCS 044038): DPW experienced problems with the appointment of the consultants which has mainly been the cause of the delay in the project since 2010. They had appointed consultants to do the electrical and mechanical installation of this repair and maintenance project to no success. Their services were terminated in 2019 to avoid any further delays. They then decided to do this project in-house whereby they use the services of their own internal engineers. The project is moving swiftly and the engineers have decided to redo the whole process from the beginning since a lot of repairs that was done is not functional at all. The proposed plan going forward is to use their internal departmental engineers as consultants and next they will be busy working on advertising for contractor appointment.

- Construction of sniffer dog facility (WCS 051626): This project has been placed on status 8. Town Planning requested that the planning be reversed so that they are able to appoint consultants. Alternatively, reports for the project are requested from the Project Manager so that Town Planning can clear the site. A new Procurement Instruction for the project will have to be issued since the existing PI was issued for the project at the Stellenbosch Plant Quarantine Station. A new WCS number (WCS 055808) has been issued with no progress report whatsoever.
- Alterations to the entrance at Polka Drive (WCS 051209): A new project that was registered on 20/03/2018. Officials from KAM Head Office were reminded of various fruitless attempts to obtain Procurement Instruction that would have been issued for this project. The DPW Cape Town Regional Office reported that enquiries have been made to the KAM Head Office on issuing of the WCS number and Procurement Instruction for the project and requested to inform DAFF whether a reply has been obtained or not. No response has been received to date.
- Construction of seed banks in Sterkspruit (WCS 051639): The project manager and KAM Head Office officials has been reminded that application for the land division to construct seed banks had been promised to provide DAFF with alternative options.
- WCS 052458: Site clearance for the construction of the seed banks: Sterkspruit: A consultant has been appointed to conduct studies on the approved site. A rezoning could not be finalised because it was not approved. An alternative site was identified with the Department of Correctional Services site. A meeting between the DCS and NDPW is being arranged to facilitate the subdivision of the property to allocate land to the Department of Agriculture.
- Upington: A PDIR has been issued to Town Planning to conduct site clearance on 12 February 2020. A new WCS number (WCS 055787) has been issued awaiting the progress report from the Kimberley DPW Regional Office.
- Refurbishment and extension of the Skukuza Veterinary Building (WCS 052069): Practical completion was taken on 30/05/2017. The Preliminary Certificate of Completion was signed by both parties on 05/09/2018. Site inspection of minor cracks in laboratory was conducted and the contractor did fix all cracks as promised. On 01/02/2019, the Project Manager advised the role-players that inspection will take place on 07/02/2019. The final handover was done on 07/12/2019. A final account with penalties was issued to the department on May 2021 and DALRRD has requested DPW to confirm that no further payments will be made by DALRRD.
- Construction of Durban Quarantine Station (WCS 045521): The project has been placed in status 4c and no progress has been made.
- Upgrading and maintenance of building and laboratories: Repairs to glasshouses and plant tunnels—Stellenbosch Plant Quarantine Station (WCS 052777): Practical completion was done on 12/12/2019. DAFF was awaiting a final handover together with the Certificate of Completion which would probably have taken place in 2020 after the lifting of the lockdown. A DAFF team had visited



the site together with the Project Manager to discuss the handover when the minister will be requested to come and do the opening of the facility. Completion has been done.

- Repair and renovation of offices at the old SABS building, 116 Church street, Bloemfontein (WCS 055123): A visual client forum meeting was held on 25 March 2021 with DPW and DALRRD and other stakeholders to discuss leases and the Capital Works Project in the Bloemfontein Regional Office. It was reported that the property needs to be registered in the name of National Government first. A land survey needs to be done to confirm the exact portion of the bigger property. DALRRD has received an e-mail from DPW Regional Office informing DALRRD that the ownership of the property is still an issue; however, the real estate managers are working on the solution regarding the state of the property. As soon as it is done, DPW will be able to prepare tender processes and inform DALRRD accordingly.
- Repairs and maintenance at Kempton Park Animal Quarantine Station (WCS 53727): On 16 April 2020, DPW has indicated in an email that, in order to proceed with the estimated cost for the project, they require DALRRD to provide them with the arrears of the existing building that needs to be renovated, including the horse stables, office block and hostel areas. This project is not moving forward but a meeting will be held on 28 June 2021 in Johannesburg Regional Office (DPW) to discuss the future of this project.
- Repairs and installation of infrastructure at Roodeplaat Genetic Resources Centre (WCS 052805): This project is under construction; DALRRD has requested a progress report, which will be submitted to DALRRD no later than end of May 2021. Claims have been received and paid to the contractor each month.
- Middelburg (EC): Grootfontein Agricultural Development Institute (GADI) (WCS 53304): The project is 50% complete. GADI is concerned about electrical issues. DALRRD Directorate: Sectoral Colleges will send a formal report and the matter will be escalated. Boreholes have been repaired and are in a good working condition.
- WCS (055153): Feasibility study for the procurement of new Head Office in Agriculture place: An amount of R15 million was required for the transfer of funds for the feasibility study. In 2017/2018, DAFF transferred only R10 million under CAPEX and the R5 million was transferred in the 2018/2019 financial year. A submission was forwarded to the minister for approval for continuation of the project – New Head Office for former Department of Agriculture, Forestry and Fisheries; Tshwane Prinshof Farm 349. It was recommended that the continuation will save the department an amount of R17,5 million annually on leases and municipal services, excluding 10% annually increment. The project will also improve organisational operations efficiency based on the current approved structure. Management is to inform of this project since it is in their hands now.
- WCS (055097): Site clearance: Township establishment on the part of the remaining extension of the Farm Prinshof: Awaiting feasibility to be concluded, then the planning of the construction will kick off.
- WCS (051592): Construction of one seed bank (MUTALE): The project is on hold pending the site clearance of the project (WCS 0542459).  
WCS 054259: Mutale: DAFF was informed on 28/05/2019 that a clearance certificate had been issued and that a request for vesting of the portion of land had been sent to KAM Head Office for an instruction to be issued by HO. No further updates were however received despite various reminders sent to KAM HO.
- Request to conduct a site audit of the areas which require ramp facilities for disabled officials at Head Office buildings in DAFF (WCS 52356): The site visit was conducted during March before the official lockdown. The officials from DAFF and DPW inspectors conducted the inspection concerning ramps, all male/female toilet and disability toilet in Agriculture Place. DPW to send a report of the findings to DAFF for the Procurement Instruction to be issued. The continuation of this project is still to be confirmed.

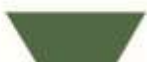




- Rehabilitation of the two dams, including repair of dam wall at Stellenbosch Plant Quarantine Station (WCS 54896): A specialist environmental consultant has been appointed for the environmental screening process and drafting of a Maintenance Management Plan. The MMP has been submitted and approved by DEA. Concept reports have been submitted to Head Office for approval. Consultants have started with designs for this projects and claims are being paid as submitted to DALRRD.
- Construction of classroom building on the GADI campus in Middleburg (WCS 055587): DPW issued the Procurement Instruction to Port Elizabeth (PE) on 28 December 2019.
- The first client briefing session between the Department of Public Works and GADI took place on 4 May 2021. The objective of the briefing session was to confirm the scope of works before the consultants are briefed. This would prevent possible fruitless expenditure that might be incurred if amendments to the scope of works are requested at a later stage. The cost estimate for the project going forward is R60 041 898, consisting of R6 671 322 for consultants' fees and R53 370 576 for construction fees.

**PROJECTS AWAITING WCS NUMBERS:**

- External repairs and renovations of the fruit laboratory and analytical services building at Stellenbosch Plant Quarantine Station.
- New security fence around Blocks A and B at Stellenbosch Plant Quarantine Station will be incorporated into the project for alterations to existing entrance and exit to Stellenbosch Plant Quarantine Station.
- Upgrade of the electrical Reticulation Block A and B at Stellenbosch Plant Quarantine Station.
- Milnerton Quarantine Animal Station: Upgrading of infrastructure: The DPW again requested to revise the needs assessment, which DALRRD has sent for the signature of the CFO, once approved, it will be forwarded to DPW.



## 7. CONDITIONAL GRANTS

### Conditional grant 1: Comprehensive Agricultural Support Programme

Department to which the grant has been transferred	<b>Eastern Cape Department of Rural Development and Agrarian Reform</b>
Purpose of the grant	<ul style="list-style-type: none"> <li>To provide effective agricultural support services, promote and facilitate agricultural development by targeting beneficiaries of land restitution and redistribution and other previously disadvantaged producers who have acquired land through private means, and are engaged in value-adding enterprises domestically, or involved in export</li> <li>To address damage to infrastructure caused by floods</li> </ul>
Expected outputs of the grant	<ul style="list-style-type: none"> <li>Subsistence, smallholder and commercial farmers supported through CASP</li> <li>Youth and women farmers supported through CASP</li> <li>On- and off-farm infrastructure provided</li> <li>CASP beneficiary supported with SA-GAP certification</li> <li>Jobs created</li> <li>CASP beneficiaries trained on farming methods and farms receiving mentoring</li> <li>Unemployed graduates placed in commercial enterprises for potential skills transfer</li> <li>CASP beneficiaries supported with market access</li> <li>Extension personnel maintained in the system</li> <li>Colleges of Agriculture upgrading infrastructure</li> </ul>
Actual outputs achieved	<ul style="list-style-type: none"> <li>22 subsistence, 2 824 smallholder and 18 commercial farmers supported through CASP</li> <li>423 youth and 1 379 women farmers supported through CASP</li> <li>84 on- and off-farm infrastructure provided</li> <li>No CASP beneficiary supported with SA-GAP certification</li> <li>1 071 jobs created</li> <li>1 115 CASP beneficiaries trained on farming methods, 210 farm workers trained and 6 farms receiving mentoring</li> <li>102 unemployed graduates placed in commercial enterprises for potential skills transfer</li> <li>526 Extension personnel maintained in the system</li> <li>Implementation of KyD projects <ul style="list-style-type: none"> <li>3 interns employed</li> <li>1 877 farmers trained</li> <li>1 375 farmers captured on INTERGIS</li> </ul> </li> </ul>
Amount per amended DORA	R177 836
Amount received	R177 836
Reasons if amount as per DORA not received	None
Amount spent by the department	R171 270
Reasons for the funds unspent	<ul style="list-style-type: none"> <li>Senqu, Engcobo, Enoch Mjijima and Matatiele could not be completed in the 2020/21 financial year due to technical and financial capability of contractors. This resulted in Sonwabile (Matatiele) shearing shed being cancelled and others with letters of demand for performance being issued to contractors. This resulted in delays in both physical and financial progress, thereby causing under expenditure;</li> </ul>

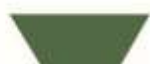
Department to which the grant has been transferred	<b>Eastern Cape Department of Rural Development and Agrarian Reform</b>
	<ul style="list-style-type: none"> <li>• The delay in completion of Krila and Craighead fences for Amathole Citrus resulted to under expenditure. Fences were delayed due to the contractor not observing OHS regulations in terms of supplying casual workers with protective clothing and resulted in a strike that lasted for two weeks together with poor workmanship that has seen the project work being redon;</li> <li>• Land preparation for the Krila and Craighead projects could not be completed due to the delays in the installation of the irrigation systems. The project had to be put on hold until an irrigation system was installed and the trees are close to delivery. The delays were the result of the partner responsible for installation of the irrigation system and the buying of trees being withdrawn due to the shortage of funds;</li> <li>• Owing to COVID-19 causing delays in the implementation of all construction work, retention fees for dipping tanks from Alfred Nzo and OR Tambo could not be paid as not all the liability matters were met at year end;</li> </ul> <p>The scarcity of steel in the country due to the COVID-19 lockdown resulted in the fencing materials being delivered late in the year; as a result, the erection of fences could not be completed and will be completed in the 2021/22 financial year</p>
Reasons for deviation on performance	<ul style="list-style-type: none"> <li>• Senqu, Engcobo, Enoch Mgijima and Matatiele could not be completed in the 2020/21 financial year due to technical and financial capability of contractors. This resulted in Sonwabile (Matatiele) shearing shed being cancelled and others with the letters of demand for performance being issued to contractors. This resulted into delays in both physical and financial progress, thereby causing under expenditure;</li> <li>• The delay in completion of Krila and Craighead fences for Amathole Citrus resulted to under expenditure. Fences were delayed owing to the contractor not observing OHS regulations in terms of supplying casual workers with protective clothing and resulted in a strike that lasted for two weeks together with poor workmanship that has seen the project work being redone. These projects are projected to be completed in May 2021;</li> <li>• Land preparation for the Krila and Craighead projects could not be completed due to the delays in the installation of the irrigation systems. The project had to be put on hold until an irrigation system was installed and the trees are close to delivery. The delays were as a result of the partner that was responsible for installation of the irrigation system and buying of trees that withdrew due to the shortage of funds;</li> <li>• Owing to delays in implementation, retention fees for dipping tanks from Alfred Nzo and OR Tambo could not be paid as not all the liability matters were met at year end;</li> <li>• The scarcity of steel in the country due to the COVID-19 lockdown resulted into the fencing materials being delivered late in the year; as a result, the erection of fences could not be completed and will be completed in the 2021/22 financial year</li> </ul>
Measures taken to improve performance	<ul style="list-style-type: none"> <li>• In-depth analysis and improvement of the departmental LED policy to accommodate reasonable service provider demands. Conduct road shows to orientate service providers on departmental policies and relevant legislation</li> <li>• Enforce smarter tracking of contractor progress by enforcing work schedules and tighter contract management and, in turn, timely replacement of contractors;</li> </ul>



Department to which the grant has been transferred	<b>Eastern Cape Department of Rural Development and Agrarian Reform</b>
	<ul style="list-style-type: none"> <li>Conducting proper evaluation of the entire infrastructure delivery value chain to identify bottlenecks, and weaknesses in the system. The evaluation will also include identification of risks and mitigation measures</li> </ul>
Monitoring mechanism by the receiving department	Physical site visits and project reporting are conducted weekly to ensure quality, enhance physical progress and prevent payment delays.

### Conditional grant 2: Ilima/Letsema Summary

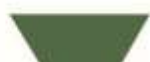
Department to which the grant has been transferred	<b>Eastern Cape Department of Rural Development and Agrarian Reform</b>
Purpose of the grant	<ul style="list-style-type: none"> <li>To assist vulnerable South African farming communities to achieve and increase in agricultural production and invest in infrastructure that unlocks agricultural production within strategically identified grain, livestock, horticulture and aquaculture areas.</li> </ul>
Expected outputs of the grant	<ul style="list-style-type: none"> <li>Land under agriculture production</li> <li>Yield per unit area</li> <li>Superior breeding animals acquired and distributed to farmers</li> <li>Jobs created</li> <li>Beneficiaries/farmers supported by the grant per category</li> <li>Hectares of rehabilitated and expanded irrigation scheme</li> <li>Number of farmers who are women, youth and people living with disabilities supported per category</li> </ul>
Actual outputs	<ul style="list-style-type: none"> <li>19 246 households supported for household food production</li> <li>22 809 ha were planted with grain, vegetables and fodder</li> </ul>
Amount per amended DORA (R'000)	R50 360
Amount received (R'000)	R50 360
Reasons if amount as per DORA was not received	None
Amount spent by the department (R'000)	R49 756
Reasons for the funds unspent by the entity	<ul style="list-style-type: none"> <li>Finds for household production was not fully spent due to service providers that could not deliver full production pack order per household in Amathole and OR Tambo. These service providers struggled to secure dual-purpose chickens and LAN fertiliser due to shortages in the country;</li> <li>The mechanisation contractors on grain production struggled to finish all operations in Alfred Nzo, Amathole and OR Tambo due to rainfall and flooded croplands. In Joe Gqabi, farmers withdrew from the programme after mechanisation contractors have been contracted</li> </ul>
Reasons for deviations on performance	<ul style="list-style-type: none"> <li>The household production support was not achieved due to delayed delivery of dual-purpose chickens and LAN fertiliser;</li> <li>Hectares planted with grain were not met due to farmers withdrawing late from the programme and the interment rainfall in the coastal and high altitudes that led to some mechanisation operations not done. In other cases, other lands was not cropped at all</li> </ul>
Measures taken to improve performance	<ul style="list-style-type: none"> <li>The procurement process and strategy have been changed to ensure that all orders are issued before the start of the production season;</li> <li>The suppliers will be limited in several districts that they can supply with the requisite inputs</li> </ul>



Department to which the grant has been transferred	<b>Eastern Cape Department of Rural Development and Agrarian Reform</b>
Monitoring mechanism by the receiving department	<ul style="list-style-type: none"> <li>• Monthly and quarterly reporting</li> <li>• Conducting site visits during production season</li> </ul>

### Conditional grant 1: Comprehensive Agricultural Support Programme Summary

Department to which the grant has been transferred	<b>Free State Department of Agriculture and Rural Development</b>
Purpose of the grant	<ul style="list-style-type: none"> <li>• To make provision for agricultural support to the targeted beneficiaries of the Land and Agrarian Reform Programme within the Free State;</li> <li>• To expand the provision of agricultural support services and promote and facilitate agricultural development by targeting subsistence, smallholder and commercial farmers;</li> <li>• To assist with (a) Diversifying of agricultural products, (b) Improving access to markets, (c) Developing institutional capacity for SMME development and (d) creating AgriBEE opportunities for the targeted groups</li> </ul>
Expected outputs of the grant	<ul style="list-style-type: none"> <li>• 185 smallholders and no commercial farmers supported through CASP</li> <li>• 31 projects to be supported with on- and off-farm infrastructure</li> <li>• 13 CASP beneficiaries supported with SA-GAP certification</li> <li>• 224 jobs to be created</li> <li>• 1 550 CASP beneficiaries trained on farming methods and 40 projects receiving mentorship.</li> <li>• 120 unemployed graduates placed in commercial enterprises for potential skills transfer</li> <li>• 30 extension personnel maintained in the system</li> <li>• 1 agricultural college upgrading infrastructure</li> </ul>
Actual outputs achieved	<ul style="list-style-type: none"> <li>• 982 subsistence, 130 smallholder and no black commercial farmers were supported through CASP</li> <li>• 28 youth and 10 women farmers were supported through CASP</li> <li>• 31 projects assisted with on- and off-farm infrastructure</li> <li>• 13 CASP beneficiaries supported with SA-GAP certification</li> <li>• 880 CASP beneficiaries trained on farming methods</li> <li>• 18 projects were supported with mentorship (111 beneficiaries)</li> <li>• 116 unemployed graduates placed on farms and agribusiness sites for potential skills transfer</li> <li>• 32 beneficiaries supported with marketing, infrastructure and equipment</li> <li>• 30 extension personnel salaries paid and maintained in the system</li> <li>• Glen Agricultural College upgrading infrastructure</li> </ul>
Amount per amended DORA	R141 745
Amount transferred	R141 745
Amount after rollover	R159 764
Reasons if amount as per DORA not received	N/A
Amount spent by the department	R141 745
Reasons for the funds unspent	<ul style="list-style-type: none"> <li>• Delay in payment of invoices (College, ATDC, KyD, etc.)</li> <li>• Delay in appointment of new intake of graduates</li> <li>• Delay in tender process approval for ATDC (Aquaculture Training and Demonstration Centre)</li> </ul>
Reasons for deviation on performance	<ul style="list-style-type: none"> <li>• Adjusted budget/budget cuts for CASP led to amendment of targeted expected outputs of the grant</li> </ul>



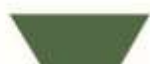
Department to which the grant has been transferred	<b>Free State Department of Agriculture and Rural Development</b>
Measures taken to improve performance	<ul style="list-style-type: none"> <li>Strengthening project coordination in terms of planning, implementation and monitoring</li> </ul>
Monitoring mechanism by the receiving department	<ul style="list-style-type: none"> <li>Monthly, quarterly and annual reports and project monitoring</li> </ul>

#### Conditional grant 2: Ilima/Letsema

Department to which the grant has been transferred	<b>Free State Department of Agriculture and Rural Development</b>
Purpose of the grant	It seeks to contribute towards implementation of the integrated Food Security Policy and Land Reform in achieving growth, and reducing poverty, unemployment and inequalities. To assist rural communities to achieve an increase in agricultural production and invest in infrastructure that unlocks agricultural production within strategically identified grain, livestock, horticulture and aquaculture production areas.
Expected outputs of the grant	<ul style="list-style-type: none"> <li>10 000 ha planted</li> <li>175 jobs created</li> <li>12 520 households food gardens</li> <li>250 institutions supported with production inputs</li> <li>46 449 subsistence farmers supported</li> <li>93 smallholder farmers supported</li> <li>50 black commercial farmers were supported</li> </ul>
Actual outputs achieved	<ul style="list-style-type: none"> <li>3 418,3 ha planted as follows: <ul style="list-style-type: none"> <li>1 067 ha maize</li> <li>2 070 ha sunflower</li> <li>200 ha pastures</li> <li>81,3 ha vegetables</li> </ul> </li> <li>145 jobs were created</li> <li>6 250 households food gardens</li> <li>50 institutions supported food gardens inputs</li> <li>2 436 subsistence farmers were supported</li> <li>108 smallholder farmers were supported</li> <li>5 black commercial farmers were supported</li> </ul>
Amount per amended DORA	R50 720
Amount transferred	R50 720
Amount after rollover	R52 649
Reasons if amount as per DORA not transferred	None
Amount spent by the department	R50 720
Reasons for the funds unspent	Delay in payment of invoices and commitments
Monitoring mechanism by the receiving department	Monthly, quarterly and annual reporting. Physical project visits (Project monitoring)

#### Conditional grant 1: Comprehensive Agricultural Support Programme

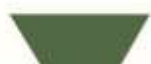
Department to which the grant has been transferred	<b>Gauteng Department of Agriculture and Rural Development (GDARD)</b>
Purpose of the grant	<ul style="list-style-type: none"> <li>To provide effective agricultural support services, promote and facilitate agricultural development by targeting beneficiaries of land restitution and redistribution, and other previously disadvantaged producers who have acquired land through private means, and are engaged in value-adding enterprises domestically, or involved in export;</li> </ul>



Department to which the grant has been transferred	<b>Gauteng Department of Agriculture and Rural Development (GDARD)</b>
Expected outputs of the grant	<ul style="list-style-type: none"> <li>To address damage to infrastructure caused by floods</li> <li>60 smallholder farmers supported through CASP</li> <li>10 youth and 15 women farmers supported through CASP</li> <li>CASP beneficiary supported with SA-GAP certification</li> <li>82 jobs created</li> <li>740 CASP beneficiaries trained on farming methods, and no farms receiving mentoring</li> <li>80 unemployed graduates placed on commercial enterprises for potential skills transfer</li> <li>CASP beneficiaries of supported with markets access</li> <li>126 extension personnel maintained in the system</li> </ul>
Actual outputs achieved	<ul style="list-style-type: none"> <li>56 smallholder farmers were supported through CASP</li> <li>5 youth and 34 women farmers were supported through CASP</li> <li>3 CASP beneficiaries supported with SA-GAP certification.</li> <li>No smallholder producers supported with advocacy on SA-GAP certification and related processes, no CASP SA-GAP beneficiaries certified in 2020/21</li> <li>382 CASP beneficiaries trained on farming methods</li> <li>80 unemployed graduates placed in commercial enterprises for potential skills transfer</li> <li>60 CASP beneficiaries with markets identified</li> <li>126 extension personnel salaries paid and maintained in the system</li> </ul>
Amount per amended DORA	R81 735
Amount received	R81 735
Reasons if amount as per DORA not received	N/A
Amount spent by the department	R81 735
Reasons for the funds unspent	<ul style="list-style-type: none"> <li>Delays in implementation due to COVID-19 budget adjustments</li> </ul>
Reasons for deviation on performance	<ul style="list-style-type: none"> <li>N/A</li> </ul>
Measures taken to improve performance	<ul style="list-style-type: none"> <li>Conclude the procurement processes in the first quarter and assign project managers to oversee implementation of projects.</li> </ul>
Monitoring mechanism by the receiving department	<ul style="list-style-type: none"> <li>Monthly, quarterly and annual reports provided</li> <li>Quarterly review meetings attended and performance reports presented</li> <li>Project site visits to verify implementation conducted on quarterly basis</li> </ul>

#### Conditional grant 2: Ilima/Letsema 2020-2021

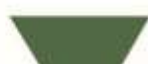
Department to which the grant has been transferred	<b>Gauteng Department of Agriculture and Rural Development (GDARD)</b>
Purpose of the grant	To assist vulnerable South African farming communities to achieve an increase in agricultural production and invest in infrastructure that unlocks agricultural production within strategically identified grain, livestock, horticulture and aquaculture production areas
Expected outputs of the grant	<ul style="list-style-type: none"> <li>3 800 ha maize planted</li> <li>19 000 tons of maize produced within agricultural development corridors</li> <li>150 jobs created</li> <li>3 660 household food gardens; 60 schools food gardens and 20 community food gardens supported with inputs</li> <li>3 660 subsistence farmers supported (as reported above)</li> </ul>



	<ul style="list-style-type: none"> <li>• 120 smallholder farmers supported</li> <li>• 11 black commercial farmers were supported</li> </ul>
Actual outputs achieved	<ul style="list-style-type: none"> <li>• 4 366 ha were planted (disaggregate per commodity)</li> <li>• 21 830 tons of maize produced within agricultural development corridors. Most farmers has not harvested as yet.</li> <li>• 200 jobs were created</li> <li>• 3 047 household food gardens; 89 schools food gardens and 138 community food gardens were supported with inputs</li> <li>• 648 subsistence farmers were supported</li> <li>• 175 smallholder farmers were supported</li> <li>• 16 black commercial farmers were supported</li> </ul>
Amount per amended DORA	R25 403
Amount transferred	R25 403
Reasons if amount as per DORA not transferred	N/A
Amount spent by the department	R25 403
Reasons for the funds unspent	Delay in payment of invoices and commitments
Monitoring mechanism by the receiving department	Monthly, quarterly and annual reporting. Physical project visits (Project monitoring)

#### Conditional grant 1: Comprehensive Agricultural Support Programme (CASP) Summary 2020/2021

Department to which the grant has been transferred	<b>KwaZulu-Natal Department of Agriculture and Rural Development</b>
Purpose of the grant	To provide effective agricultural support services, promote and facilitate agricultural development by targeting beneficiaries of land restitution and redistribution, and other previously disadvantaged producers who have acquired land through private means, and are engaged in value-adding enterprises domestically, or involved in export
Expected outputs of the grant	<ul style="list-style-type: none"> <li>• 8 subsistence, 1 763 smallholder and 45 commercial farmers supported through CASP</li> <li>• 171 youth and 961 women farmers supported through CASP</li> <li>• 61 on-and off-farm infrastructure provided</li> <li>• 5 CASP beneficiaries supported with SA-GAP certification</li> <li>• 1 262 jobs created.</li> <li>• 460 CASP beneficiaries trained on farming methods and 50 farms receiving mentoring</li> <li>• 120 unemployed graduates placed in commercial enterprises for potential skills transfer</li> <li>• 300 CASP beneficiaries supported with markets access</li> <li>• 40 extension personnel maintained in the system</li> <li>• 2 Colleges of Agriculture upgrading infrastructure (OSCA and Cedara)</li> </ul>
Actual outputs achieved	<ul style="list-style-type: none"> <li>• 8 subsistence, 1 792 smallholder and 30 black commercial farmers were supported through CASP</li> <li>• 442 youth and 956 women farmers were supported through CASP</li> <li>• 61 on-and off-farm infrastructure was provided</li> <li>• No CASP beneficiaries supported with SA-GAP certification</li> <li>• 1 275 jobs created</li> <li>• 12 smallholder producers supported with advocacy on SA-GAP certification and related processes, no CASP SA-GAP beneficiaries certified in 2020/21</li> <li>• 486 beneficiaries of CASP trained on farming methods</li> </ul>

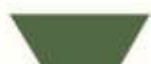




Department to which the grant has been transferred	<b>KwaZulu-Natal Department of Agriculture and Rural Development</b>
	<ul style="list-style-type: none"> <li>• 37 farms receiving mentoring</li> <li>• 120 unemployed graduates placed in commercial enterprises for potential skills transfer</li> <li>• 310 CASP beneficiaries with markets identified</li> <li>• 40 extension personnel salaries paid and maintained in the system</li> <li>• 2 Colleges of Agriculture upgrading infrastructure—OSCA and Cedara.</li> </ul>
Amount per amended DORA	R161 086
Amount received	R161 086
Reasons if amount as per DORA not received	N/A
Amount spent by the department	R161 086
Reasons for the funds unspent	The impact of the COVID-19 pandemic national lockdown resulted in delays in some of the projects' planned activities such as delays in the appointment of contractors for infrastructure development and difficulties in accessing the necessary material and equipment
Measures taken to improve performance	In Quarter 3 of the financial year, the department embarked on the re-prioritisation process in order to postpone projects with activities that were taking longer to be finished, e.g., application for water licenses and EIAs
Monitoring mechanism by the receiving department	Quarterly reports and projects verification visits to funded projects

#### Conditional grant 2: Ilima/Letsema 2020/2021

Department to which the grant has been transferred	<b>KwaZulu-Natal Department of Agriculture and Rural Development</b>
Purpose of the grant	To assist vulnerable South African farming communities to achieve an increase in agricultural production and invest in infrastructure that unlocks agricultural production within strategically identified grain, livestock, horticulture and aquaculture production areas
Expected outputs of the grant	<ul style="list-style-type: none"> <li>• 6 824 ha planted of which 5 000 ha is maize, 824 ha dry beans and 1 000 ha of vegetables</li> <li>• 20 tons of maize and 1,5 tons dry beans produced within agricultural development corridors</li> <li>• 2 720 jobs created</li> <li>• 18 000 household food gardens, five school food gardens and 38 community food gardens supported with inputs</li> <li>• 946 subsistence farmers supported</li> <li>• 1 684 smallholder farmers supported</li> <li>• 20 black commercial farmers supported</li> <li>• 2 irrigation scheme projects revitalised</li> </ul>
Actual outputs achieved	<ul style="list-style-type: none"> <li>• 6 824 ha planted of which 5 000 ha is maize, 824 ha dry beans and 1 000 ha vegetables</li> <li>• 17 tons of maize and 1,2 tons of dry beans produced within agricultural development corridors</li> <li>• 2 228 jobs were created</li> <li>• 18 200 households food gardens, five school food gardens and 38 community food gardens supported with inputs</li> <li>• 1 208 subsistence farmers were supported</li> <li>• 1 677 smallholder farmers were supported</li> <li>• 15 black commercial farmers were supported</li> <li>• 2 irrigation schemes were revitalised (<i>Makhathini, Phumelela</i>)</li> </ul>
Amount per amended DORA	R54 273



Amount transferred	R54 273
Reasons if amount as per DORA not transferred	N/A
Amount spent by the department	R54 273
Reasons for the funds unspent	The COVID-19 negatively impacted on the departmental processes, in terms of appointing service providers and accessing of material and equipment for implementation of projects
Monitoring mechanism by the receiving department	Quarterly reports and project verification visits to funded projects

### Conditional grant 1: Comprehensive Agricultural Support Programme

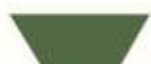
Department to which the grant has been transferred	<b>Limpopo Department of Agriculture and Rural Development</b>
Purpose of the grant	To expand the provision of agricultural support services, promote and facilitate agricultural development by targeting subsistence, smallholder and commercial producers
Expected outputs of the grant	<ul style="list-style-type: none"> <li>• 21 projects (321 beneficiaries—smallholder and commercial producers) supported with on-farm and off-farm infrastructure to improve production and market opportunities</li> <li>• Improved knowledge and skills of 1 050 farmers through capacity building programme</li> <li>• Improved knowledge and skills of 10 projects through mentorship programme</li> <li>• 120 unemployed graduates placed on farms</li> <li>• Improved capacity of extension officers to support farmers with agricultural advice through maintaining salaries of 53 Extension Practitioners and maintain subscription fees of smart pens and digital software.</li> <li>• Upgrading two colleges of agriculture by rehabilitating and constructing new buildings.</li> </ul>
Actual outputs achieved	<ul style="list-style-type: none"> <li>• 21 projects were supported with infrastructure: <ul style="list-style-type: none"> <li>○ 14 projects are completed</li> <li>○ 7 projects are currently at service providers and are at different stages of construction</li> </ul> </li> <li>• 908 smallholder producers received training. The department underachieved by 142 farmers due to restrictions on mass gathering;</li> <li>• 6 projects received knowledge and skills through mentorship programmes. Underachieved by 4 projects due to difficulty in facilitating and congregating farmers for mentorship intervention;</li> <li>• Maintained 108 graduates placed on farms and contract lapsed in August 2020. Placement of second cohort of 120 delayed due to COVID-19 related restrictions;</li> <li>• Maintained salaries of 53 extension practitioners and paid annual subscription fee of digital software.</li> <li>• 2 projects implemented under colleges of agriculture: one completed at Madzivhandila College and one is at construction stage at Tompi Seleka College.</li> </ul>
Amount per amended DORA	R172 254
Amount received	R172 254
Reasons if amount as per DORA was not received	N/A
Amount spent by the department	R118 332
Reasons for the funds unspent	Total amount of R53 379 000 not spent owing to COVID-19 pandemic restrictions as outlined: total budget of R35,4 million was



	not utilised under farmer support pillar due to incomplete infrastructure projects; difficulty in conducting farmers training due to mass gathering restrictions; level 5 lockdown had an impact on the farm assessment of hosting farms for placement of unemployed graduates and post-settlement support packages. KyD intervention worth of R4 093 000 not conducted due to late finalisation of MoU with ARC. ERP recruitment budget of R14,1 million not spent due to delayed advertisement of 19 Extension Personnel posts.
Measures taken to improve performance	Structures are established within the department to monitor expenditure trends and assist with unblocking strategies
Monitoring mechanism by the receiving department	The conditional grant quarterly review meetings were held to monitor grant performance and implementation. Reports were compiled on a monthly and quarterly basis to present progress report of the grant

### Conditional grant 2: Ilima/Letsema 2020/2021

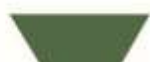
Department to which the grant has been transferred	<b>Limpopo Department of Agriculture and Rural Development</b>
Purpose of the grant	To assist vulnerable South African farming communities to achieve an increase in agricultural production and invest in infrastructure that unlocks agricultural production within strategically identified grain, livestock, horticulture and aquaculture production areas
Expected outputs of the grant	<ul style="list-style-type: none"> <li>• 7 208 ha planted, of which 3 849 ha is maize, 261 ha sorghum, 468 ha dry beans/sugar beans, 410 ha cotton, 200 ha sunflower, 1 325 ha vegetables and 545 ha fruit (production input support only), etc.</li> <li>• 7 698 tons (2 tons/ha of maize), 522 tons (2 tons/ha sorghum), 842 tons (1,8 tons/ha Dry beans/sugar beans), 1 230 tons (3 tons/ha cotton) produced within agricultural development corridors</li> <li>• 3 212 jobs created</li> <li>• 5 380 households food gardens 30 schools' food gardens and 15 community food gardens supported with inputs</li> <li>• 6 614 subsistence farmers supported</li> <li>• 1 138 smallholder farmers supported</li> <li>• 241 black commercial farmers were supported</li> <li>• No irrigation schemes revitalised</li> </ul>
Actual outputs achieved	<ul style="list-style-type: none"> <li>• 7 604,85 ha were planted (disaggregate per commodity): 3422,18 ha of maize, 1 520,97 ha of sorghum, 1 140,72 ha of beans, 152,09 cotton</li> <li>• 5 133,3 tons of maize, 2 083,7 tons of sorghum, 2 053,3 tons of beans, 426,3 tons of cotton produced within agricultural development corridors</li> <li>• 6 433 jobs were created</li> <li>• 5 388 households food gardens 65 schools food gardens and 19 community food gardens were supported with inputs</li> <li>• 5 641 subsistence farmers were supported</li> <li>• 1 718 smallholder farmers were supported</li> <li>• 218 black commercial farmers were supported</li> <li>• No irrigation schemes were revitalised</li> </ul>
Amount per amended DORA	R52 231
Amount transferred	R52 231
Reasons if amount as per DORA not transferred	N/A
Amount spent by the department	R52 231
Reasons for the funds unspent	N/A



Monitoring mechanism by the receiving department	The Office of the National Transferring Officer monitored and evaluated projects during the COVID-19 pandemic whenever it was possible. The province held conditional grant quarterly review meetings were held to monitor grant performance and implementation. Financial reports were compiled and submitted monthly and quarterly reports were also compiled and submitted on a quarterly basis to present progress report of the grant. The provincial office monitored the grant through submissions of project implementation progress by the districts and municipality coordinators. Project monitoring and evaluation was conducted although this could not be done as planned due to COVID-19 restrictions.
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### Conditional grant 1: Comprehensive Agricultural Support Programme

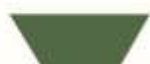
Department to which the grant has been transferred	<b>Mpumalanga Department of Agriculture, Rural Development, Land and Environment Affairs</b>
Purpose of the grant	<ul style="list-style-type: none"> <li>• To provide effective agricultural support services, promote and facilitate agricultural development by targeting beneficiaries of land restitution and redistribution, and other previously disadvantaged producers who have acquired land through private means, and are engaged in value-adding enterprises domestically, or involved in export;</li> <li>• To address damage to infrastructure caused by floods</li> </ul>
Expected outputs of the grant	<ul style="list-style-type: none"> <li>• 88 smallholder farmers supported through CASP</li> <li>• 27 youth and 12 women farmers supported through CASP</li> <li>• 16 on-and off-farm infrastructure provided</li> <li>• 17 CASP beneficiaries supported with SA-GAP certification</li> <li>• 164 jobs created</li> <li>• 530 CASP beneficiaries trained on farming methods and no farms receiving mentoring</li> <li>• 120 unemployed graduates placed in commercial enterprises for potential skills transfer</li> <li>• 88 CASP beneficiaries supported with markets access</li> <li>• 53 extension personnel maintained in the system</li> </ul>
Actual outputs achieved	<ul style="list-style-type: none"> <li>• 87 smallholder farmers were supported through CASP</li> <li>• 27 youth and 11 women farmers were supported through CASP</li> <li>• 6 on-and off-farm infrastructure was provided</li> <li>• 21 CASP beneficiaries supported with SA-GAP certification</li> <li>• 40 smallholder producers were supported with advocacy on SA-GAP certification and related processes and 21 CASP SA-GAP beneficiaries was SA-GAP certified in 2020/21</li> <li>• 280 CASP beneficiaries were trained in farming methods</li> <li>• 104 unemployed graduates were placed on commercial enterprises for potential skills transfer</li> <li>• 88 CASP beneficiaries were assisted with markets</li> <li>• 53 extension personnel salaries paid and maintained in the system</li> </ul>
Amount per amended DORA	R130 980
Amount received	R130 980
Reasons if amount as per DORA not received	N/A
Amount spent by the department	R108 188
Reasons for the funds unspent	<ul style="list-style-type: none"> <li>• The development of designs and specifications was delayed by COVID-19 level 4 and 5 lockdown regulations when movement</li> </ul>



Department to which the grant has been transferred	<b>Mpumalanga Department of Agriculture, Rural Development, Land and Environment Affairs</b>
	and gatherings were restricted, which led to the delay in the implementation of infrastructure projects; <ul style="list-style-type: none"> <li>• Shortages in the steel supply across the country also delayed the projects;</li> <li>• The Tropical Cyclone Eloise also negatively impacted the implementation of projects</li> </ul>
Reasons for deviation on performance	<ul style="list-style-type: none"> <li>• The development of designs and specifications was delayed by COVID-19 level 4 and 5 lockdown regulations when movement and gatherings were restricted, which led to the delay in the implementation of infrastructure projects;</li> <li>• Shortages in the steel supply across the country also delayed the projects;</li> <li>• The Tropical Cyclone Eloise also negatively impacted the implementation of projects</li> </ul>
Measures taken to improve performance	<ul style="list-style-type: none"> <li>• Appointment of service providers was finalised in Quarter 4 of the financial year under review; acceleration plans were developed to improve performance and, where possible, projects will be completed on or before the end of Quarter 2 in the 2021/2022 financial year;</li> <li>• Rollover application has been submitted to the National Treasury</li> </ul>
Monitoring mechanism by the receiving department	<ul style="list-style-type: none"> <li>• Monthly, quarterly and annual reports. Quarterly review meetings and project site meetings</li> </ul>

#### Conditional grant 2: Ilima/Letsema 2020/2021

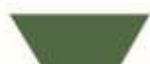
Department to which the grant has been transferred	<b>Mpumalanga Department of Agriculture, Rural Development, Land and Environmental Affairs</b>
Purpose of the grant	To assist vulnerable South African farming communities to achieve an increase in agricultural production and invest in infrastructure that unlocks agricultural production within strategically identified grain, livestock, horticulture and aquaculture production areas
Expected outputs of the grant	<ul style="list-style-type: none"> <li>• 15 000 ha planted</li> <li>• 60 000 tons of maize produced within agricultural development corridors</li> <li>• 175 jobs created</li> <li>• 352 households food gardens, 15 schools food gardens and 120 community food gardens supported with inputs</li> <li>• 1 757 subsistence farmers supported</li> <li>• 1 467 smallholder farmers supported</li> <li>• 40 black commercial farmers were supported</li> </ul>
Actual outputs achieved	<ul style="list-style-type: none"> <li>• 15 815,25 ha were planted</li> <li>• 63 261 tons (of maize) produced within agricultural development corridors</li> <li>• 145 jobs were created</li> <li>• 370 households food gardens were supported, 20 schools food gardens were supported and 151 community food gardens were supported with inputs</li> <li>• 2 436 subsistence farmers were supported</li> <li>• 1 623 smallholder farmers were supported</li> <li>• 48 black commercial farmers were supported</li> </ul>
Amount per amended DORA	R46 487
Amount transferred	R46 487
Reasons if amount as per DORA not transferred	None
Amount spent by the department	R46 485



Reasons for the funds unspent	N/A
Monitoring mechanism by the receiving department	Quarterly performance reports submitted to the funding department

### Conditional grant 1: Comprehensive Agricultural Support Programme 2020/2021

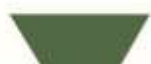
Department to which the grant has been transferred	<b>Northern Cape Department of Agriculture, Land Reform and Rural Development</b>																																																		
Purpose of the grant	To provide effective agricultural support services, promote and facilitate agricultural development by targeting beneficiaries of land reform's restitution and redistribution and other black producers who have acquired land through private means and are engaged in value-adding enterprises domestically or involved in exports.																																																		
Expected outputs of the grant	<ul style="list-style-type: none"> <li>• 800 smallholder farmers supported</li> <li>• Number of on-off farm infrastructure provided: <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>• Boreholes: Sighting drilling and testing</td><td style="text-align: right;">35</td></tr> <tr><td>• Boreholes: Testing</td><td style="text-align: right;">8</td></tr> <tr><td>• Boreholes: Equipping</td><td style="text-align: right;">6</td></tr> <tr><td>• Handling facilities: Fixed</td><td style="text-align: right;">2</td></tr> <tr><td>• Stock water systems</td><td style="text-align: right;">20</td></tr> <tr><td>• Stock water dams</td><td style="text-align: right;">2</td></tr> <tr><td>Hectares planted: Lucerne</td><td style="text-align: right;">34</td></tr> <tr><td>Crop inputs ha: Lucerne, seed and fertiliser</td><td style="text-align: right;">34</td></tr> <tr><td>• Crop inputs: Vineyard (raisin grapes cuttings)</td><td style="text-align: right;">1.2</td></tr> <tr><td>• Crop inputs: Vineyard trellises</td><td style="text-align: right;">1.2</td></tr> <tr><td>• Crop inputs: Vegetables Ha</td><td style="text-align: right;">1</td></tr> <tr><td>• Fencing: Inner</td><td style="text-align: right;">26</td></tr> <tr><td>• Fencing: Border</td><td style="text-align: right;">42</td></tr> <tr><td>• Upgrading: Inner fencing</td><td style="text-align: right;">23</td></tr> <tr><td>• Upgrading: Border fencing</td><td style="text-align: right;">15</td></tr> <tr><td>• Fencing: Jackal proofing</td><td style="text-align: right;">4.3</td></tr> <tr><td>• Poultry structures</td><td style="text-align: right;">1</td></tr> <tr><td>• Number of tractors</td><td style="text-align: right;">2</td></tr> <tr><td>• Number of implements</td><td style="text-align: right;">6</td></tr> <tr><td>• Number of storage facilities</td><td style="text-align: right;">1</td></tr> <tr><td>• SA-GAP farms certified</td><td style="text-align: right;">45</td></tr> <tr><td>• SA-GAP workshops</td><td style="text-align: right;">2</td></tr> <tr><td>• Breeding Stock: Rams</td><td style="text-align: right;">19</td></tr> <tr><td>• Animal Feed: Bags</td><td style="text-align: right;">120</td></tr> </table> </li> <li>• Number of CASP beneficiaries trained on farming method</li> <li>• Number of CASP beneficiaries trained:</li> <li>• Number of CASP beneficiaries with markets identified:</li> <li>• Number of jobs to be created:</li> <li>• Number of extension personnel recruited</li> <li>• Number of extension personnel maintained</li> </ul>			• Boreholes: Sighting drilling and testing	35	• Boreholes: Testing	8	• Boreholes: Equipping	6	• Handling facilities: Fixed	2	• Stock water systems	20	• Stock water dams	2	Hectares planted: Lucerne	34	Crop inputs ha: Lucerne, seed and fertiliser	34	• Crop inputs: Vineyard (raisin grapes cuttings)	1.2	• Crop inputs: Vineyard trellises	1.2	• Crop inputs: Vegetables Ha	1	• Fencing: Inner	26	• Fencing: Border	42	• Upgrading: Inner fencing	23	• Upgrading: Border fencing	15	• Fencing: Jackal proofing	4.3	• Poultry structures	1	• Number of tractors	2	• Number of implements	6	• Number of storage facilities	1	• SA-GAP farms certified	45	• SA-GAP workshops	2	• Breeding Stock: Rams	19	• Animal Feed: Bags	120
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Actual outputs achieved	<ul style="list-style-type: none"> <li>• Number of subsistence, smallholder and commercial farmers supported through CASP:</li> <li>• Smallholder farmers supported: 129</li> <li>• 2 youth farmers were supported through CASP</li> <li>• 44 women farmers were supported through CASP</li> <li>• Number of on-off farm infrastructure provided—target achieved <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>• Boreholes: Sighting, drilling and testing</td><td style="text-align: right;">35</td><td style="text-align: right;">33</td></tr> <tr><td>• Boreholes: Testing</td><td style="text-align: right;">8</td><td style="text-align: right;">2</td></tr> <tr><td>• Boreholes: Equipping</td><td style="text-align: right;">6</td><td style="text-align: right;">1</td></tr> </table> </li> </ul>			• Boreholes: Sighting, drilling and testing	35	33	• Boreholes: Testing	8	2	• Boreholes: Equipping	6	1																																							
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	• Handling facilities: Fixed	2	2
	• Stock water systems	20	6
	• Stock water dams	2	0*
	Hectares planted: Lucerne	34	0*
	Crop inputs ha: Lucerne seed and fertiliser	34	34
	• Crop inputs: Vineyard (raisin grapes cuttings)	1.2	0*
	• Crop inputs: Vineyard trellises	1.2	1.2
	• Crop inputs: Vegetables ha	1	0*
	• Fencing: Inner	26	27
	• Fencing: Border	42	16.5
	• Upgrading: Inner fencing	23	0*
	• Upgrading: Border fencing	15	15
	• Fencing: Jackal proofing	4.3	4.3
	• Poultry structures	1	0*
	• Number of tractors	2	1
	• Number of implements	6	3
	• Number of storage facilities	1	0*
	• SA-GAP farms certified	45	108
	• SA-GAP workshops	2	5
	• Breeding Stock: Rams	19	0
• Animal Feed: Bags	120	120	
	<i>*Still underway</i>		
	<ul style="list-style-type: none"> <li>• No training was provided to beneficiaries</li> <li>• 92 jobs were created</li> <li>• No extension personnel recruited</li> <li>• 37 extension personnel maintained in the system</li> <li>• Successful partnerships created to support farmers: <ul style="list-style-type: none"> <li>○ Vineyard Development Scheme: OWK, Distell; Distell, Winetech, NAMC, IDC and Karsten Boerdery</li> <li>○ Dried fruit: Raisin SA</li> <li>○ Livestock development: ARC</li> </ul> </li> </ul>		
Amount per amended DORA	R99 140		
Amount transferred (R'000)	R99 140		
Reasons if amount as per DORA not transferred	N/A		
Amount spent by the department (R'000)	R71 093		
Reasons for the funds unspent by the entity	Late start of projects' implementation due to COVID-19 restrictions		
Monitoring mechanism by the transferring department	Monthly financial reports, quarterly review meetings, quarterly project verification visits, annual reports.		

#### Conditional grant 2: Ilima/Letsema 2020/2021

Department to which the grant has been transferred	<b>Northern Cape Department of Agriculture Land Reform and Rural Development</b>
Purpose of the grant	To assist vulnerable South African farming communities to achieve an increase in agricultural production and invest in infrastructure that unlocks agricultural production within strategically identified grain, livestock, horticulture and aquaculture production areas
Expected outputs of the grant	<ul style="list-style-type: none"> <li>• 800 ha of maize planted</li> <li>• Number of tons of maize produced within agricultural development corridors</li> <li>• Number of jobs created</li> <li>• 500 subsistence farmers supported</li> <li>• 800 smallholder farmers were supported</li> <li>• 1 irrigation scheme rehabilitated and expanded</li> </ul>



Actual outputs achieved	<ul style="list-style-type: none"> <li>• 398,5 ha of maize were planted</li> <li>• 1 195,5 tons of maize produced</li> <li>• 649 jobs were created</li> <li>• 749 subsistence farmers were supported</li> <li>• 49 smallholder farmers were supported</li> <li>• 1 irrigation scheme was rehabilitated (Vaalharts Irrigation Scheme)</li> </ul>
Amount per amended DORA	R50 733
Amount transferred	R50 733
Reasons if amount as per DORA not transferred	N/A
Amount spent by the department	R40 949
Reasons for the funds unspent	Late start of projects' implementation due to COVID-19 restrictions
Monitoring mechanism by the transferring department	Monthly financial reports, quarterly review meetings, quarterly project verification visits, annual reports.

### Grant 1: Comprehensive Agricultural Support Programme 2020/2021

Department to which the grant has been transferred	<b>North West Department of Agriculture and Rural Development</b>
Purpose of the grant	<ul style="list-style-type: none"> <li>• To provide effective agricultural support services, promote and facilitate agricultural development by targeting beneficiaries of land restitution and redistribution, and other previously disadvantaged producers who have acquired land through private means, and are engaged in value-adding enterprises domestically, or involved in export;</li> <li>• To address damage to infrastructure caused by floods</li> </ul>
Expected outputs of the grant	<ul style="list-style-type: none"> <li>• 95 smallholders and 2 commercial farmers supported through CASP</li> <li>• 18 youth and 21 women farmers supported through CASP</li> <li>• On-and off-farm infrastructure provided</li> <li>• 8 CASP beneficiaries supported with SA-GAP certification</li> <li>• 212 jobs created</li> <li>• 425 CASP beneficiaries trained on farming methods and 5 farms receiving mentoring</li> <li>• 120 unemployed graduates placed in commercial enterprises for potential skills transfer</li> <li>• 145 CASP beneficiaries supported with markets access</li> <li>• 28 Extension Personnel maintained in the system</li> <li>• 2 colleges of agriculture upgrading infrastructure (Taung and Potchefstroom)</li> </ul>
Actual outputs achieved	<ul style="list-style-type: none"> <li>• 70 smallholders and 1 black commercial farmer were supported through CASP</li> <li>• 2 youth and 7 women farmers were supported through CASP</li> <li>• 8 on-and off-farm infrastructures were provided</li> <li>• 98 jobs created</li> <li>• 6 beneficiaries supported with SA-GAP certification</li> <li>• 6 smallholder producers supported with advocacy on SA-GAP certification and related processes, no CASP beneficiaries SA-GAP certified in 2020/21</li> <li>• 508 CASP beneficiaries trained on farming methods and 5 farms receiving mentoring</li> <li>• 120 unemployed graduates placed in commercial enterprises for potential skills transfer</li> <li>• 145 CASP beneficiaries with markets identified</li> </ul>

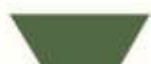




Department to which the grant has been transferred	<b>North West Department of Agriculture and Rural Development</b>
	<ul style="list-style-type: none"> <li>• 28 extension personnel salaries paid and maintained in the system</li> <li>• 2 colleges of agriculture upgrading infrastructure (Taung and Potchefstroom)</li> </ul>
Amount per amended DORA	R136 615
Amount received	R136 615
Reasons if amount as per DORA not received	N/A
Amount spent by the department	R42 748
Reasons for the funds unspent	<ul style="list-style-type: none"> <li>• E-Tender delayed procurement</li> <li>• Incompetent service providers</li> </ul>
Reasons for deviation on performance	<ul style="list-style-type: none"> <li>• N/A</li> </ul>
Measures taken to improve performance	<ul style="list-style-type: none"> <li>• Improve on planning and coordination</li> <li>• Capacitation of Supply Chain Management</li> <li>• Proper monitoring</li> </ul>
Monitoring mechanism by the receiving department	<ul style="list-style-type: none"> <li>• Regular visit by project leader</li> <li>• Projects reports</li> <li>• Quarterly monitoring visits and review meetings</li> </ul>

#### Conditional grant 2: Ilima/Letsema 2020/2021

Department to which the grant has been transferred	<b>North West Department of Agriculture and Rural Development</b>
Purpose of the grant	To assist vulnerable South African farming communities to achieve an increase in agricultural production and invest in infrastructure that unlocks agricultural production within strategically identified grain, livestock, horticulture and aquaculture production areas
Expected outputs of the grant	<ul style="list-style-type: none"> <li>• 3 833 ha planted, of which 70 ha are ground nuts, 10 ha soya beans, 1 842 ha maize, 1 252 ha sunflower, 2 ha dry beans and 40 ha cowpeas</li> <li>• 7 343 total tons: 105 tons ground nuts, 20 tons soya bean, 5 526 tons maize, 1 628 tons sunflower, 4 tons dry beans and 60 tons cowpeas</li> <li>• 83 jobs created</li> <li>• 2 400 households granted starter packs and three schools food gardens supported</li> <li>• 193 smallholder farmers were supported</li> <li>• 1 black commercial farmer were supported</li> <li>• 3 irrigation schemes revitalised (Taung, Disaneng and Optimum Harvest)</li> </ul>
Actual outputs achieved	<ul style="list-style-type: none"> <li>• 2 121 ha planted, of which 70 ha are Ground nuts, 10 tons soya beans, 747 tons maize, 1 252 tons sunflower, 2 tons dry beans and 40 tons cowpeas.</li> <li>• 4 058 total tons: 105 ground nuts, 20 tons soya beans, 2 241 tons maize, 1 628 tons sunflower, 4 tons dry beans and 60 tons cowpeas</li> <li>• 118 jobs were created</li> <li>• 3 671 households (fruit trees, seedlings, seed, chickens. goats), three school food gardens and no community food gardens were supported with inputs</li> <li>• 191 smallholder farmers were supported</li> <li>• 1 black commercial farmer were supported</li> <li>• 3 irrigation schemes were revitalised: Disaneng Irrigation Scheme, Taung Irrigation Scheme and Optimum Harvest</li> </ul>
Amount per amended DORA	R51 888



Amount transferred	R51 888
Reasons if amount as per DORA not transferred	N/A
Amount spent by the department	R29 808
Reasons for the funds unspent	1. E-Tender delayed procurement 2. Incompetent service providers
Monitoring mechanism by the receiving department	<ul style="list-style-type: none"> <li>• Regular visit by project leader</li> <li>• Projects reports</li> <li>• Quarterly monitoring</li> </ul>

### Conditional Grant 1: Comprehensive Agricultural Support Programme 2020/2021

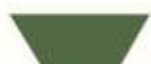
Department to which the grant has been transferred	<b>Western Cape Department of Agriculture</b>	
Purpose of the grant	To provide effective agricultural support services, promote and facilitate agricultural development by targeting beneficiaries of land reform, restitution and redistribution, and black producers who have acquired land through private means and are engaged in value-adding enterprises domestically, or involved in export	
Expected outputs of the grant	<ul style="list-style-type: none"> <li>• Subsistence, smallholder (61) and commercial (30) farmers supported through the conditional grants</li> <li>• Youth (32) and female (151) farmers supported through CASP</li> <li>• 8 beneficiaries supported with SA-GAP certification</li> <li>• 3 215 CASP beneficiaries trained on farming methods</li> <li>• On-farm infrastructure provided</li> <li>• 401 CASP beneficiaries with markets identified</li> <li>• 32 extension personnel recruited and maintained in the system</li> <li>• 1 Agricultural Information Management System (AIMS) maintained</li> <li>• 120 graduate interns appointed</li> <li>• 1 college of agriculture upgrading infrastructure</li> </ul>	
Actual outputs achieved	Number of subsistence, smallholder and black commercial farmers supported through CASP	Subsistence: 0 Smallholder: 26 Commercial: 30 (benefitting 812 beneficiaries)
	Number of youth and female (beneficiaries) farmers supported through CASP	Youth: 131 Women: 355 People with disabilities: 0
	Number of beneficiaries supported with SA-GAP certification	8
	Number of CASP beneficiaries with markets identified	2 586 beneficiaries received training (73 x accredited and 2 513 non-accredit training)  4 388 farmers were reached through Extension and Advisory Services. Site visits were conducted through the Smart Pen-system 60 mentors were appointed to support smallholder farmers 89 graduate interns were appointed



	Number of Extension Personnel recruited and maintained in the system	10 agricultural advisors were maintained through ERP pillar of recruitment and maintenance
	CASP beneficiaries trained on farming methods	16 irrigation/Water infrastructure 2 X livestock production infrastructure 46 X Crop production 12 on- and off-farm infrastructure 37 mechanisation 15 X livestock
	Colleges upgrading infrastructure	Eisenburg Agricultural College
	Agricultural Information Management System (AIMS)	System maintained
Amount per amended DORA	R89 301	
Amount received	R89 301	
Reasons if amount as per DORA was not received	All amounts per DORA were received	
Amount spent by the department	R89 302 (Including R2,121 million for Eisenburg Agricultural College)	
Reasons for the funds unspent	N/A	
Measures taken to improve performance	N/A	
Monitoring mechanism by the receiving department	Quarterly review meetings were scheduled by DALRRD for provinces to report on the performance of the grant Monthly financial reports were submitted to the transferring department on the fifteenth of every month Quarterly reports submitted to the transferring department by the 20 <sup>th</sup> after the reporting quarter	

#### Conditional grant 2: Ilima/Letsema 2020/21

Department to which the grant has been transferred	<b>Western Cape Department of Agriculture</b>	
Purpose of the grant	To assist vulnerable South African farming communities to achieve an increase in agricultural production and invest in infrastructure that unlocks agricultural production within strategically identified grain, livestock, horticulture and aquaculture production areas	
Expected outputs of the grant	<ul style="list-style-type: none"> <li>• 4 000 ha planted</li> <li>• 8 000 tons produced within agricultural development corridors, e.g. maize</li> <li>• 1 365 beneficiaries/entrepreneurs supported by the grant</li> <li>• Number of newly established infrastructure plants through the grant</li> <li>• Number of hectares rehabilitated and expanded irrigation schemes</li> </ul>	
Actual outputs achieved	Hectares planted	4 033,70 ha
	Tons produced within agricultural corridors, e.g. wheat	8 068 tons
	Beneficiaries supported by the grant	Subsistence: 5 799 Smallholder: 35 Commercial: 8
	Newly established infrastructure produced through the grant	6 irrigation/water infrastructure projects



		3 animal husbandry 1 aquaculture structure 4 crop production projects 3 green housing structures 5 fencing projects 2 processing and packaging facilities 15 mechanisation 7 livestock projects 3 professional services (EIA)
	Hectares rehabilitated and expanded irrigation schemes	N/A
Amount per amended DORA	R40 888	
Amount transferred	R40 888	
Reasons if amount as per DORA not transferred	All amounts per DORA received	
Amount spent by the department	R40 888	
Reasons for the funds unspent	N/A	
Monitoring mechanism by the receiving department	Quarterly review meetings were scheduled by DALRRD for provinces to report on the performance of the grant Monthly financial reports were submitted to the transferring department on the fifteenth of every month Quarterly reports submitted to the transferring department by the 20 <sup>th</sup> after the reporting quarter	

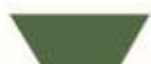
#### Conditional grant 1: LandCare 2020/2021

Department to which the grant has been transferred	<b>KwaZulu-Natal Department of Agriculture</b>
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"> <li>• No hectares of natural rangeland rehabilitated and/or protected through sustainable rangeland management systems</li> <li>• No hectares of cultivated land rehabilitated from and or protected against land degradation</li> <li>• 226 ha of land under Conservation Agriculture</li> <li>• No youth successfully attending organised Junior LandCare initiatives</li> <li>• No hectares of land where water resources are protected and rehabilitated</li> <li>• No people with improved capacity and skill levels benefiting from capacity building initiatives</li> <li>• No capacity building exercises conducted</li> <li>• No awareness campaigns conducted</li> <li>• 2 795 ha of land where weeds and invader plants are under control</li> <li>• 42 km of fence erected</li> <li>• 336 green jobs created expressed as full-time equivalents (FTEs)</li> <li>• No LandCare committee established</li> </ul>
Actual outputs achieved	<ul style="list-style-type: none"> <li>• No hectares of natural rangeland rehabilitated and/or protected through sustainable rangeland management systems</li> <li>• No hectares of cultivated land rehabilitated from and or protected against land degradation</li> </ul>



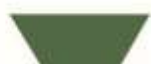
	<ul style="list-style-type: none"> <li>• 225 ha of land under Conservation Agriculture</li> <li>• No youth successfully attending organised Junior LandCare initiatives</li> <li>• No hectares of land where water resources are protected and rehabilitated</li> <li>• No people with improved capacity and skill levels benefiting from capacity building initiatives</li> <li>• No capacity building exercises conducted</li> <li>• No awareness campaigns conducted</li> <li>• 2 868 ha of land where weeds and invader plants are under control</li> <li>• 3 km of fence erected</li> <li>• 357 green jobs created expressed as full-time equivalents (FTEs)</li> <li>• No LandCare committee established</li> </ul>
Amount per amended DORA	R12 550
Amount transferred	R12 550
Reasons if amount as per DORA not transferred	N/A
Amount spent by the department	R12 550
Reasons for the funds unspent	N/A
Monitoring mechanism by the transferring department	Project visits, monthly financial and EPWP reports and quarterly reports as well

Department to which the grant has been transferred	<b>Mpumalanga Department of Agriculture</b>
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"> <li>• 2 494 ha of natural rangeland rehabilitated and/or protected through sustainable rangeland management systems</li> <li>• 81 ha of cultivated land rehabilitated from and/or protected against land degradation</li> <li>• 2 867 ha of land under Conservation Agriculture</li> <li>• 1 020 youth successfully attending organised Junior LandCare initiatives</li> <li>• No hectares of land where water resources are protected and rehabilitated</li> <li>• 703 people with improved capacity and skill levels benefiting from capacity building initiatives</li> <li>• 21 capacity building exercises conducted</li> <li>• 45 awareness campaigns conducted</li> <li>• 190 ha of land where weeds and invader plants are under control</li> <li>• 47 km of fence erected</li> <li>• 407 green jobs created expressed as full-time equivalents (FTEs)</li> <li>• 1 LandCare committee established</li> </ul>
Actual outputs achieved	<ul style="list-style-type: none"> <li>• 2 002 ha of natural rangeland rehabilitated and/or protected through sustainable rangeland management systems</li> <li>• 81 ha of cultivated land rehabilitated from and/or protected against land degradation</li> <li>• 3 020 ha of land under Conservation Agriculture</li> <li>• 723 youth successfully attending organised Junior LandCare initiatives</li> </ul>



	<ul style="list-style-type: none"> <li>No hectares of land where water resources are protected and rehabilitated</li> <li>1 026 people with improved capacity and skill levels benefiting from capacity building initiatives</li> <li>17 capacity building exercises conducted</li> <li>33 awareness campaigns conducted</li> <li>255 ha of land where weeds and invader plants are under control</li> <li>47 km of fence erected</li> <li>459 green jobs created expressed as full-time equivalents (FTEs)</li> <li>1 LandCare committee established</li> </ul>
Amount per amended DORA	R9 925
Amount transferred	R9 925
Reasons if amount as per DORA not transferred	N/A
Amount spent by the department	R9 640
Reasons for the funds unspent	Two service providers not paid due to challenges related to banking details on the Central Supplier Database (CSD)
Monitoring mechanism by the transferring department	Project visits, monthly financial and EPWP reports and quarterly reports as well

Department to which the grant has been transferred	<b>Northern Cape Department of Agriculture</b>
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"> <li>No hectares of natural rangeland rehabilitated and/or protected through sustainable rangeland management systems</li> <li>No hectares of cultivated land rehabilitated from and/or protected against land degradation</li> <li>No hectares of land under Conservation Agriculture</li> <li>No youth successfully attending organised Junior LandCare initiatives</li> <li>5 ha of land where water resources are protected and rehabilitated</li> <li>No people with improved capacity and skill levels benefiting from capacity building initiatives</li> <li>No capacity building exercises conducted</li> <li>No awareness campaigns conducted</li> <li>3 534 ha of land where weeds and invader plants are under control</li> <li>No kilometres of fence erected</li> <li>90 green jobs created expressed as full-time equivalents (FTEs)</li> <li>No LandCare committee established</li> </ul>
Actual outputs achieved	<ul style="list-style-type: none"> <li>No hectares of natural rangeland rehabilitated and/or protected through sustainable rangeland management systems</li> <li>No hectares of cultivated land rehabilitated from and/or protected against land degradation</li> <li>No hectares of land under Conservation Agriculture</li> <li>No youth successfully attending organised Junior LandCare initiatives</li> <li>No hectares of land where water resources are protected and rehabilitated</li> <li>No people with improved capacity and skill levels benefiting from capacity building initiatives</li> </ul>



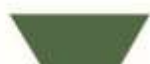
	<ul style="list-style-type: none"> <li>• No capacity building exercises conducted</li> <li>• No awareness campaigns conducted</li> <li>• 3 534 ha of land where weeds and invader plants are under control</li> <li>• No kilometres of fence erected</li> <li>• 107 green jobs created expressed as full-time equivalents (FTEs)</li> <li>• No LandCare committee established</li> </ul>
Amount per amended DORA	R7 524
Amount transferred	R7 524
Reasons if amount as per DORA not transferred	N/A
Amount spent by the department	R7 524
Reasons for the funds unspent	Late implementation of LandCare projects
Monitoring mechanism by the transferring department	Project visits, monthly financial and EPWP reports and quarterly reports as well

Department to which the grant has been transferred	<b>Limpopo Department of Agriculture</b>
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"> <li>• No hectares of natural rangeland rehabilitated and/or protected through sustainable rangeland management systems</li> <li>• No hectares of cultivated land rehabilitated from and/or protected against land degradation</li> <li>• 5 ha of land under Conservation Agriculture</li> <li>• No youth successfully attending organised Junior LandCare initiatives</li> <li>• No hectares of land where water resources are protected and rehabilitated</li> <li>• No people with improved capacity and skill levels benefiting from capacity building initiatives</li> <li>• No capacity building exercises conducted</li> <li>• No awareness campaigns conducted</li> <li>• 685 ha of land where weeds and invader plants are under control</li> <li>• 63 km of fence erected</li> <li>• 300 green jobs created expressed as Work Opportunities (WO)</li> <li>• No LandCare committee established</li> </ul>
Actual outputs achieved	<ul style="list-style-type: none"> <li>• No hectares of natural rangeland rehabilitated and/or protected through sustainable rangeland management systems</li> <li>• No hectares of cultivated land rehabilitated from and/or protected against land degradation</li> <li>• No hectares of land under Conservation Agriculture</li> <li>• No youth successfully attending organised Junior LandCare initiatives</li> <li>• No hectares of land where water resources are protected and rehabilitated</li> <li>• No people with improved capacity and skill levels benefiting from capacity building initiatives</li> <li>• No capacity building exercises conducted</li> <li>• No awareness campaigns conducted</li> <li>• 700 ha of land where weeds and invader plants are under control</li> <li>• 17 km of fence erected</li> </ul>



	<ul style="list-style-type: none"> <li>• 506 green jobs created expressed as Work Opportunities (WO)</li> <li>• No LandCare committee established</li> </ul>
Amount per amended DORA	R12 816
Amount transferred	R10 377
Reasons if amount as per DORA not transferred	Unsatisfactory financial performance
Amount spent by the department	R8 710
Reasons for the funds unspent	N/A
Monitoring mechanism by the transferring department	Project visit, quarterly and financial report

Department to which the grant has been transferred	<b>Western Cape Department of Agriculture</b>
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"> <li>• 6 400 ha of natural rangeland rehabilitated and/or protected through sustainable rangeland management systems</li> <li>• No hectares of cultivated land rehabilitated from and/or protected against land degradation</li> <li>• No hectares of land under Conservation Agriculture</li> <li>• 6 800 youth successfully attending organised Junior LandCare initiatives</li> <li>• No hectares of land where water resources are protected and rehabilitated</li> <li>• 5 525 people with improved capacity and skill levels benefiting from capacity building initiatives</li> <li>• 45 capacity building exercises conducted</li> <li>• 53 awareness campaigns conducted</li> <li>• 2 044 ha of land where weeds and invader plants are under control</li> <li>• 12 km of fence erected</li> <li>• 288 green jobs created expressed as Work Opportunities (WO)</li> <li>• 18 LandCare committees established</li> </ul>
Actual outputs achieved	<ul style="list-style-type: none"> <li>• 30 317 hectares of natural rangeland rehabilitated and/or protected through sustainable rangeland management systems</li> <li>• No hectares of cultivated land rehabilitated from and/or protected against land degradation</li> <li>• No hectares of land under Conservation Agriculture</li> <li>• 3 055 youth successfully attending organised Junior LandCare initiatives</li> <li>• No hectares of land where water resources are protected and rehabilitated</li> <li>• 2 988 people with improved capacity and skill levels benefiting from capacity-building initiatives</li> <li>• 49 capacity-building exercises conducted</li> <li>• 25 awareness campaigns conducted</li> <li>• 4 216 ha of land where weeds and invader plants are under control</li> <li>• 17 km of fence erected</li> <li>• 570 green jobs created expressed as Work Opportunities (WO)</li> <li>• 13 LandCare committees established</li> </ul>





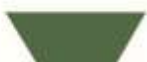
Amount per amended DORA	R4 985
Amount transferred	R4 985
Reasons if amount as per DORA not transferred	N/A
Amount spent by the department	R4 985
Reasons for the funds unspent	N/A
Monitoring mechanism by the transferring department	Project visit, quarterly and financial report

Department to which the grant has been transferred	<b>Eastern Cape Department of Agriculture</b>
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"> <li>• 3 781 ha of natural rangeland rehabilitated and/or protected through sustainable rangeland management systems</li> <li>• 30 ha of cultivated land rehabilitated from and/or protected against land degradation</li> <li>• 261 ha of land under Conservation Agriculture</li> <li>• 100 youth successfully attending organised Junior LandCare initiatives</li> <li>• No hectares of land where water resources are protected and rehabilitated</li> <li>• 197 people with improved capacity and skill levels benefiting from capacity building initiatives</li> <li>• 19 capacity building exercises conducted</li> <li>• 13 awareness campaigns conducted</li> <li>• No hectares of land where weeds and invader plants are under control</li> <li>• 56 km of fence erected</li> <li>• 273 green jobs created expressed as full-time equivalents (FTEs)</li> <li>• 36 LandCare committees established</li> </ul>
Actual outputs achieved	<ul style="list-style-type: none"> <li>• 3 590 ha of natural rangeland rehabilitated and/or protected through sustainable rangeland management systems</li> <li>• No hectares of cultivated land rehabilitated from and/or protected against land degradation</li> <li>• 233 ha of land under Conservation Agriculture</li> <li>• No youth successfully attending organised Junior LandCare initiatives</li> <li>• No hectares of land where water resources are protected and rehabilitated</li> <li>• 136 people with improved capacity and skill levels benefiting from capacity building initiatives</li> <li>• 10 capacity building exercises conducted</li> <li>• 9 awareness campaigns conducted</li> <li>• No hectares of land where weeds and invader plants are under control</li> <li>• 17 kilometres of fence erected</li> <li>• 210 green jobs created expressed as full-time equivalents (FTEs)</li> <li>• 10 LandCare committees established</li> </ul>
Amount per amended DORA	R12 224
Amount transferred	R12 224



Reasons if amount as per DORA not transferred	None
Amount spent by the department	R11 842
Reasons for the funds unspent	Late implementation of projects due to COVID-19 The province did not submit quarterly report
Monitoring mechanism by the transferring department	Project visit, quarterly and financial report

Department to which the grant has been transferred	<b>Free State Department of Agriculture</b>
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"> <li>• 2 806 ha of natural rangeland rehabilitated and/or protected through sustainable rangeland management systems</li> <li>• 600 ha of cultivated land rehabilitated from and/or protected against land degradation</li> <li>• 497 ha of land under Conservation Agriculture</li> <li>• 800 youth successfully attending organised Junior LandCare initiatives</li> <li>• No hectares of land where water resources are protected and rehabilitated</li> <li>• 86 people with improved capacity and skill levels benefiting from capacity building initiatives</li> <li>• 2 capacity building exercises conducted</li> <li>• 8 awareness campaigns conducted</li> <li>• No hectares of land where weeds and invader plants are under control</li> <li>• No kilometres of fence erected</li> <li>• 139 green jobs created expressed as full-time equivalents (FTEs)</li> <li>• No LandCare committee established</li> </ul>
Actual outputs achieved	<ul style="list-style-type: none"> <li>• 3 215 ha of natural rangeland rehabilitated and/or protected through sustainable rangeland management systems</li> <li>• 600 ha of cultivated land rehabilitated from and/or protected against land degradation</li> <li>• 497 ha of land under Conservation Agriculture</li> <li>• 350 youth successfully attending organised Junior LandCare initiatives</li> <li>• No hectares of land where water resources are protected and rehabilitated</li> <li>• 6 people with improved capacity and skill levels benefiting from capacity building initiatives</li> <li>• 1 capacity building exercise conducted</li> <li>• 7 awareness campaigns conducted</li> <li>• No hectares of land where weeds and invader plants are under control</li> <li>• No kilometres of fence erected</li> <li>• 126 green jobs created expressed as full-time equivalents (FTEs)</li> <li>• No LandCare committee established</li> </ul>
Amount per amended DORA	R8 278
Amount transferred	R8 278
Reasons if amount as per DORA not transferred	N/A



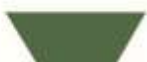
Amount spent by the department	R8 278
Reasons for the funds unspent	N/A
Monitoring mechanism by the transferring department	Project visit, quarterly and financial report The province did not submit a financial report for March and a noncompliance letter was sent to the province

Department to which the grant has been transferred	<b>North West Department of Agriculture</b>
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"> <li>• 1 150 ha of natural rangeland rehabilitated and/or protected through sustainable rangeland management systems</li> <li>• No hectares of cultivated land rehabilitated from and/or protected against land degradation</li> <li>• 4 500 ha of land under Conservation Agriculture</li> <li>• No youth successfully attending organised Junior LandCare initiatives</li> <li>• No hectares of land where water resources are protected and rehabilitated</li> <li>• No people with improved capacity and skill levels benefiting from capacity building initiatives</li> <li>• No capacity building exercises conducted</li> <li>• No awareness campaigns conducted</li> <li>• 1 900 ha of land where weeds and invader plants are under control</li> <li>• 56 km of fence erected</li> <li>• 130 green jobs created expressed as full-time equivalents (FTEs)</li> <li>• No LandCare committee established</li> </ul>
Actual outputs achieved	<ul style="list-style-type: none"> <li>• 751 ha of natural rangeland rehabilitated and/or protected through sustainable rangeland management systems</li> <li>• No ha of cultivated land rehabilitated from and/or protected against land degradation</li> <li>• No ha of land under Conservation Agriculture</li> <li>• No youth successfully attending organised Junior LandCare initiatives</li> <li>• No ha of land where water resources are protected and rehabilitated</li> <li>• No people with improved capacity and skill levels benefiting from capacity building initiatives</li> <li>• No capacity building exercises conducted</li> <li>• No awareness campaigns conducted</li> <li>• 1 439 ha of land where weeds and invader plants are under control</li> <li>• No kilometres of fence erected</li> <li>• 133 green jobs created expressed as full-time equivalents (FTEs)</li> <li>• No LandCare committee established</li> </ul>
Amount per amended DORA	R8 407
Amount transferred	R6 807
Reasons if amount as per DORA not transferred	Unsatisfactory financial performance
Amount spent by the department	R4 838



Reasons for the funds unspent	Late implementation of projects due to COVID-19 pandemic
Monitoring mechanism by the transferring department	Project visit, quarterly and financial report

Department to which the grant has been transferred	<b>Gauteng Department of Agriculture</b>
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	Business plan not approved
Actual outputs achieved	Business plan not approved
Amount per amended DORA	R4 730
Amount transferred	R 2 154
Reasons if amount as per DORA not transferred	Business plan not approved
Amount spent by the department	R0
Reasons for the funds unspent	Business plan not approved
Monitoring mechanism by the transferring department	N/A



# PART C:

## Governance



## 1. INTRODUCTION

The department continued to maintain proper governance, risk and compliance processes. These processes assist the department to promote and entrench ethical culture with the aim to prevent and combat fraud and corruption. The Risk Management function is located in the Office of the Director-General, where it is allowed the independence it needs to properly discharge its governance duties.

## 2. RISK MANAGEMENT

The risk, governance and compliance processes have been continuously applied and maintained to protect the department against the known and unknown risk exposure. The department has an approved Governance, Risk and Compliance (GRC) Policy and Strategy, which provides guidance on the implementation and integration of risk management systems. The GRC Strategy is aligned to the current Medium-Term Strategic Framework (MTSF) and it provides the roadmap for the attainment of the mature risk culture.

The Director-General, assisted by the Executive Management Committee and Risk Management Committee, revised the department's risk profile and continued to manage and monitor key risks of compliance, operations, ethics and fraud. The revision of the risk profile was aligned to the strategy and annual performance plan, to ensure that efficient management of risks contributes towards the department's performance. The risk profile comprises of four categories as per Figure 1 below:



Figure 1: Risk profile categories

## Risk Management Committee

During the financial year under review, the department strengthened its governance structures. This involved appointing a Risk Management Committee (RMC), which comprises of four external members with blend of skills, expertise and knowledge of the sector. The RMC is governed by approved Terms of Reference and it has authority to hold the management accountable for risk management processes applied in the department. The design of the RMC has enhanced risk management accountability in the department. The meetings were held as indicated in table 1 below:

Table 1: RMC meetings held during 2020/2021

No.	Name (External Members)	No. of meetings attended	Status	Date Appointed
1	Mr Musawakhe Khumalo	5 of 5	Chairperson	01 June 2020
2	Adv. T Moeng	5 of 5	External Member	01 October 2020
3	Ms J. Thupana	5 of 5	External Member	01 August 2020
4	Mr B. Buthelezi	5 of 5	External Member	01 August 2020

## 3. FRAUD AND CORRUPTION

The department continued to implement and maintain its anti-fraud and corruption processes, with the aim to prevent or reduce the magnitude. This was done through the guidance of the GRC policy and strategy. The department has continued to bolster its measures to reduce the risks of fraud and corruption. In addition to awareness programmes, there is a whistle blowing policy for officials to confidentially report suspected fraud and/or corruption.

As part of fraud/ corruption awareness the department conducted six fraud, corruption and ethics awareness workshops. These workshops were conducted virtually for employees on salary level 12 and below. Promotional materials (pamphlets and booklets) were distributed and placed at reception areas and entrances of buildings. These were distributed as part of creating awareness on the requirement by employees to disclose financial interests, procedure to be used by employees when applying to conduct outside remunerative work and prohibition of conducting business with the State.

## 4. CONFLICT OF INTEREST

Senior Management Service (SMS) members, as required by the Public Service Regulations of 2016, to disclose their financial interests. 427 of 433 SMSs disclosed their financial interests during the year under review.

Financial disclosures for other categories of employees in the department were done as shown in Table 2 below:

Table 2: Financial disclosure report

Category/Level of employment	Total number of employees in category	No. of employees who disclosed financial interests	No. of employees who failed to disclose financial interests
Level 12 including OSD/personal notches	529	408	121
Level 11 including OSD/personal notches	911	623	288
Below salary level 11 in Supply Chain and Finance Unit	1 100	700	400
<b>Total</b>	<b>2 606</b>	<b>1 731</b>	<b>809</b>

Appropriate actions were taken against the employees who failed to disclose their financial interest as required by the legislation.



## Risk Management Committee Report

The Risk Management Committee supported the Executive Authority and Accounting Officer by providing oversight over the implementation of risk management systems. It discharged its fiduciary duties according to its terms of reference. Significant matters were escalated to the Accounting Officer. The committee is pleased with progress being made to mature risk management processes.

An eye will be kept on risk issues relating to the autonomy of Commission on Restitution of Land Rights, Outcomes of the 18th Constitutional Amendment Review, Outbreak of diseases, rural development strategy and finalisation of the organisational structure with its placement.

## 5. CODE OF CONDUCT

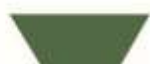
The department complies to the Code of Conduct in the Public Service and non-adherence to this code results in employees being charged with misconduct in line with the Disciplinary Code and Procedures read with the SMS handbook.

## 6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The following activities were achieved during the 2020/21 financial year:

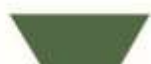
- Occupational Health and Safety Assessments - to determine the level of compliance in accordance with OHS Act and its Regulations
- Occupational Health and Safety Assessment and monitoring - to determine the effectiveness of control measures implemented to minimize the spread of COVID-19 pandemic.

PROVINCE	OFFICE/BUILDING	DATE CONDUCTED
Eastern Cape	RLCC: Beacon Bay	02/05/2020
	PSSC: Block F	02/05/2020 & 18/11/2020
	Surveyor General	02/05/2020 & 20/06/2020
	KWT Deeds Office	07/05/2020, 15/06/2020 & 04/12/2020
	Mthatha Deeds	14/05/2020 & 12/07/2020
	Mthatha District	14/05/2020 & 12/07/2020
	PSSC: Block H	20/05/2020, 19/11/2020 & 04/12/2020
	Queenstown	27/05/2020, 06/07/2020 & 11/07/2020
	PE District	28/05/2020
	54 Paterson Street (Former DAFF)	28/05/2020
	Berea Starling office (Former DAFF)	03/06/2020 & 01/12/2020
	Block F&H	11/07/2020 & 26/02/2021
	LRS	11/07/2020, 31/07/2020 20/11/2020 & 17/02/2021
	PE District	04/08/2020, 27/10/2020 & 24/11/2020
	Amathole District	09/09/2020 & 03/02/2021
Grootfontein Agricultural College	23/10/2020	





PROVINCE	OFFICE/BUILDING	DATE CONDUCTED
Free State	S A Eagle Building (PSSC)	05/05/2020 & 07/02/2021
	SARS Building (Deeds/RLCC Office)	07/05/2020 & 08/03/2021
	Omni Building (Former DAFF, SG and SPLUM)	10/05/2020; 15/10/2020 21/10/2020; 06/11/2020 & 11/02/2021
	Thabo Mofutsanyane District Office	25/05/2020; 10/09/2020 & 24/03/2021
	Fezile Dabi District Office	09/09/2020; 25/12/2020 & 22/03/2021
	Lejweleputswa District Office	08/09/2020; 29/09/2020 & 03/03/2021
	117 Church Street	12/06/2020; 13/11/2020 & 09/03/2021
	Maseru Border Post	10/06/2020; 11/12/2020 & 11/02/2021
Gauteng/National office	ICD Building	14/05/2020; 16 & 18/09/2020 & 25/03/2021
	RLCC: Bailey	14/05/2020
	Old Building	10/06/2020; 22/07/2020 30/09/2020 20/10/2020 29/10/2020 & 19/11/2020
	South Block	10/06/2020 & 24/11/2020
	Centre Walk	11/06/2020 & 01/12/2020
	PSSC: Gauteng	19/02/2021
	Capitol Towers	11/06/2020; 13/11/2020 & 29/03/2021
	Harvest House	15/06/2020; 20/10/2020 & 21/01/2021
	Agriculture Place	19/06/2020
	Sefala	15/06/2020; 04/11/2020 & 24/07/2020
	Animal Quarantine Station	30/06/2020 & 21/10/2020
	Trust Bank	14/07/2020
	Sedupi K9	30/06/2020
	Perishable Cargo	14/07/2020
	Hamilton Forum	15/06/2020
	Roodeplaat (Genetics Resources and Variety Control)	17/06/2020
	Roodeplaat Variety Control	14/10/2020
	Delpen	12/06/2020 & 14/10/2020
Rentmeester	24/06/2020	
Praetor Building (OVG)	18/06/2020	
KwaZulu-Natal	PMB: SSC	02/02/2021
	PMB: PSSC	03/02/2021
	Laager Centre	03/02/2021
	RLCC: Umhlaba House	03/02/2021
	RLCC: 200 Church	03/02/2021
	Port Shepstone	04/02/2021
	John Ross House	05/02/2021
	RLCC: Durban	05/02/2021
NARYSEC: Durban	05/02/2021	



PROVINCE	OFFICE/BUILDING	DATE CONDUCTED
Limpopo	SPLUM	19/05/2020, 30/07/2020 & 22/10/2020
	RLCC: Biccard	19/05/2020 & 30/07/2020
	PSSC: ABSA Building	19/05/2020, 13/07/2020 & 30/07/2020
	Surveyor General	19/05/2020, 30/07/2020 & 07/08/2020
	Deeds	19/05/2020 & 30/07/2020
	Animal Disease Control Camp	29/03/2021
Mpumalanga	No information received from the province	
	Animal Disease Control Camp	31/03/2021
Northern Cape	Compound Building	30/07/2020
	Upington District office	23/09/2020
	Namakwa District office	20/20/2020 & 27/11/2020
	Volsdrift Border Post	20/10/2020
	Springbok (proposed office)	20/10/2020
	Nakop Boarder Post	21/10/2020
	De Aar office	22/10/2020
North West	Megacity: PSSC	02/06/2020, 19/07/2020 & 14/09/2020
	Ngaka Modiri	02/06/2020 & 22/07/2020
	Kopfontein Border Post	03/06/2020 & 23/11/2020
	Skilpadshek Border Post	03/06/2020 & 24/11/2020
	Ramatlabama Border Post	04/06/2020 & 25/11/2020
	Dr. Ruth Segomotsi Mompati	04/06/2020
	Dr. Kenneth Kaunda	05/06/2020 & 05/10/2020
	Potchefstroom	06/06/2020 & 13/10/2020
	Buffelspoort Plant Quarantine Station	08/06/2020 & 30/09/2020
	Bojanala District	08/06/2020 & 21/09/2020
	Vryburg Deeds	05/08/2020
Madutle Border Line	25/03/2021	
Western Cape	2x offices in George	
	Restitution	12/11/2020
	PLR Office	12/11/2020
	RLCC, 2nd floor, 14 Long street	02/03/2021
	Deeds office	19/03/2021

#### OHS ASSESSMENTS CONDUCTED AT NARYSEC FACILITIES

PROVINCE	OFFICE/BUILDING	DATE CONDCUTED
Free State	Thaba Nchu College	28/11/2020
		29/11/2020
		12/12/2020
		13/12/2020

#### OHS ASSESSMENTS CONDUCTED DURING MINISTERIAL EVENTS TO ENSURE THAT HEALTH AND SAFETY STANDARDS ARE ADHERED TO.

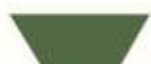
Eastern Cape	Deputy Minister S Dlamini Handover event for food security and garden tools in communities- Healdtown	28/08/2020
	Deputy Minister Skwatsha meeting at Mayfair Hotel - Mthatha	13/11/2020



	Deputy Ministers Skwatsha meeting in Raymond Mhlaba Municipality	14/11/2020
	Minister launch food security and back to school programme in Peddie	25/03/2021
	Minister launch food security and back to school programme in Healdtown	26/03/2021
Gauteng/National office	9th World Food Day Event held at Sokhulumi All Purpose Centre in Bronkhorstspuit	15/10/2020 On 16/10/2020, the event was held virtually
Limpopo	No event coordinated	N/A
Mpumalanga	Handover of Land celebration (Place)	27/11/2020
	Nkosi City Farmers Event (Place)	29/11/2020
Northern Cape	Erin Game Park (event cancelled)	24/09/2020
North West	Ministerial event held at Molokwane Lodge	29 & 30/10/2020
Western Cape	Ministerial event held at Dysseisdorp Community Hall in Oudtshoorn	06/12/2020
	Ministerial event held at Ebenaeser Community Hall	24/03/2021

#### OHS COMMITTEE MEETINGS HELD

PROVINCE	OFFICE	DATE OF THE MEETING
Eastern Cape	OHS Meeting with national	11/05/2020
	OHS Subcommittee meeting	10/06/2020
	OHS Subcommittee meeting	03/07/2020
	OHS Subcommittee	18/08/2020
	OHS meeting with national	21/01/2021
Free State	Fezile Dabi District Office	09/09/2020
	Thabo Mofutsanyane District Office	10/09/2020
	Lejweleputswa District Office	08/09/2020 & 29/09/2020
Gauteng/National office	Number of National OHS sub-committee meetings	Meetings were held on different dates
	OHS Sub-committee	15/10/2020
		07/12/2020 &
KZN	Provincial Steering Committee	Meetings were held in different dates
Limpopo	04 OHS sub-committee meetings held	Meetings were held on different dates
	15 Provincial OHS Steering Committee meetings held	Meetings were held on different dates
Northern Cape	32 COVID-19 sub-committee meetings held on different dates through MS-Teams	Meetings were held on different dates
North West	Ngaka Modiri Molema	13/09/2020
	Megacity: PSSC	17/09/2020
	Bojanala	21/09/2020
	Buffelspoort Plant Quarantine Site	30/09/2020
	Dr. Kenneth Kaunda	06/10/2020
	Potchefstroom	13/10/2020
	Kopfontein Port of Entry	23/11/2020
Skilpadshek Port of Entry	24/11/2020	



## INCIDENTS AND INJURY ON DUTY (IOD) OCCURRED AND REPORTED

PROVINCE	OFFICE/BUILDING	NATURE INCIDENT	DATE OCCURRED/ REPORTED
Eastern Cape	Mthatha Deeds	Water supply interruptions	08/07/2020
	Mthatha District	Power outage	18/09/2020
Gauteng/National office	Merino Building	Fire incident	11/08/2020
	Old Building	Water supply interruptions	February and March 2020 & 05/10/2020
	South Block	Official slipped and fell and sustained injuries	15/10/2020
	Roodeplaat	Injury of a security guard as a result of shooting	19/11/2020
Free State	Fezile Dabi District Office	Flooding and electric shock	25/11/2020
Northern Cape	Court Building (PSSC & Deeds Kimberley)	Water supply interruptions	05/10/2020

## EVACUATION DRILL CONDUCTED AT THESE OFFICES:

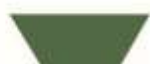
PROVINCE	OFFICE	DATE OF THE MEETING
Eastern Cape	Noe	N/A
Gauteng/National office	Roodeplaat Genetics Resources	16/11/2020
Free State	None	N/A
KZN	None	N/A
Limpopo	None	N/A
Mpumalanga	None	N/A
Northern Cape	None	N/A
North West	Buffelspoort	Date of meeting was not provided
Western Cape	None	N/A

## OHS INSPECTION JOINTLY CONDUCTED WITH INSPECTORS FROM DEPARTMENT OF EMPLOYMENT AND LABOUR:

PROVINCE	BUILDING/OFFICE	DATE
Gauteng (National office)	Kempton Park Quarantine Station	21/10/2020
Northern Cape	Namakwa District Office (Springbok)	11/12/2020

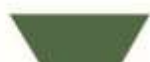
## CONTRAVENTION/PROHIBITIONS NOTICES ISSUED DUE TO NON-COMPLIANCE WITH OHS ACT, ITS REGULATIONS AND COVID-19 DIRECTIVES:

PROVINCE	OFFICE	REASONS FOR THE CONTRAVENTION/PROHIBITION NOTICES TO BE ISSUED	DATE
Free State	Omni Building (1st floor, former DAFF offices)	Contravention Notice issued due to Non-compliance with OHS Act and Facilities Regulations	15/10/2020
		Prohibition Notice issued due to non-compliance with OHS Act, Sec 8(1)	06/11/2020
Gauteng (National office)	Kempton Park Quarantine Station	Non-compliance with OHS Act, its Regulations and COVID-19 Directives	21/10/2020
Northern Cape	Compound Building	Non-compliance with OHS Act, its Regulations and COVID-19 Directives	18/09/2020
	Namakwa District Office (Springbok)	Non-compliance with OHS Act, its Regulations and COVID-19 Directives	10/12/2020



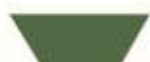
OHS AWARENESS was conducted to sensitize staff members, contractors on health and safety matters and COVID-19 precautionary measures:

PROVINCE	OFFICE/BUILDING	DATE CONDCUTED
Eastern Cape	Online by National Institute for Occupational Health	12/06/2020 02/07/2020 04/08/2020 27/10/2020 24/02/2021
	Decontamination training	17/08/2020
	Change Management	05/10/2020
Gauteng/National Office	Tips on Emergency Situations	Published through ICM on 07/12/2020
	Fire Safety Precautionary measures during holidays	Published through ICM on 27/02/2020
KZN	Pietermaritzburg PSSC	03/02/2021
Limpopo	Distribution and posting of awareness posters on visible areas to all offices in the province	This was fulfilled during the 20/21 financial year
Northern Cape	<p>9x awareness sessions were facilitated through virtual connections:</p> <p>2x session on Decontamination of buildings</p> <p>Risks associated with the usage of heater and sanitizer</p> <p>Sanitizing of GG vehicles</p> <p>Wearing of personnel protective equipment (PPE)</p> <p>2x sessions on steps to follow after a positive case is confirmed</p> <p>Reporting of work-related incidents</p> <p>Completion of screening register</p>	Awareness were given to members of provincial subcommittees and Provincial Steering Committee members on different dates of the meeting sittings.
North West	Buffelspoort Plant Quarantine Site	30/09/2020
	Potchefstroom	13/10/2020
	Kopfontein Port of Entry	24/11/2020
	Ramatlabama Port of Entry	25/11/2020
	Madutle Border Line	25/11/2020
Western Cape	ICM Emergency Evacuation Procedures	2020 (All employees in the department)



**Challenges experienced during 2020/21 financial year that impacted negatively on rendering of OHS activities**

<b>Province</b>	<b>Challenges experienced in the provinces</b>
Eastern Cape	Poor attendees on OHS meetings/awareness  No participation on OHS committee meetings  No management support
Free State	No evacuation drills were conducted due COVID-19 restrictions
Gauteng/National office	No evacuation drills were conducted due COVID-19 restrictions  No participation on OHS committee meetings due to lack of tools of trade (laptops and 3G) since meetings were held virtually
KZN	No evacuation drills were conducted due COVID-19 restrictions
Limpopo	No evacuation drills were conducted due COVID-19 restrictions. There was no provision of updated floor plans from the landlord. No approved emergency plans from the Local Municipality  There were no provision of personal protective clothing/equipment at the Animal Disease Control Camps
Mpumalanga	There were no provision of personal protective clothing/equipment at the Animal Disease Control Camps
Northern Cape	No evacuation drills were conducted due COVID-19 restrictions
North West	No provision of personal protective clothing/equipment at the Border Posts/Lines
Western Cape	Since the country was declared a national disaster and the introductions of lockdown level 5 in March 2020, it has impacted negatively on carrying out OHS duties in the WC province such as: - holding OHS committee meetings, - conduct OHS compliance audits, - coordination of emergency evacuation drills, - conduct OHS awareness and special events.  The province mainly focused on COVID-19 activities during lockdown such as:  OHS COVID-19 risk assessments in all departmental offices in the province. Decontamination and walkthrough assessments on identified COVID-19 cases in offices.

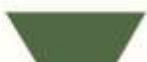


## 7. PORTFOLIO COMMITTEES

The Portfolio Committee exercises oversight over the departments' service delivery performance.

No	Date of Meeting	Committee	Agenda Items
01	03/03/2020	Portfolio Committee ALRRD	SONA: Department of Agriculture, Land Reform and Rural Development (DALRRD) response; Presidential Stimulus Package and district-based model for service delivery; Commission on Restitution of Land Rights (CRLR) on told order claims and Project Kuyasa: follow-up
02	10/03/2020	Portfolio Committee ALRRD	Presidential Advisory Panel Report on Land Reform and Agriculture and Implementation of the Spatial Planning and Land Use Management Act (SPLUMA): briefing, with Deputy Minister
03	17/03/2020	Portfolio Committee ALRRD	Briefing on Pre-1999 Land Claims and Project Kuyasa, with Deputy Minister
04	05/05/2020	Portfolio Committee ALRRD	Commission on Restitution of Land Rights; Ingonyama Trust Board 2020/21 Annual Performance Plan; with Ministry
05	11/05/2020	Portfolio Committee ALRRD	Office of the Valuer-General (OVG), Agricultural Research Council (ARC), Onderstepoort Biological Product (OBP), National Agricultural Marketing (NAMC) and Perishable Products Exports Control Board (PPECB) 2020/21 Annual Performance Plans with Minister
06	19/05/2020	Portfolio Committee ALRRD	Africa Continental Free Trade Agreement; DALRRD Budget: Committee Report; Implementation of COVID-19 Agricultural Disaster Support Fund
07	26/05/2020	Portfolio Committee ALRRD	National Rural Youth Service Corps (NARYSEC) briefing
08	04/06/2020	Portfolio Committee ALRRD	Ingonyama Trust Board and former DRDLR 2019/20 Quarter 3 and 4 performance reports; with Minister
09	10/06/2020	Portfolio Committee ALRRD	Briefing on former Department of Agriculture, Forestry and Fisheries (DAFF) and ARC 2019/20 Quarter 3 and 4 performance; with Minister
10	26/06/2020	Portfolio Committee ALRRD	Briefing on the Upgrading of Land Tenure Rights Amendment (ULTRA) Bill [B6-2020].
11	08/07/2020	Portfolio Committee ALRRD	Briefing by DALRRD on Adjustment Budget and Revised Annual Performance Plan.
12	15/07/2020	Portfolio Committee ALRRD	Briefing on the Farmer Register; Constitutional Court ruling on labour tenants; Committee Report: DALRRD adjustments budget.
13	28/07/2020	Portfolio Committee ALRRD	Animal Disease status; ULTRA Bill; KZN oversight recommendations; with Deputy Minister.
14	18/08/2020	Portfolio Committee ALRRD	ULTRA Bill: public hearings day 1
15	19/08/2020	Portfolio Committee ALRRD	ULTRA Bill: public hearings day 2
16	25/08/2020	Portfolio Committee ALRRD	ULTRA Bill: public hearings day 3
17	26/08/2020	Portfolio Committee ALRRD	ULTRA Bill: public hearings day 4
18	28/08/2020	Portfolio Committee ALRRD	ULTRA Bill: public hearings day 5
19	01/09/2020	Portfolio Committee ALRRD	ULTRA Bill: DALRRD on issues raised by stakeholders during public hearings

20	04/09/2020	Portfolio Committee ALRRD	ULTRA Bill: Committee staff on issues raised by stakeholders during public hearings
21	06/10/2020	Portfolio Committee ALRRD	ULTRA Bill: Legal Opinion, Motion of desirability and way forward
22	09/10/2022	Portfolio Committee ALRRD	ULTRA Bill: Clause-by-clause deliberations
23	13/10/2020	Portfolio Committee ALRRD	ULTRA Bill: further deliberations with the Deputy Minister
24	20/10/2020	Portfolio Committee ALRRD	ULTRA Bill: proposed amendments; with Deputy Minister
25	27/10/2020	Portfolio Committee ALRRD	ULTRA Bill: finalisation and public participation report
26	03/11/2020	Portfolio Committee ALRRD	ULTRA BILL: Committee Report; Liquor Products Amendment Bill: briefing on President's reservations
27	06/11/2020	Portfolio Committee ALRRD	Briefing on Drought Update including relief in affected provinces; Update on brown locust outbreak
28	10/11/2020	Portfolio Committee ALRRD	Briefing on DALRRD 2020/21 Quarter 1 Performance and Implementation of COVID-19 Agricultural Disaster Support Grant; with Deputy Minister
29	13/11/2020	Portfolio Committee ALRRD	Audit outcomes: Auditor-General South Africa (AGSA) briefing; ARC and OBP 2019/20 Annual Reports
30	17/11/2020	Portfolio Committee ALRRD	Briefing on NAMC and PPECB 2019/20 Annual Reports
31	20/11/2020	Portfolio Committee ALRRD	Briefing on former Department of Agriculture, Forestry and Fisheries 2019/20 Annual Report
32	24/11/2020	Portfolio Committee ALRRD	Implementation of Constitutional Court and Land Claims Court orders; CRLR Update; with Minister and Deputy Ministers
33	27/11/2020	Portfolio Committee ALRRD	CRLR Project Kuyasa progress; Agriculture BRRR
34	01/12/2020	Portfolio Committee ALRRD	Release and allocation of state land to applicants: DALRRD briefing with the Minister and Deputy Minister
35	26/01/2021	Portfolio Committee ALRRD	DRDLR Audit Outcomes 2019/20 Annual Report, with Minister and Deputy Minister
36	02/02/2021	Portfolio Committee ALRRD	CRLR and OVG 2019/20 Annual Reports, with Minister and Deputy Minister
37	09/02/2021	Portfolio Committee ALRRD	Update on release of state land for agricultural purposes: Minister and department briefing and Ingonyama Trust Board 2019/2020 Annual Report; with Deputy Minister
38	23/02/2021	Portfolio Committee ALRRD	Sectional Titles Amendment Bill and Agricultural Produce Agents Amendment Bill: DALRRD briefing; with Deputy Ministers
39	02/03/2021	Portfolio Committee ALRRD	Briefing on Market profile of agricultural value chain; Agricultural Produce Agents Amendment Bill: Socio-Economic Impact Assessment (SEIAS) Report; with Deputy Ministers
40	09/03/2021	Portfolio Committee ALRRD	Department of Rural Development and Land Reform 2019/20 Annual Report: AGSA briefing; with Minister and Deputy Ministers
41	16/03/2021	Portfolio Committee ALRRD	Postponed: Briefing on Department of Rural Development and Land Reform 2019/20 Annual Report





42	19/03/2021	Joint Portfolio Committees: ALRRD and Labour	Working and living conditions of farm workers, farm dwellers, farming communities and farmers
43	23/03/2021	Portfolio Committee ALRRD	Former Department of Rural Development and Land Reform and Agricultural Land Holding Trading Account Annual Reports 2019/20; with Minister and Deputy Minister

## 8. SCOPA RESOLUTIONS

There was no engagement with SCOPA during the period under review.

## 9. PRIOR MODIFICATIONS TO AUDIT REPORTS

There are no prior modifications as this is a new department.

## 10. INTERNAL CONTROL UNIT

The Directorate: Internal Control and all the employees in the department identify the alleged irregular, fruitless and wasteful expenditure. Subsequent to the identification of the alleged irregular, fruitless and wasteful expenditure, the Directorate conducts an assessment to confirm the classification of the expenditure. Then the confirmed irregular, fruitless and wasteful transactions are presented to the Financial Compliance Committee for determination of the recommendations to be made to the Accounting Officer. A report is provided to the Accounting Officer with recommendations regarding actions to be taken. The unit also maintains the registers for irregular, fruitless and wasteful expenditure and assists in strengthening the internal control environment where the non-compliance was identified and confirmed.

The Directorate is also responsible for co-ordination, consolidation and monitoring the action plans that are designed to address audit findings raised by the office of the Auditor-General and Internal Audit. It also ensures that the payments and journals are kept on a centralised database on F-Base for proper recording and ease of retrieval when requested by stakeholders. The investigations of losses, theft and damages to the departmental assets and vehicle rentals are also conducted within the unit. Subsequent to the investigations the cases are referred to the Legal Services for determination of the action to be taken.

## 11. INTERNAL AUDIT AND AUDIT COMMITTEES

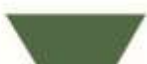
### Key activities and objectives of internal audit

Internal Audit performs assurance and consulting assignments, in accordance with a risk-based internal audit approach. These assignments are delivered by means of financial, performance, operational, compliance and information technology audits, as well as audits that focus on the risk of fraud and irregularities. Assignments may also combine two or more audit types into the delivery of comprehensive audit assignments. The scope of assurance and consulting assignments excludes legal entities such as Communal Property Associations (CPAs) and Trusts, because the Chief Directorate: Internal Audit's focus is restricted to internal processes and, therefore; does not have the mandate to audit and review external entities.

### Summary of audit work done by internal audit

Internal audit performed audits and consultations defined on the 2020/2021 DALRRD annual internal audit plan, including audits on the:

- internal control processes falling within specific branches of the DALRRD and its trading entities;
- financial processes of the DALRRD and its trading entities;



- governance and risk management processes of the DALRRD;
- processes governing performance information management;
- information technology on various processes and systems.

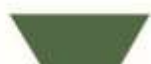
### Key activities and objectives of the audit committee

The key activities and objectives of the Audit Committee can be summarised as entailing reviews and the dispensing of other pertinent functions in respect of the following areas:

- The efficiency and effectiveness of the system of internal control that the DALRRD applies;
- Risk management and its effectiveness, efficiency and transparency and King IV;
- The effectiveness of the Internal Audit function;
- The adequacy, reliability and accuracy of the financial and performance information provided by management to various stakeholders;
- The DALRRD's compliance with legal and regulatory provisions;
- Any accounting and audit concerns identified as a result of Internal and External Audits performed;
- The activities of the Internal Audit function, including its annual work programme, coordination with the Auditor-General South Africa (AGSA), the reports of significant recommendations and the response of management to those recommendations;
- The scope and results of the External Audit function, its cost effectiveness as well as the independence and objectivity of the AGSA;
- Reporting to the Executive Authority and the AGSA, where a report implicates the Accounting Officer in fraud, corruption or gross negligence;
- Communicating any concerns it deemed necessary to the Executive Authority, AGSA and Internal Audit function;
- Approving the Audit Committee Charter, Internal Audit Charter, Policy and Plan; and
- Reviewing the Annual Financial Statements and Annual Performance Report of the DALRRD and its trading entities prior to and after the annual External Audit.

### Attendance of audit committee meetings by audit committee members

NAME	QUALIFICATIONS	INTERNAL OR EXTERNAL MEMBER	IF INTERNAL, POSITION IN THE DEPARTMENT	DATE APPOINTED	DATE RESIGNED	NO. OF MEETINGS ATTENDED
Dr NZ Qunta (Chairperson)	PhD MBA Masters in Commerce (Economics) B.Com. Hons (Economics)	External	Not Applicable	1 April 2020	Not applicable	7
Mr A Wakaba (Member)	MBA B. Compt. Hons B. Comm. (Acc.) Adv.Dip. in Accounting Sciences Certified Director™ AGA (SA)	External	Not Applicable	1 April 2020	Not Applicable	7
Ms M Mbonambi	B.Com. Hons B. Acc. Cert: Board Governance Cert: Enterprise- Wide Risk Management	External	Not Applicable	1 April 2020	Not Applicable	7
Ms AMM Badimo	B.Sc. Computer Science	External	Not Applicable	1 April 2020	Not applicable	6



	B.Sc. Hons Computer Science M.Sc. Applied Science MBA CISM (Certified Information Security Manager) CGEIT (Certified in the Governance of Enterprise IT) CISA (Certified Information Systems Auditor) CRISC (Certified in Risk and Information Systems Control) Cobol Programming Diploma PMP (Project Management Professional) Cert. Auditing IT Environment, COBIT 5, ITIL Foundation Certified ISO 22301 Lead Implementer Certified Blockchain Expert (CBE) F. Inst D (IoDSA)					
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## 12. REPORT OF THE AUDIT COMMITTEE

The Department of Agriculture, Land Reform and Rural Development (DALRRD) Audit Committee is pleased to present its report for the financial year ended 31 March 2021. This report includes the Deeds Registration Trading Account, the Agricultural Land Holding Account and the Commission on Restitution of Land Rights.

This report is presented in accordance with the requirements of the Public Finance Management Act, No. 1 of 1999 (PFMA), as amended. The recommendations of the King Report on Governance (King IV) have also been taken into consideration.

**Audit Committee members and attendance**

During the year under review the Audit Committee consisted of four members. The Audit Committee had 4 standard audit committee meetings and 3 forensic investigations audit committee in-committee meetings, as indicated in the table hereunder. The Audit Committee is constituted of persons who possess the correct mix of experience, qualifications, and skills to carry out its responsibilities.



NAME OF MEMBER	NUMBER OF MEETINGS ATTENDED
Dr NZ Qunta (Chairperson)	7
Mr AP Wakaba (Member)	7
Ms K Mbonambi (Member)	7
Ms AMM Badimo (Member)	6

### **Audit Committee Responsibility**

The Audit Committee reports that it complied with its responsibilities arising from section 38 (1) (a) of the Public Finance Management Act, No.1 of 1999, as amended and Treasury Regulation 3.1. The Audit Committee also reports that it had adopted an appropriate formal terms of reference as contained in its Charter, conducted its affairs in compliance with the Charter and has discharged its responsibilities as contained therein.

The Chairperson of the AC presented their oversight reports to the Executive Authority during the financial year that ended 31 March 2021.

### **Duties and responsibilities**

The duties and responsibilities of the Audit Committee are detailed in the Audit Committee Charter and can be summarised as entailing reviews and the dispensing of other pertinent functions in respect of the following areas:

- The efficiency and effectiveness of the system of internal control applied by the DALRRD;
- Risk Management and its effectiveness, efficiency and transparency;
- The effectiveness of the Internal Audit function;
- The adequacy, reliability and accuracy of the financial and performance information provided by management to various stakeholders;
- The DALRRD's compliance with legal and regulatory provisions;
- Any accounting and audit concerns identified as a result of Internal and External Audits performed;
- The activities of the Internal Audit function, including its annual work program, coordination with the Auditor-General (AGSA), the reports of significant recommendations and the response of management to those recommendations;
- The scope and results of the External Audit function, its cost effectiveness as well as the independence and objectivity of the AGSA;
- Reporting to the Executive Authority and the AGSA where a report implicates the Accounting Officer in fraud, corruption or gross negligence;
- Communicating any concerns, it deemed necessary to the Executive Authority, AGSA and Internal Audit function;
- Approving the Audit Committee Charter, Internal Audit Charter, Governing Procedures and Plan; and
- Reviewing the Annual Financial Statements and Annual Performance Report prior to and after the annual audit.

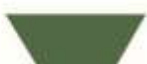
### **The effectiveness of internal control**

In line with the PFMA requirements and the Audit Committee mandate to provide oversight on the department, the efficiency and effectiveness of the systems of Internal Control and Risk Management was considered.

The DALRRD Management experienced numerous challenges during the 2020/2021 financial year, resulting from the merger of the Departments of Agriculture and of Rural Development and Land Reform as well as the COVID-19 pandemic.

### **Internal Audit**

The objective of the internal audit function of the Department is to provide management with independent, objective assurance and consulting services designed to add value and to continuously improve the operations of the department. It assists the department to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management and control processes.



The Audit Committee is satisfied that the Internal Audit function is operating effectively, and that it has taken into consideration the risks pertinent to the DALRRD in its audits. Internal Audit has made significant progress with audits conducted in terms of its strategic three-year rolling internal audit plan. The system of internal control was not entirely effective for the year under review. Deficiencies were detected and reported through internal audits performed on the system of internal control. Management continued to address control weaknesses reported by the Internal Audit function. Significant control deficiencies were noted in the areas of:

- Information and Communication Technology;
- Records Management;
- Compliance Management;
- Project Management;
- Contract Management;
- Financial Management;
- Property Management; and
- Management of Fraud, Corruption, Misconduct, Irregularities and Mismanagement. The AC expresses serious concern on inadequate internal control structures to prevent and detect fraud and the incidences of fraud identified in the department.

### **In-Year Monitoring and Reporting**

The Audit Committee appreciates that the departmental Quarterly Reporting submissions were done timeously and appropriately. The Audit Committee, however, expresses concern in respect of the progress made in the achievement of planned performance targets.

### **Evaluation of Financial Statements**

The Audit Committee reviewed and discussed:

the Annual Financial Statements to be included in the annual report, with the AGSA, the Accounting Officer and management; the information on predetermined objectives to be included in the annual report; the AGSA's management reports and management's response thereto; the reports and audit opinions of the AGSA; significant adjustments resulting from the audits; and changes in accounting policies and practices.

### **Reports**

The Audit Committee has considered and commented on the AGSA's reports on the Annual Financial Statements of the department, the Commission, Deeds and that of the Agricultural Land Holding. The Audit Committee accepts with concern the AGSA's qualified audit opinion on the Agricultural Land Holding Account's Annual Financial Statements. The Committee further met with the AGSA and Management to deal with disagreements and differences relating to ALHA financial statements.

The Audit Committee expresses its appreciation to the Minister, the Acting Director-General, the Department's Management, the Commission, Deeds Office, Internal Audit and the AGSA for their assistance and cooperation in the dispensing of the Audit Committee's functions.



**Dr NZ Qunta**

**Chairperson of the Audit Committee**

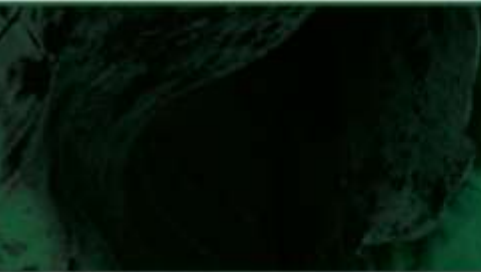
**Department of Agriculture, Land Reform and Rural Development; Deeds Registration Trading Account; Agricultural Land Holdings Account and the Commission on Restitution of Land Rights**

**Date: 31 July 2021**



# PART D:

## Human Resource Management



## LEGISLATION THAT GOVERNS HR MANAGEMENT

The information provided in this part is prescribed in the Public Service Regulations, 2016 (as amended) (Chapter 1, Part III J.3 and J.4), taking into account the provisions of the following legislative frameworks:

- Public Service Act, 1994 (Act No. 3 of 1994)
- Labour Relations Act, 1995 (Act No. 66 of 1995)
- Basic Conditions of Employment Act, 1997 (Act No. 75 of 1997)
- Employment Equity Act, 1998 (Act No. 55 of 1998)
- Skills Development Act, 1998 (Act No. 97 of 1998)
- Skills Development Levies Act, 1999 (Act No. 9 of 1999)
- Public Finance Management Act, 1999 (Act No. 1 of 1999)

## 1. INTRODUCTION

The Public Service Regulations, 2016 (Chapter 3, regulation 31), requires of the Chief Directorate: Human Resource Management and Development to give an account on how it has provided strategic, transformed and value adding human resource services within the department through the development of strategies and plans, employee engagement and people empowerment practices in the Annual Report.

To this end, available resources were dedicated towards ensuring that the department achieve the planned mission critical deliverables, manage risks and challenges and ensure optimal service delivery. Compliance to governance principles and the public service regulatory framework on people management remained on the radar.

The post establishment of the department totalled 8 732 posts, with 7 359 positions filled, 1 373 vacancies and 509 employees additionally appointed to the post establishment, as on 31 March 2021. During the period under review, the vacancy rate of the department increased to 15,7% in the 2020/2021 financial year from 11,5% at the end of the 2019/2020 financial year. (Please note the figures were as on PERSAL on 31 March 2021).

The staff turnover rate decreased by 0,9% – from 5,2% during the 2019/2020 financial year, to 4,3% during the 2020/2021 financial year. The staff turnover still remains within the generally acceptable norm of 15% in the public service. This status reflects the available institutional memory and intelligence necessary to the realisation of the departmental mandate.

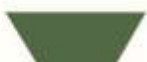
### Overview

#### Human Resource Priorities

Human Resource Planning remains at the core in ensuring the departmental capacity deliver on its mandate and strategic objectives.

In light of the above, the department continued to pursue its mandate and drive the transformation of the sector, in addition to implementation of the National Development Plan 2030, through implementation and monitoring of the Human Resource Plan. This year under review is the first year of implementation of the MTEF HR Plan 2018/19 – 2020/21, which had identified the following HR Plan priorities: (1) Eliminate duplication of functions and alignment of organisational structure; (2) Development of Talent Management Strategy; (3) Workplace Skills Plan approved by the Director-General and implemented; (4) Access to Employee Health and Wellness Programme and (5) Strengthening transformation capacity and implementation of diversity management imperatives.

Monitoring and reporting on the MTEF HR Plan are done through the Human Resource Key Performance Indicators. The Quarterly HR Plan Implementation Reports have been developed and submitted for consideration by the Director-General.



The Quarterly HR Plan Implementation Reports for the monitoring of the MTEF HR Plan will be incorporated in the Annual MTEF HR Plan Implementation Report which was due to DPSA by 31 May 2019. The vision of strategic partnering with line function remains central to the human resource service delivery model which is aimed at maximising compliance to the regulatory framework, consistent application of best practices on people management and a high performing organisational culture as well.

### **Organisational development**

The new Department of Agriculture, Land Reform and Rural Development was brought into effect on 1 April 2020.

In terms of regulation 25(2)(a) of the Public Service Regulations, 2016, the Minister of Public Service and Administration (MPSA) issued a letter of concurrence, dated 11 November 2019, for the Start-up Macro Structure (SMS level) and issued another letter on 11 December 2020 for the Microstructure (level 12 and below) of the Department of Agriculture, Land Reform and Rural Development (DALRRD). This approved structure of DALRRD consists of 9 207 posts.

During the 2019/2020 financial year, the MPSA issued a letter dated 4 November 2020 regarding compliance and monitoring on implementation of the Start-up Organisational Structure. Within the letter, the MPSA advised that when the department review the organisation structure to design a Fit-For-Purpose Structure it be based on the approved mandate of the new department, its strategic objectives, services delivery model, quantifiable outputs and available funding.

The DALRRD submitted an Organisational Structure aligned to the Strategic Plan but it was not concurred by the MPSA because of Organisational Design concerns.

In view of the approval of the Start-up Organisational Structure and concerns by the MPSA, DALRRD will embark on a Fit-For-Purpose Structure aligned to the Strategic Plan, objectives, service delivery model and available budget once the migration process for the lower level positions has been completed.

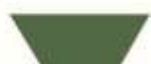
This migration of senior management has been completed and officials were issued with letters. The department has so far, in terms of the migration process of lower levels (12 and below), managed to:

- Verify posts on the microstructure against the migration sheet
- Match and place employees per branch in accordance with Resolution 1 of 2019, by:
  - ❖ Identifying employees that are direct placements (where the job content has not changed [inclusive of changes to job title but not job content])
  - ❖ Capturing employees in the migration spreadsheet
  - ❖ Engaging with branches to verify the correct direct placement of employees
  - ❖ Identifying employees whose jobs functions relates to two or more jobs.

The delay in finalising the migration process is due to lack of participation of branches in providing information, but the matter was escalated to the office of the Deputy Director-General: Corporate Support Services for intervention.

Priority posts have been identified for filling by looking at scarce skills and OSD. The facilitation of job descriptions and job evaluations exercise for prioritised posts have been completed.

The Land Claims Court ordered the department to appoint a Special Master for Labour Tenants to supervise the department in finalising the processing of labour tenants' applications. The department has established the organisational structure for the Office of the Special Master for Labour Tenants and has submitted to the Executive Authority for endorsement and subsequent approval by the MPSA.





## **Recruitment**

The ongoing matching and placement process of employees also contributed to non-filling of vacancies, which negatively impacted on capacity and service delivery requirements. Due to the continued budget cuts imposed by National Treasury, the department operated under skeletal capacity as vacant unfunded positions were ultimately abolished and filling of positions remained suspended. An analysis of the budget for compensation of employees was conducted on a monthly basis and this still reflected a shortfall which remained the basis for the non-filling of vacant positions.

Employees were reassigned to different areas of high impact in the department to make up for capacity challenges experienced. The non-filling of vacant positions was further influenced by the process of merging the agricultural functional area of the Department of Agriculture, Forestry and Fisheries (DAFF) with the Department of Rural Development and Land Reform (DRDLR).

Only posts identified as critical to service delivery were filled, that is, three (3) posts at senior management level, seven (7) technical posts and one (1) at semi-skilled level.

## **Performance management**

As a result of COVID-19, South Africa's national lockdown level 5 had a negative impact on the signing of the Performance Agreements for the 2020/2021 performance cycle. An announcement was made to put the country on lockdown with effect from 26 March 2020, which affected the merger of the former Department of Agriculture, Forestry and Fisheries and the Department of Rural Development and Land Reform together with the start of the new performance cycle on 1 April 2020. As a result of these uncertainties, the Minister of Public Service and Administration extended the due date for SMS members to sign and submit their Performance Agreements to 31 October 2020.

The overall compliance on the finalisation and submission of the senior manager's Performance Agreements and Work Plans for the 2020/2021 performance cycle was at an aggregate of 73% by the due date of 31 October 2020 and on 81% by the end of the performance cycle. The COVID-19 pandemic uncertainties and the challenges with the merger of the two departments contributed to the 19% compliance deficit. The submission of performance assessment review reports for the 2019/2020 performance cycle for senior managers stands on 87% and 83% for non-senior managers. The outstanding performance assessment review reports for senior managers and non-senior managers stands on 13% and 17%, respectively, due to the lockdown challenges. The moderating performance outcomes for the 2018/19 performance cycle for non-senior managers has been finalised and implemented.

The moderation for the 2019/20 performance cycle Annual Assessments for senior managers is still in progress. Moderation of the outstanding performance assessments for senior managers for the 2018/19 performance cycle was finalised and performance outcomes were implemented.

Through issuing Human Resource Management circulars, compliance to the regulatory framework is ensured whereby employees are reminded of the amendment of Chapter four (4) of the SMS handbook and also the submission of the Performance Agreements for the 2020/21 performance cycle and to finalise and submit the Annual Assessment reports for the 2020/21 performance cycle.

## **Employee health and wellness**

Employee Health and Wellness (EHW) services were provided to the DALRRD employees and their families, and COVID-19 positive employees and their contacts, through telephone emotional support services along with psychosocial support for stress, fear, anxiety, depression, grief and other emotional issues and mental health issues.

Information on coping skills was also disseminated through articles on ICM in addition to live sessions on Microsoft Teams. Standard Operating Procedures were developed and circulated to employees to alleviate anxiety while facing COVID-19 and to create awareness on preventative measures.



A total of 401 employees tested positive for COVID-19. Three hundred and eighty-five (385) recovered while 16 succumbed. A total of 1 116 employees with comorbidities and pregnant staff at third trimester were approved to work remotely as per the prescripts.

### Employee development

The department continues to invest in the employees' growth and development in line with the Departmental HRD Strategy and the National Development Plan 2030, Chapter 13, which envisions a capable and developmental state by 2030.

As a result of the reconfiguration and merger of the department, the Department of Public Service and Administration and the Public Service Sector Education and Training Authority were consulted with the submission of the reports for the affected department. As a result, the department was exempted from submitting the said reports for the 2020/2021 financial year, and a request through the Acting Director-General was submitted to PSETA to develop an indicium system to enable the department to submit the skills development reports. To ensure that the department has the necessary skills base required to deliver on its mandate, a total number of 2 514 employees were trained on various skills programmes and short courses. However, implementation of training was affected negatively due to the COVID-19 pandemic, and the majority of employees did not have working tools to attend training online.

A total number of 620 employees attended COVID-19 training to enable the department to respond to the pandemic in the workplace. This assisted the department on its readiness to deal with the pandemic and to protect the employees during the crisis. In order to prepare the department to deal with change as a result of the merger, a total number of 203 employees were also trained as Change Agents to support the department in driving change.

### Human resource planning

To implement the MTEF HR Plan effectively, the Human Resource Strategic Planning Framework for the Public Service-Vision 2015 requires the annual review of the MTEF HR Plan to be submitted by 30 June of each year. The MTEF HR Plan 2018/19 – 2020/21 could not be adjusted as it did not meet the conditions for review and the Department of Public Service and Administration (DPSA) was informed accordingly.

Implementation of the HR Plan has been monitored through quarterly key performance indicators and also annually in terms of the amended directive on the Human Resource Strategic Planning Framework for the Public Service-Vision 2015. The Annual MTEF HR Plan Implementation report was submitted to the DPSA by 31 May 2019.

The department's progress on Employment Equity as on 31 March 2021 is summarised as follows:

<b>SMS MEMBER'S EE PROFILE</b>			
<b>STATUS</b>	<b>MALE</b>	<b>FEMALE</b>	<b>DISABLED</b>
Target	50%	50%	2%
Current	60%	40%	2%
<b>TOTAL GENDER PROFILE IN THE DEPARTMENT</b>			
<b>STATUS</b>	<b>MALE</b>	<b>FEMALE</b>	<b>DISABLED</b>
Target	55%	45%	2%
Current	48%	52%	1,5%

The above table depicts a significant milestone in drawing towards the 50/50 representation target set by Cabinet for employees at SMS levels in the Public Service. This confirms that implementation of the transformation agenda of government by DALRRD is on track. Focused interventions towards achieving the 2% target in respect of the representation of people with disabilities will take priority in DALRRD.

### Human resource policies

As result of the merger of the Department of Agriculture, Forestry and Fisheries (DAFF) and the Department of Rural Development and Land Reform (DRDLR), 35 out of 55 HR Policies were aligned



and merged. These HR Policies were presented at a Policy Workshop held from 12 to 14 February 2020 with all HR Managers from National and Provincial departments.

The 25 draft HR Policies were further circulated to all employees in DALRRD via Internal Communication Messenger for inputs. Inputs received were processed and draft HR Policies were made available to Labour for discussion in the Departmental Bargaining Chamber (DBC). The DBC was only established in Quarter 3 of the 2020/2021 financial year.

Of the 25 draft HR Policies, 21 received concurrence in the DBC and was escalated to EXCO and consensus was achieved. Following this, an approval process followed.

The outstanding four policies were also finalised and are ready to serve before the DBC for concurrence. A date for the DBC for discussion/presenting the four policies is pending, thereafter the policies will be submitted to EXCO for concurrence and via a memorandum to the Acting Director-General for approval.

### Labour relations

Setting the standards on employee conduct and supporting line management in ensuring the desired behaviour was prioritised. Therefore, managers and employees were empowered through awareness campaigns on the departments' Code of Conduct and disciplinary and grievances procedures during the rollout of human resource policies. These sessions placed specific focus on the department's Code of Conduct, along with the disciplinary and grievances procedures to reduce the prevalence of misconduct and employee complaints. Employees were trained on labour relations processes in the financial year under review.

A breakdown of misconduct cases is observed as indicated in the table below:

MISCONDUCT CASES			
FINANCIAL YEAR	TOTAL	FINALISED	PENDING
2020/21	107	39	68

The total number of cases were inherited from the now defunct Departments of Agriculture, Forestry and Fisheries, and Rural Development and Land Reform. These two departments were merged into the Department of Agriculture, Land Reform and Rural Development. Thirty-nine misconduct cases were finalised during the 2020/2021 financial year. Eight out of 39 cases were finalised through formal disciplinary hearings (see table 3.12.2 below). Thirty-one were finalised through progressive or informal discipline. The target was not met as a result of capacity constraints and COVID-19 restrictions.

Scheduling of cases became difficult because employer representatives, witnesses and employees were not available due to COVID-19 restrictions.

The increase in the number of grievances was as a result of the dissatisfaction of employees regarding the alleged incorrect translation into the Occupation Specific Dispensation (OSD) categories, contrary to the provision of the GPSSBC Resolution 3 of 2009 and Performance management.

A Departmental Bargaining Chamber (DBC) for DALRRD was formally established. The DBC is operational and is currently addressing the following matters on the agenda:

- Various complaints received from PSA members and closure of certain camps in the Kruger National Park
- Funeral policy
- Injury on duty concerns in Stellenbosch
- Non-implementation of Resolution 1 of 2012
- Employee Satisfaction Survey
- GPSSBC Resolution 5 of 2014 (Agreement on Recognition of Improved Qualifications in the Public Service), Training on the Labour Relations Amendment Act and the Basic Conditions of Employment Act
- NEHAWU issues at Grootfontein Agricultural Development Institute (GADI)
- Departmental HR Policy Review



- Subsidised motor transport
- Guidelines on the management of departmental restructuring
- Non-filling of vacancies
- The long outstanding prioritisation of positions
- Impending Border Management Agency (BMA) and the effect it will have on DALRRD officials
- Unilateral reduction of cell phone and 3G allowances
- Payment of performance bonuses
- The Departmental Task Team
- Review of Employee Performance Management and Development Policy.



## 2. HUMAN RESOURCE OVERSIGHT STATISTICS

Please take note that all the information in the following oversight statistics includes the information of the Deeds Registration Trading Entity.

### 3.1 Personnel related expenditure

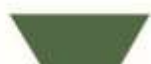
The following tables summarise the final audited personnel related expenditure by programme and by salary bands. In particular, it provides an indication of the following: amount spent on personnel and amount spent on salaries, overtime, home owners allowances and medical aid.

**Table 3.1.1: Personnel expenditure by programme for the period 1 April 2020 to 31 March 2021**

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services (R'000)	Personnel cost as % of total expenditure	Average personnel cost per employee (R'000)
Programme 1	1 364 852	1 318 051	7 980	38 821	96.6	458
Programme 2	920 645	798 767	395	121 483	86.8	543
Programme 3	1 104 036	822 793	16 931	264 312	74.5	609
Programme 4	213 061	148 964	58 643	5 453	69.9	1 536
Programme 5	266 399	197 333	3 345	65 721	74.1	1 022
Programme 6	506 076	467 704	-	38 372	92.4	249
Deeds Registration Trading Entity	699 991	567 803	15	55 527	81.1	519
<b>Total</b>	<b>5 075 060</b>	<b>4 321 416</b>	<b>87 309</b>	<b>589 689</b>	<b>85.2</b>	<b>549</b>

**Table 3.1.2: Personnel costs by salary band for the period 1 April 2020 to 31 March 2021**

Salary band	Personnel expenditure (R'000)	% of total personnel cost	Average personnel cost per employee (R'000)
Lower skilled (levels 1–2)	47 205	1.0	185
Skilled (levels 3–5)	230 565	4.5	249
Highly skilled production (levels 6–8)	1 484 155	29.2	435
Highly skilled supervision (levels 9–12)	1 814 872	35.8	762
Senior management (levels 13–16)	478 066	9.4	1 239
Contract (levels 1–2)	141	0.0	18
Contract (levels 3–5)	1 965	0.0	393
Contract (levels 6–8)	31 823	0.6	168



Salary band	Personnel expenditure (R'000)	% of total personnel cost	Average personnel cost per employee (R'000)
Contract (levels 9–12)	124 226	2.4	647
Contract (levels 13–16)	27 814	0.5	2 318
Contract: Other	16 752	0.3	163
Periodical remuneration	1 080	0.0	29
Abnormal appointment	62 752	1.2	15
<b>Total</b>	<b>4 331 871</b>	<b>85.2</b>	<b>357</b>

**Table 3.1.3: Salaries, overtime, Home Owners Allowance and medical aid by programme for the period 1 April 2020 to 31 March 2021**

Programme	Salaries		Overtime		Home Owners Allowance		Medical aid	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical aid as a % of personnel cost
Programme 1	1 094 799	89.9	14 015	1.1	43 326	3.3	76 183	5.8
Programme 2	552 075	92.3	3 977	0.5	22 080	2.8	35 675	4.5
Programme 3	459 436	93.6	4 600	0.6	17 535	2.1	30 506	3.7
Programme 4	79 269	96.8	244	0.2	1 732	1.2	2 820	1.9
Programme 5	132 073	93.8	-	-	4 500	2.3	7 925	3.9
Programme 6	304 607	90.4	17 384	1.7	12 213	3.2	18 353	4.7
Deeds Registration Trading Entity	387 014		13 035		20 902		30 365	
<b>Total</b>	<b>3 009 273</b>	<b>91.6</b>	<b>35 871</b>	<b>0.9</b>	<b>122 288</b>	<b>2.8</b>	<b>201 827</b>	<b>4.7</b>

**Table 3.1.4: Salaries, overtime, Home Owners Allowance and medical aid by salary band for the period 1 April 2020 to 31 March 2021**

Salary bands	Salaries		Overtime		Home Owners Allowance		Medical aid	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical aid as a % of personnel cost
Lower skilled (levels 1–2)	33 491	76.4	179	0.4	4 018	9.2	6 131	14.0
Skilled (levels 3–5)	269 723	84.4	5 899	1.8	16 044	5.0	27 905	8.7
Highly skilled production (levels 6–8)	1 062 601	85.0	19 793	1.6	60 091	4.8	107 728	8.6
Highly skilled supervision (levels 9–12)	1 048 732	91.3	9 896	0.9	34 092	3.0	55 610	4.8
Senior management (levels 13–16)	268 777	95.6	-	-	8 014	2.8	4 438	1.6



Salary bands	Salaries		Overtime		Home Owners Allowance		Medical aid	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical aid as a % of personnel cost
Contract (levels 1–2)	140	100.0	-	-	-	-	-	-
Contract (levels 3–5)	1 856	100.0	-	-	-	-	-	-
Contract (levels 6–8)	31 720	99.7	97.0	0.3	-	-	-	-
Contract (levels 9–12)	237 405	100.0	-	-	-	-	-	-
Contract (levels 13–16)	24 761	99.8	-	-	29	0.1	15	0.1
Contract: Other	16 693	100.0	7.0	-	-	-	-	-
Abnormal appointment	13 374	100.0	-	-	-	-	-	-
<b>Total</b>	<b>3 009 273</b>	<b>89.3</b>	<b>35 871</b>	<b>1.1</b>	<b>122 288</b>	<b>3.6</b>	<b>201 827</b>	<b>6.0</b>

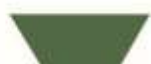
### 3.2 Employment and vacancies

The tables in this section summarise the position with regard to employment and vacancies. The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment. This information is presented in terms of three key variables: programme, salary band and critical occupations. Departments have identified critical occupations that have to be monitored. In terms of current regulation, it is possible to create a post on the establishment that can be occupied by more than one employee. Therefore, the vacancy rate reflects the percentage of posts that are not filled.

**Table 3.2.1 Employment and vacancies by programme as on 31 March 2021**

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy rate %	Number of employees additional to the establishment
Programme 1	3 312	2 771	16.3	108
Programme 2	1 594	1 321	17.1	149
Programme 3	1 396	1 223	12.4	127
Programme 4	119	92	22.7	5
Programme 5	206	188	8.7	5
Programme 6	2 105	1 764	16.2	115
<b>Total</b>	<b>8 732</b>	<b>*7 359</b>	<b>15.7</b>	<b>509</b>

\*Please note that the totals do not include abnormal and periodical employees.



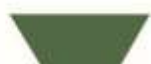
**Table 3.2.2 Employment and vacancies by salary band as on 31 March 2021**

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy rate %	Number of employees additional to the establishment
Lower skilled (levels 1–2)	329	255	22.5	111
Skilled (levels 3–5)	1 146	927	19.1	5
Highly skilled production (levels 6–8)	3 908	3 409	12.8	189
Highly skilled supervision (levels 9–12)	2 869	2 382	17.0	192
Senior management (levels 13–16)	480	386	19.6	12
<b>Total</b>	<b>8 732</b>	<b>*7 359</b>	<b>15.7</b>	<b>509</b>

\*Please note that the totals do not include abnormal and periodical employees.

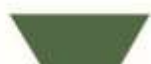
**Table 3.2.3 Employment and vacancies by occupations as on 31 March 2021**

Occupation	Number of posts on approved establishment	Number of posts filled	Vacancy rate %	Number of employees additional to the establishment
Administrative related	295	258	12.5	2
Agricultural, animal, oceanography, forestry and other science	207	184	11.1	-
Agriculture related	247	207	16.2	-
Aircraft pilot and related associate professional	1	1	-	-
All artisans in building, metal, machinery, etc.	15	12	20.0	-
Appraisers, valuers and related professionals	19	15	26.7	3
Architects, town and traffic planners	38	34	11.8	2
Artisan project and related superintendents	4	2	50.0	-
Auxiliary and related workers	300	258	16.3	69
Basic training	-	-	-	23
Biochemistry, pharmacology, zoology and life science technicians	43	31	38.7	-
Building and other property caretakers	17	16	5.9	-
Bus and heavy vehicle drivers	3	3	-	-
Cartographers and surveyors	254	210	17.3	34





Occupation	Number of posts on approved establishment	Number of posts filled	Vacancy rate %	Number of employees additional to the establishment
Cartographic surveying and related technicians	40	33	17.5	6
Cleaners in offices, workshops, hospitals, etc.	77	62	19.5	-
Client information clerks (switchboard, reception and information clerks)	56	48	14.3	-
Communication and information related	21	21	-	-
Community development workers	-	-	-	1
Computer system designers and analysts	9	9	-	-
Draught and related trade	6	6	-	-
Economists	66	62	6.1	44
Engineers and related professionals	21	9	57.1	23
Farmhands and workers	118	97	17.8	-
Farming forestry advisors and farm managers	9	6	33.3	-
Finance and economics related	127	98	22.8	1
Financial and related professionals	474	369	22.2	1
Financial clerks and credit controllers	225	197	12.4	-
Food services aids and waiters	49	36	26.5	-
General legal administration and related professionals	889	750	15.6	3
Head of Department/Chief Executive Officer	3	2	33.3	-
Health sciences related	12	11	8.3	-
Horticulturists, foresters, agricultural and forestry technicians	387	332	14.2	7
Household and laundry workers	11	11	-	-
Human resource and organisational	132	113	14.4	-



Occupation	Number of posts on approved establishment	Number of posts filled	Vacancy rate %	Number of employees additional to the establishment
development and related professionals				
Human resource clerks	120	113	5.8	-
Human resource related	58	51	12.1	-
Information technology related	51	40	21.6	-
Language practitioners, interpreters and other communicators	51	46	9.8	-
Legal related	132	102	22.7	-
Librarians and related professionals	7	6	14.3	-
Library mail and related clerks	67	62	7.5	-
Light vehicle drivers	6	6	-	-
Logistical support personnel	152	120	21.1	-
Material-recording and transport clerks	213	191	10.3	3
Meteorologists	1	-	100.0	-
Meteorology: statistical and related technicians	-	-	-	8
Messengers, porters and deliverers	125	102	18.4	2
Motor vehicle drivers	22	16	27.3	-
Motorised farm and forestry plant operators	2	2	-	-
Natural sciences related	1 233	1 032	16.3	20
Nature conservation and oceanographically related technicians	49	47	4.1	
Other administrative and related clerks and organisers	839	710	15.4	5
Other administrative policy and related officers	117	106	9.4	
Other information technology personnel	101	92	8.9	
Printing and related machine operators	8	7	12.5	
Printing planner and production controller	1	1	-	



Occupation	Number of posts on approved establishment	Number of posts filled	Vacancy rate %	Number of employees additional to the establishment
Rank: Deputy Minister	2	2	-	
Rank: Minister	1	1	-	
Risk management and security services	13	13	-	
Road trade workers	4	4	-	
Safety, health and quality inspectors	42	35	16.7	
Secretaries and other keyboard operating clerks	314	282	10.2	3
Security officers	77	69	10.4	
Senior managers	462	374	19.0	12
Social sciences related	1	1	-	
Statisticians and related professionals	17	17	-	
Trade workers	228	178	21.9	
Trainees	-	-	-	88
Veterinarians	36	24	33.3	149
Veterinary assistants	5	4	20.0	
<b>Total</b>	<b>8 732</b>	<b>*7 359</b>	<b>15.7</b>	<b>509</b>

\*Please note that the totals do not include abnormal and periodical employees.

### 3.3 Filling of SMS posts

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

**Table 3.3.1 SMS posts information as on 31 March 2021**

SMS level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General	1	-	-	1	1.1
Salary level 15	13	7	1.9	6	6.5
Salary level 14	99	87	23.1	12	12.8
Salary level 13	356	282	75.0	74	79.6
<b>Total</b>	<b>469</b>	<b>376</b>	<b>100.0</b>	<b>93</b>	<b>100.0</b>

**Table 3.3.2 SMS posts information as on 30 September 2020**

SMS level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General	1	1	0.3	-	-
Salary level 15	15	10	2.6	5	8.6
Salary level 14	99	88	23.0	11	19.0
Salary level 13	325	283	74.1	42	72.4



Total	440	382	100.0	58	100.0
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**Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2020 to 31 March 2021**

SMS level	Advertising	Filling of posts	
	Number of vacancies per level advertised in six months of becoming vacant	Number of vacancies per level filled in six months after becoming vacant	Number of vacancies per level not filled in six months but filled in 12 months
Director-General	-	-	-
Salary level 15	-	-	-
Salary level 14	-	-	-
Salary level 13	-	-	-
<b>Total</b>	-	-	-

**Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS posts—advertised within six months and filled within 12 months after becoming vacant**

Reasons for vacancies not advertised within six months:
<ul style="list-style-type: none"> <li>Finalisation and approval of Macro Structure of the new department.</li> <li>Conclusion of the process of matching and placement of Senior Managers.</li> </ul>

Reasons for vacancies not filled within 12 months:
<ul style="list-style-type: none"> <li>Finalisation and approval of Macro Structure of the new department.</li> <li>Conclusion of the process of matching and placement of Senior Managers.</li> </ul>

**Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2020 to 31 March 2021**

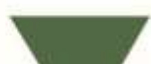
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### 3.4 Job evaluation

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

**Table 3.4.1 Job evaluation by salary band for the period 1 April 2020 to 31 March 2021**

Salary band	Number of posts on approved establishment	Number of jobs evaluated	% of posts evaluated by salary bands	Posts upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (levels 1–2)	419	-	-	-	-	-	-
Skilled (levels 3–5)	1 391	-	-	-	-	-	-
Highly skilled production (levels 6–8)	3 546	-	-	-	-	-	-



Salary band	Number of posts on approved establishment	Number of jobs evaluated	% of posts evaluated by salary bands	Posts upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Highly skilled supervision (levels 9–12)	2 903	-	-	-	-	-	-
Senior Management Service Band A	356	40	11.2	-	-	-	-
Senior Management Service Band B	99	15	15.2	-	-	-	-
Senior Management Service Band C	13	1	7.7	-	-	-	-
Senior Management Service Band D	5	1	20.0	-	-	-	-
<b>TOTAL</b>	<b>8 732</b>	<b>57</b>	<b>1.0</b>	-	-	-	-

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

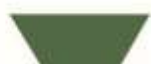
**Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2020 to 31 March 2021**

Beneficiaries	African	Asian	Coloured	White	Total
Female	2	-	-	-	2
Male	-	-	-	-	-
<b>Total</b>	-	-	-	-	<b>2</b>
<b>Employees with a disability</b>					-

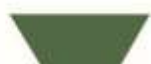
The following table summarises the number of cases where remuneration bands exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

**Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2020 to 31 March 2021**

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Administrative related	1	8	9	Retention
Administrative related	13	9	10	Job evaluation/ Grade progression
Administrative related	1	7	11	Retention
Administrative related	1	9	11	Retention
Administrative related	35	11	12	Retention/ Grade progression
Administrative related	1	12	13	Retention
Agricultural, animal, oceanography, forestry and other sciences	1	8	10	Retention



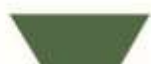
Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Agricultural, animal, oceanography, forestry and other sciences	6	8	11	Grade progression OSD
Agricultural, animal, oceanography, forestry and other sciences	2	9	10	Grade progression
Agricultural, animal, oceanography, forestry and other sciences	2	11	12	Grade progression
Agriculture related	24	9	10	Grade progression
Agriculture related	2	10	11	Grade progression OSD
Agriculture related	2	11	12	Grade progression OSD
Aircraft pilots and related associate professionals	1	11	12	Grade progression
All artisans in building, metal, machinery, etc.	1	8	9	Grade progression OSD
All artisans in building, metal, machinery, etc.	2	6	7	Grade progression
All artisans in building, metal, machinery, etc.	2	7	8	Grade progression
Appraisers, valuers and related professionals	1	9	10	Retention
Appraisers, valuers and related professionals	3	12	14	Foreign representation
Auxiliary and related workers	4	5	6	Grade progression
Auxiliary and related workers	17	6	7	Grade progression
Auxiliary and related workers	5	6	8	Retention/ Grade progression
Auxiliary and related workers	3	7	8	Grade progression
Auxiliary and related workers	1	5	7	Grade progression/ Transfer with level
Building and other property caretakers	3	2	3	Grade progression
Bus and heavy vehicle drivers	1	4	5	Grade progression
Cartographers and surveyors	3	7	8	Grade progression
Cartographers and surveyors	13	9	10	Grade progression
Cartographers and surveyors	7	9	11	Retention
Cartographers and surveyors	2	10	11	Retention
Cartographers and surveyors	1	10	12	Retention



Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Cartographers and surveyors	1	11	12	Grade progression
Cartographic surveying and related technicians	1	9	10	Grade progression
Cartographic surveying and related technicians	1	10	11	Retention
Cartographic surveying and related technicians	2	11	12	Grade progression
Cleaners in offices, workshops, hospitals, etc.	9	2	3	Grade progression
Client information clerks (switchboard, reception and information clerks)	4	6	7	Grade progression
Client information clerks (switchboard, reception and information clerks)	7	5	6	Grade progression
Communication and information related	1	11	12	Grade progression
Computer system designers and analysts	2	11	12	Grade progression
Draught and related trade	1	7	8	Grade progression
Draught and related trade	1	9	10	Grade progression
Economists	1	11	12	Grade progression
Economists	1	10	11	Job evaluation
Engineers and related professionals	1	11	12	Grade progression
Farmhands and labourers	16	2	3	Grade progression
Farmhands and labourers	1	2	5	Grade progression/Transfer with level
Finance and economics related	3	9	10	Job evaluation/Grade progression
Finance and economics related	17	11	12	Grade progression
Financial and related professionals	6	7	8	Grade progression
Financial and related professionals	2	8	9	Retention
Financial and related professionals	17	9	10	Grade progression
Financial clerks and credit controllers	58	5	6	Grade progression
Financial clerks and credit controllers	1	5	7	Grade progression
Financial clerks and credit controllers	9	6	7	Grade progression

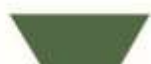


Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Financial clerks and credit controllers	5	7	8	Grade progression
Food services aids and waiters	3	2	3	Grade progression
General legal administration and related professionals	1	3	4	Grade progression
General legal administration and related professionals	1	3	6	Retention
General legal administration and related professionals	1	5	10	Retention
General legal administration and related professionals	23	6	7	Grade progression
General legal administration and related professionals	1	6	9	Retention
General legal administration and related professionals	1	6	10	Retention
General legal administration and related professionals	43	7	8	Grade progression
General legal administration and related professionals	1	8	9	Retention
General legal administration and related professionals	15	9	10	Grade progression
General legal administration and related professionals	2	10	12	Retention
General legal administration and related professionals	1	12	13	Retention
Health sciences related	1	9	10	Grade progression
Horticulturists, foresters, agricultural and forestry technicians	9	10	11	Grade progression OSD
Horticulturists, foresters, agricultural and forestry technicians	1	8	10	Retention
Horticulturists, foresters, agricultural and forestry technicians	3	7	11	Grade progression OSD
Horticulturists, foresters, agricultural and forestry technicians	11	8	11	Grade progression OSD





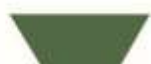
Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Horticulturists, foresters, agricultural and forestry technicians	6	9	11	Grade progression OSD
Human resource and organisational development and related	1	9	12	Retention
Human resource and organisational development and related	1	7	8	Grade progression
Human resources and organisational development and related	16	9	10	Grade progression
Human resource clerks	12	5	6	Grade progression
Human resource clerks	2	5	7	Grade progression
Human resource clerks	3	6	7	Grade progression
Human resource clerks	9	7	8	Grade progression
Human resource related	4	9	10	Retention
Human resource related	12	11	12	Retention/ Grade progression
Information technology related	10	11	12	Grade progression
Information technology related	1	10	11	Retention
Language practitioners, interpreters and other communicators	3	9	10	Grade progression
Legal related	5	11	12	Grade progression
Legal related	1	12	13	Retention
Library mail and related clerks	5	5	6	Grade progression
Library mail and related clerks	11	6	7	Grade progression
Logistical support personnel	39	5	6	Grade progression
Logistical support personnel	1	6	7	Grade progression
Logistical support personnel	8	5	7	Grade progression
Material-recording and transport clerks	40	5	6	Grade progression
Material-recording and transport clerks	4	4	6	Grade progression
Material-recording and transport clerks	1	7	8	Grade progression
Material-recording and transport clerks	2	5	7	Grade progression



Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Material-recording and transport clerks	3	6	7	Grade progression
Messengers, porters and deliverers	22	2	3	Grade progression
Messengers, porters and deliverers	1	4	7	Retention
Messengers, porters and deliverers	1	3	4	Grade progression
Natural sciences related	9	7	8	Grade progression
Natural sciences related	1	8	9	Retention
Natural sciences related	8	9	10	Grade progression
Natural sciences related	1	10	11	Retention
Natural sciences related	1	10	12	Retention
Natural sciences related	60	11	12	Grade progression
Natural sciences related	1	12	13	Retention
Nature conservation and oceanographically related technicians	3	9	10	Grade progression
Other administrative policy and related officers	3	7	8	Grade progression
Other administrative policy and related officers	1	8	9	Retention
Other administrative policy and related officers	1	8	10	Retention
Other administrative policy and related officers	2	9	10	Grade progression
Other administrative and related clerks and organisers	104	5	6	Grade progression
Other administrative and related clerks and organisers	4	5	7	Grade progression
Other administrative and related clerks and organisers	1	5	8	Retention
Other administrative and related clerks and organisers	20	6	7	Grade progression
Other administrative and related clerks and organisers	12	7	8	Grade progression
Other administrative and related clerks and organisers	1	8	9	Retention
Other administrative and related clerks and organisers	8	9	10	Grade progression



Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Other administrative and related clerks and organisers	1	5	11	Retention
Other administrative and related clerks and organisers	1	11	12	Grade progression
Other information technology personnel	1	11	12	Grade progression
Other information technology personnel	2	8	10	Job evaluation
Other information technology personnel	4	9	10	Grade progression
Secretaries and other keyboard operating clerks	40	5	6	Grade progression
Secretaries and other keyboard operating clerks	2	6	7	Grade progression
Secretaries and other keyboard operating clerks	8	7	8	Grade progression
Secretaries and other keyboard operating clerks	1	8	10	Retention
Secretaries and other keyboard operating clerks	1	8	9	Retention
Secretaries and other keyboard operating clerks	1	6	8	Retention
Security officers	1	7	8	Grade progression
Security officers	1	4	5	Grade progression
Security officers	3	5	6	Grade progression
Security officers	12	6	7	Grade progression
Senior managers	3	13	14	Retention
Senior managers	4	14	15	Retention
Statisticians and related professionals	1	9	10	Grade progression/Job evaluation
Statisticians and related professionals	2	11	12	Grade progression
Trade labourers	36	2	3	Grade progression
Veterinarians	2	11	12	Grade progression
Veterinarians	1	11	13	Retention
<b>Total number of employees whose salaries exceeded the level determined by job evaluation</b>				<b>1 040</b>
<b>Percentage of total employed</b>				<b>14.1</b>



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

**Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2020 to 31 March 2021**

Beneficiary	African	Asian	Coloured	White	Total
Female	340	9	51	140	540
Male	333	9	45	83	470
<b>Total</b>	<b>673</b>	<b>18</b>	<b>96</b>	<b>223</b>	<b>1 010</b>
Employees with a disability	13	1	2	14	<b>30</b>

### 3.5 Employment changes

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

**Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2020 to 31 March 2021**

Salary band	Number of employees at beginning of period April 2020	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate (%)
Lower skilled (levels 1–2)	264	-	8	3.0
Skilled (levels 3–5)	992	1	65	6.6
Highly skilled production (levels 6–8)	3 548	5	143	4.0
Highly skilled supervision (levels 9–12)	2 454	16	96	3.9
Senior Management Service Band A	294	6	14	4.8
Senior Management Service Band B	93	-	4	4.3
Senior Management Service Band C	14	-	3	21.4
Senior Management Service Band D	5	-	-	-
<b>Total</b>	<b>7 664</b>	<b>28</b>	<b>333</b>	<b>4.3</b>

**Table 3.5.2 Annual turnover rates by occupation for the period 1 April 2020 to 31 March 2021**

Occupation	Number of employees at beginning of period 1 April 2020	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate (%)
Administrative related	259	10	13	5.0
Agricultural, animal, oceanography, forestry and other sciences	186	-	4	2.2
Agriculture related	214	-	6	2.8
Aircraft pilot and related associate professional	1	-	-	-
All artisans in building, metal, machinery, etc.	15	-	3	20.0
Appraisers, valuers and related professionals	17	-	1	5.9
Architects, town and traffic planners	34	1	1	2.9



Occupation	Number of employees at beginning of period 1 April 2020	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate (%)
Artisan, project and related superintendents	4	-	2	50.0
Auxiliary and related workers	270	-	12	4.4
Biochemistry, pharmacology, zoology and life science technicians	34	-	3	8.8
Building and other property caretakers	16	-	-	-
Bus and heavy vehicle drivers	3	-	-	-
Cartographers and surveyors	215	-	8	3.7
Cartographic surveying and related technicians	36	-	4	11.1
Cleaners in offices, workshops, hospitals, etc.	70	-	9	12.9
Client information clerks	49	1	2	4.1
Communication and information related	21	-	-	-
Computer system designers and analysts	9	-	1	11.1
Draught and related trades	6	-	-	-
Economists	64	-	2	3.1
Engineers and related professionals	11	1	4	36.4
Farmhands and labourers	107	-	10	9.3
Farming, forestry advisors and farm managers	7	-	1	14.3
Finance and economics related	103	-	6	5.8
Financial and related professionals	388	1	17	4.4
Financial clerks and credit controllers	199	-	10	5.0
Food services aids and waiters	39	-	2	5.1
General legal administration and related professionals	785	3	39	5.0
Head of Department/Chief Executive Officer	4	-	-	-
Health sciences related	12	-	-	-
Horticulturists, foresters, agricultural and forestry technicians	340	-	7	2.1
Household and laundry workers	11	-	-	-
Human resource and organisational development and related professionals	120	-	6	5.0
Human resource clerks	115	-	2	1.7
Human resource related	51	-	3	5.9
Information technology related	45	-	2	4.4
Language practitioners, interpreters and other communicators	47	-	2	4.3
Legal related	110	-	5	4.5
Librarians and related professionals	6	-	1	16.7
Library, mail and related clerks	66	-	5	7.6
Light vehicle drivers	6	-	-	-
Logistical support personnel	134	-	8	6.0



Occupation	Number of employees at beginning of period 1 April 2020	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate (%)
Material-recording and transport clerks	194	-	4	2.1
Messengers, porters and deliverers	107	-	3	2.8
Motor vehicle drivers	20	-	4	20.0
Motorised farm and forestry plant operators	2	-	-	-
Natural sciences related	1 055	3	25	2.4
Nature conservation and oceanography related technicians	49	-	2	4.1
Other administrative and related clerks and organisers	746	-	35	4.7
Other administrative policy and related officers	109	1	2	1.8
Other information technology personnel	98	-	6	6.1
Printing and related machine operators	7	-	1	14.3
Printing planners and production controllers	1	-	-	-
Rank: Minister	1	-	-	-
Rank: Deputy Minister	2	-	-	-
Risk management and security services	13	-	-	-
Road trade workers	4	-	-	-
Safety health and quality inspectors	37	-	2	5.4
Secretaries and other keyboard operating clerks	287	1	7	2.4
Security officers	74	-	5	6.8
Senior managers	389	6	19	4.9
Social sciences related	1	-	1	100.0
Statisticians and related professionals	17	-	-	-
Trade labourers	193	-	15	7.8
Veterinarians	24	-	-	-
Veterinary assistants	5	-	1	20.0
<b>Total</b>	<b>7 664</b>	<b>28</b>	<b>333</b>	<b>4.3</b>

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

**Table 3.5.3 Reasons why staff left the department for the period 1 April 2020 to 31 March 2021**

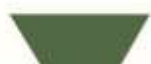
Termination type	Number	% of total resignations
Death	48	14.4
Resignation	114	34.2
Expiry of contract	-	-
Dismissal operational changes	-	-
Dismissal misconduct	6	1.8
Dismissal inefficiency	-	-
Discharged because of ill health	1	0.3
Retirement	134	40.2



Termination type	Number	% of total resignations
Transfer to other public service departments	30	
Other	-	-
<b>Total</b>	<b>333</b>	<b>100.0</b>
<b>Total number of employees who left as a percentage of total employment</b>		<b>4.5</b>

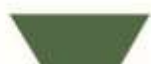
**Table 3.5.4 Promotions by occupation for the period 1 April 2020 to 31 March 2021**

Occupation	Employees 1 April 2020	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Administrative related	259	-	-	166	64.1
Agricultural, animal, oceanography, forestry and other sciences	186	-	-	114	61.3
Agriculture related	214	-	-	163	76.2
Aircraft pilot and related associate professional	1	-	-	1	100.0
All artisans in building, metal, machinery, etc.	15	-	-	8	53.3
Appraisers, valuers and related professionals	17	-	-	7	41.2
Architects, town and traffic planners	34	-	-	21	61.8
Artisan project and related superintendent	4	-	-	-	-
Auxiliary and related workers	270	-	-	188	69.6
Biochemistry, pharmacology, zoology and life science technicians	34	-	-	9	26.5
Building and other property caretakers	16	-	-	12	75.0
Bus and heavy vehicle drivers	3	-	-	1	33.3
Cartographers and surveyors	215	1	0.5	163	75.8
Cartographic surveying and related technicians	36	-	-	33	91.7
Cleaners in offices, workshops, hospitals, etc.	70	-	-	41	58.6
Client information clerks (switchboard, reception and information clerks)	49	-	-	38	77.6
Communication and information related	21	-	-	11	52.4
Computer system designers and analysts	9	-	-	8	88.9
Draught and related trade	6	-	-	3	50.0
Economists	64	-	-	43	67.2
Engineers and related professionals	11	-	-	11	100.0
Farmhands and workers	107	-	-	70	65.4
Farming, forestry advisors and farm managers	7	-	-	4	57.1
Finance and economics related	103	-	-	68	66.0
Financial and related professionals	388	-	-	249	64.2
Financial clerks and credit controllers	199	-	-	158	79.4
Food services aids and waiters	39	-	-	20	51.3
General legal administration and related professionals	785	1	0.1	686	87.4
Head of Department/Chief Executive Officer	4	-	-	-	-
Health sciences related	12	-	-	7	58.3



Occupation	Employees 1 April 2020	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Horticulturists, foresters, agricultural and forestry technicians	340	-	-	288	84.7
Household and laundry workers	11	-	-	10	90.9
Human resource, organisation development and related professionals	120	-	-	80	66.7
Human resource clerks	115	-	-	85	73.9
Human resource related	51	-	-	47	92.2
Information technology related	45	-	-	26	57.8
Language practitioners, interpreters and other communicators	47	-	-	25	53.2
Legal related	110	-	-	53	48.2
Librarians and related professionals	6	-	-	6	100.0
Library, mail and related clerks	66	-	-	58	87.9
Light vehicle drivers	6	-	-	4	66.7
Logistical support personnel	134	-	-	84	62.7
Material-recording and transport clerks	194	-	-	155	79.9
Messengers, porters and deliverers	107	-	-	70	65.4
Motor vehicle drivers	20	-	-	8	40.0
Motorised farm and forestry plant operators	2	-	-	2	100.0
Natural sciences related	1 055	5	0.5	638	60.5
Nature conservation and oceanography related technicians	49	-	-	30	61.2
Other administrative and related clerks and organisers	746	1	0.1	499	66.9
Other administrative policy and related officers	109	1	0.9	85	78.0
Other information technology personnel	98	-	-	65	66.3
Printing and related machine operators	7	-	-	8	100.0
Printing planners and production controller	1	-	-	1	100.0
Rank: Minister	1	-	-	-	-
Rank: Deputy Minister	2	-	-	-	-
Risk management and security services	13	-	-	9	69.2
Road trade workers.	4	-	-	-	-
Safety, health and quality inspectors	37	-	-	19	51.4
Secretaries and other keyboard operating clerks	287	1	0.3	209	72.8
Security officers	74	-	-	55	74.3
Senior managers	389	1	0.3	13	3.3
Social sciences related	1	-	-	-	-
Statisticians and related professionals	17	-	-	8	47.1
Trade workers	193	-	-	79	40.9
Veterinarians	24	-	-	21	87.5
Veterinary assistants	5	-	-	4	80.0
<b>Total</b>	<b>7 664</b>	<b>11</b>	<b>0.1</b>	<b>5 047</b>	<b>65.9</b>

\* Number of employees, including the Minister and Deputy Minister





**Table 3.5.5: Promotions by salary band for the period 1 April 2020 to 31 March 2021**

Salary band	Employees 1 April 2020	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within salary level	Notch progression as a % of employees by salary band
Lower skilled (levels 1–2)	264	-	-	134	50.8
Skilled (levels 3–5)	992	-	-	683	68.9
Highly skilled production (levels 6–8)	3 548	1	0.03	2 611	73.6
Highly skilled supervision (levels 9–12)	2 454	9	0.4	1 608	65.5
Senior Management (levels 13–16)	406	1	0.2	11	2.7
<b>TOTAL</b>	<b>7 664</b>	<b>11</b>	<b>0.1</b>	<b>5 047</b>	<b>65.9</b>

### 3.6 Employment equity

**Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2021**

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	176	15	11	16	118	8	6	16	366
Professionals	1 055	76	24	140	967	89	42	172	2 565
Technicians and associate professionals	933	58	8	50	945	54	16	90	2 154
Clerks	463	32	7	15	854	108	22	117	1 618
Service and sales workers	35	7	1	18	21	3	-	1	86
Craft and related trade workers	15	2	1	8	-	1	-	3	30
Plant, machine operators and assemblers	26	4	-	1	3	-	-	-	34
Elementary occupations	312	44	-	3	123	24	-	-	506
<b>TOTAL</b>	<b>3 015</b>	<b>238</b>	<b>52</b>	<b>251</b>	<b>3 031</b>	<b>287</b>	<b>86</b>	<b>399</b>	<b>*7 359</b>

\*Please note that the totals do not include abnormal and periodical employees.



**Table 3.6.2: Total number of employees (including employees with disabilities) in each of the following occupational bands on 31 March 2021**

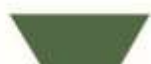
Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management (levels 15–16)	7	-	-	1	5		-	1	14
Senior management (level 13–14)	177	15	11	19	117	8	7	18	372
Professionally qualified and experienced specialists and mid-management (levels 9–12)	1 006	65	26	137	925	56	28	139	2 382
Skilled technical and academically qualified workers, junior management, supervisors, foremen (levels 6–8)	1 241	74	12	84	1 567	153	47	231	3 409
Semiskilled and discretionary decision making (levels 3–5)	417	73	3	10	350	60	4	10	927
Unskilled and defined decision making (levels 1–2)	167	11	-	-	67	10	-	-	255
<b>Total</b>	<b>3 015</b>	<b>238</b>	<b>52</b>	<b>251</b>	<b>3 031</b>	<b>287</b>	<b>86</b>	<b>399</b>	<b>*7 359</b>

Please note this is employees' levels, not post levels.

\*Please note that the totals do not include abnormal and periodical employees.

**Table 3.6.3 Recruitment for the period 1 April 2020 to 31 March 2021**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	-	-	-	-	-	-	-	-	-
Senior management	2	-	-	-	3	-	-	-	5
Professionally qualified and experienced specialists and mid-management	6	-	-	-	10	-	-	-	16
Skilled technical and academically qualified workers, junior management, supervisors, foremen	-	-	-	-	5	-	-	-	5
Semiskilled and discretionary decision making	-	-	-	-	1	-	-	-	1



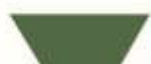
Unskilled and defined decision making	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>8</b>	-	-	-	<b>19</b>	-	-	-	<b>27</b>
<b>Employees with disabilities</b>	<b>1</b>	-	-	-	-	-	-	-	<b>1</b>

**Table 3.6.4 Promotions for the period 1 April 2020 to 31 March 2021**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	-	-	-	-	-	-	-	-	-
Senior management	1	-	-	-	-	-	-	-	1
Professionally qualified and experienced specialists and mid-management	4	-	-	-	5	-	-	-	9
Skilled technical and academically qualified workers, junior management, supervisors, foremen	-	-	-	-	1	-	-	-	1
Semiskilled and discretionary decision making	-	-	-	-	-	-	-	-	-
Unskilled and defined decision making	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>5</b>	-	-	-	<b>6</b>	-	-	-	<b>11</b>
<b>Employees with disabilities</b>	-	-	-	-	-	-	-	-	-

**Table 3.6.5 Terminations for the period 1 April 2020 to 31 March 2021**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	2	1	-	-	-	-	-	-	3
Senior management	9	-	1	1	6	-	-	1	18
Professionally qualified and experienced specialists and mid-management	38	2	1	10	26	4	0	9	90
Skilled technical and academically qualified workers, junior management, supervisors, foremen	47	6	1	4	44	5	2	26	135



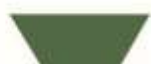
Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Semiskilled and discretionary decision making	35	6	-	2	16	3	1	-	63
Unskilled and defined decision making	5	-	-	-	2	0	-	-	7
<b>Total</b>	136	15	3	17	94	12	3	36	316
<b>Employees with disabilities</b>	1	-	-	2	1	2	1	3	10

**Table 3.6.6 Disciplinary action for the period 1 April 2020 to 31 March 2021**

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Disciplinary action	24	-	-	-	15	-	-	-	39

**Table 3.6.7 Skills development for the period 1 April 2020 to 31 March 2021**

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	189	15	12	17	119	9	6	17	384
Professionals	1 169	66	26	142	1 059	64	36	149	2 711
Technicians and associate professionals	520	22	2	32	554	28	11	69	1 238
Clerks	892	7	12	43	1 265	164	39	183	2 675
Service and sales workers	46	7	1	18	30	3	-	1	106
Craft and related trade workers	12	2	1	2	-	-	-	-	17
Plant, machine operators and assemblers	26	4	-	1	3	-	-	-	34
Elementary occupations	362	49	-	5	205	27	1	1	650
<b>Total</b>	<b>3 216</b>	<b>242</b>	<b>54</b>	<b>260</b>	<b>3 235</b>	<b>295</b>	<b>93</b>	<b>420</b>	<b>7 815</b>
<b>Employees with disabilities</b>	41	4	1	16	38	4	2	21	127



### 3.7 Signing of Performance Agreements by SMS members

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

**Table 3.7.1 Signing of Performance Agreements by SMS members as 31 October 2020**

SMS level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General	1	1	-	0.0
Salary level 15	14	12	5	42.0
Salary level 14	84	75	57	76.0
Salary level 13	345	279	176	63.0
<b>TOTAL</b>	<b>444</b>	<b>367</b>	<b>238</b>	<b>65.0</b>

**Table 3.7.2 Reasons for not having concluded Performance Agreements for all SMS members as on 31 May 2020**

<ul style="list-style-type: none"> <li>• 1 SMS member on suspension</li> <li>• 1 SMS member dismissed</li> <li>• 1 SMS member retired</li> <li>• 1 SMS member retired in October 2020</li> <li>• Delays on the placement of the SMS members from former DAFF and DRDLR in the DALRRD structure.</li> </ul>
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**Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance Agreements as on 31 May 2020**

None
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### 3.8 Performance rewards

To encourage good performance, the department granted the following performance rewards during the year under review. The information is presented in terms of race, gender, disability, salary band and critical occupation.

**Table 3.8.1 Performance rewards by race, gender and disability for the period 1 April 2020 to 31 March 2021**

Race, gender and disability	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
<b>African</b>	1 886	5 968	31.6	28 274	14 992
Male	912	2 977	30.6	13 866	15 204
Female	974	2 991	32.6	14 408	14 793
<b>Asian</b>	38	136	27.9	771	20 289
Male	20	51	39.2	477	23 850
Female	18	85	21.2	294	16 333
<b>Coloured</b>	132	522	25.3	2 183	16 538
Male	50	234	21.4	798	15 960



Race, gender and disability	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
Female	82	288	28.5	1 385	16 890
<b>White</b>	255	614	41.5	4 794	18 800
Male	84	235	35.7	1 478	17 595
Female	171	379	45.1	3 316	19 392
<b>Employees with disabilities</b>	36	119	30.3	652	18 111
<b>Total</b>	<b>2 347</b>	<b>*7 359</b>	<b>31.9</b>	<b>36 674</b>	<b>15 626</b>

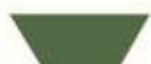
\* Number of employees, excludes the Minister and Deputy Minister

**Table 3.8.2: Performance rewards by salary band for personnel below Senior Management Service for the period 1 April 2020 to 31 March 2021**

Salary band	Beneficiary profile			Cost		
	Number of beneficiaries	Number of employees	% of total within salary bands	Total cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure
Lower skilled (levels 1–2)	97	255	38.0	444	4 577	0.9
Skilled (levels 3–5)	344	927	37.1	2 481	7 212	1.0
Highly skilled production (levels 6–8)	1 059	3 409	31.1	12 940	12 219	0.9
Highly skilled supervision (levels 9–12)	733	2 382	30.8	14 802	20 194	0.8
<b>Total</b>	<b>2 233</b>	<b>6 973</b>	<b>32.0</b>	<b>30 667</b>	<b>13 734</b>	<b>0.9</b>

**Table 3.8.3: Performance rewards by occupation for the period 1 April 2020 to 31 March 2021**

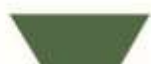
Occupation	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total cost (R'000)	Average cost per employee
Administrative related	117	258	45.3	2 524	21 573
Agricultural, animal, oceanography, forestry and other sciences	50	184	27.2	664	13 280
Agriculture related	45	207	21.7	742	16 489
Aircraft pilot and related associate professionals	-	1	-	-	-
All artisans in building, metal, machinery, etc.	10	12	83.3	116	11 600
Appraisers, valuers and related professionals	8	15	53.3	127	15 875
Architects, town and traffic planners	13	34	38.2	299	23 000
Auxiliary and related workers	59	258	22.9	527	8 932



Occupation	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total cost (R'000)	Average cost per employee
Biochemistry, pharmacology, zoology and life science technicians	7	31	22.6	101	14 429
Building and other property caretakers	1	16	6.3	6	6 000
Bus and heavy vehicle drivers	3	3	100.0	22	7 333
Cartographers and surveyors	65	210	31.0	1 147	17 646
Cartographic surveying and related technicians	11	33	33.3	351	31 909
Cleaners in offices, workshops, hospitals, etc.	36	62	58.1	178	4 944
Client information clerks (switchboard, reception and information clerks)	15	48	31.3	126	8 400
Communication and information related	12	21	57.1	236	19 667
Computer system designers and analysts	9	9	100.0	103	11 444
Draught and related trades	1	6	16.7	19	19 000
Economists	29	62	46.8	513	17 690
Engineers and related professional	7	9	77.8	105	15 000
Farmhands and workers	23	97	23.7	116	5 043
Farming, forestry advisors and farm managers	2	6	33.3	30	15 000
Finance and economics related	42	98	42.9	934	22 238
Financial and related professionals	133	369	36.0	1 912	14 376
Financial clerks and credit controllers	56	197	28.4	617	11 018
Food services aids and waiters	21	36	58.3	117	5 571
General legal administration and related professionals	127	750	16.9	2 009	15 819
Head of Department/Chief Executive Officer	-	3	-	-	-
Health sciences related	5	11	45.5	184	36 800



Occupation	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total cost (R'000)	Average cost per employee
Horticulturists, foresters, agricultural and forestry technicians	29	332	8.7	371	12 793
Household and laundry workers	5	11	45.5	27	5 400
Human resource and organisational development and related professionals	64	113	56.6	1 050	16 406
Human resource clerks	64	113	56.6	659	10 297
Human resource related	33	51	64.7	966	29 273
Information technology related	17	40	42.5	456	26 824
Language practitioners, interpreters and other communicators	27	46	58.7	418	15 481
Legal related	14	102	13.7	524	37 429
Librarians and related professionals	3	6	50.0	49	16 333
Library, mail and related clerks	36	62	58.1	323	8 972
Light vehicle drivers	3	6	50.0	19	6 333
Logistical support personnel	44	120	36.7	444	10 091
Material-recording and transport clerks	58	191	30.4	516	8 897
Messengers, porters and deliverers	61	102	59.8	387	6 344
Motor vehicle drivers	2	16	12.5	13	6 500
Motorised farm and forestry plant operators	1	2	50.0	7	7 000
Natural science related	182	1 032	17.6	3 294	18 099
Nature conservation and oceanography related technicians	5	47	10.6	75	15 000
Other administrative and related clerks and organisers	233	710	32.8	2 723	11 687
Other administrative policy and related officers	65	106	61.3	838	12 892
Other information technology personnel	57	92	62.0	730	12 807
Printing and related machine operators	2	7	28.6	10	5 000
Printing planners and production controllers	1	1	100.0	14	14 000





Occupation	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total cost (R'000)	Average cost per employee
Risk management and security services	6	13	46.2	88	14 667
Road trade workers	-	4	-	-	-
Safety health and quality inspectors	5	35	14.3	109	21 800
Secretaries and other keyboard operating clerks	173	282	61.3	2 056	11 884
Security officers	51	69	73.9	415	8 137
Senior managers	106	374	28.3	5 524	52 113
Social sciences related	-	1	-	-	-
Statisticians and related professionals	13	17	76.5	196	15 077
Trade workers	61	178	34.3	302	4 951
Veterinarians	16	24	66.7	197	12 313
Veterinary assistants	3	4	75.0	56	18 667
<b>Total</b>	<b>2 347</b>	<b>*7 359</b>	<b>31.9</b>	<b>36 674</b>	<b>15 626</b>

\* Number of employees, excluding the Minister and Deputy Minister

**Table 3.8.4 Performance related rewards (cash bonus) by salary band for Senior Management Services for the period 1 April 2020 to 31 March 2021**

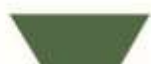
Salary band	Beneficiary profile			Cost		
	Number of beneficiaries	Number of employees	% of total within salary band	Total cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure
Band A	86	284	30.3	4 215	49 012	1.4
Band B	26	88	29.5	1 691	65 038	1.5
Band C	2	11	18.2	101	50 500	0.4
Band D	-	3	-	-	-	-
<b>Total</b>	<b>114</b>	<b>386</b>	<b>29.5</b>	<b>6 007</b>	<b>52 693</b>	<b>1.3</b>

### 3.9 Foreign workers

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

**Table 3.9.1 Foreign workers by salary band for the period 1 April 2020 and 31 March 2021**

Salary band	1 April 2020		31 March 2021		Change	
	Number	% of total	Number	% of total	Number	% change
Lower skilled (levels 1–2)	-	-	-	-	-	-
Skilled (level 3–5)	1	10.0	1	11.1	-	-
Highly skilled production (level 6–8)	-	-	-	-	-	-
Highly skilled supervision (level 9–12)	7	70.0	6	66.7	1	100.0
Senior management (levels 13–16)	2	20.0	2	22.2	-	-
<b>Total</b>	<b>10</b>	<b>100.0</b>	<b>9</b>	<b>100.0</b>	<b>1</b>	<b>100.0</b>



**Table 3.9.2 Foreign workers by major occupation for the period 1 April 2020 and 31 March 2021**

Major occupation	1 April 2020		31 March 2021		Change	
	Number	% of total	Number	% of total	Number	% change
Architects, town and traffic planners	1	10.0	1	11.1	-	-
Engineers and related professional	2	20.0	1	11.1	1	100.0
Natural science related	2	20.0	2	22.2	-	-
Other administrative and related clerks and organisers	1	10.0	1	11.1	-	-
Veterinarians	3	30.0	3	33.3	-	-
Senior Managers	1	10.0	1	11.1	-	-
<b>Total</b>	<b>10</b>	<b>100.0</b>	<b>9</b>	<b>100.0</b>	<b>1</b>	<b>100.0</b>

### 3.10 Leave utilisation

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

**Table 3.10.1 Sick leave for the period 1 January 2020 to 31 December 2020**

Salary band	Total days	% days with medical certification	Number of employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated cost (R'000)
Lower skilled (levels 1–2)	804	82.5	204	4.0	3.9	436
Skilled (levels 3–5)	3 559	73.3	674	13.2	5.3	3 185
Highly skilled production (levels 6–8)	14 689	71.3	2 552	49.9	5.8	22 074
Highly skilled supervision (levels 9–12)	7 867	76.5	1 482	29.0	5.3	21 740
Senior management (levels 13–16)	1 072	84.2	199	3.9	5.3	4 917
<b>Total</b>	<b>27 991</b>	<b>73.7</b>	<b>5 111</b>	<b>100.0</b>	<b>5.5</b>	<b>52 352</b>

**Table 3.10.2: Disability leave (temporary and permanent) for the period 1 January 2020 to 31 December 2020**

Salary band	Total days	% days with medical certification	Number of employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated cost (R'000)
Lower skilled (levels 1–2)	293	100	3	2.3	97.7	184
Skilled (levels 3–5)	536	100	20	15.4	26.8	508
Highly skilled production (levels 6–8)	1 364	100	63	48.5	21.7	1 961
Highly skilled supervision (levels 9–12)	1 116	100	38	29.2	29.4	3 262



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)
Senior management (levels 13–16)	130	100	6	4.6	21.7	645
<b>Total</b>	<b>3 439</b>	<b>100</b>	<b>130</b>	<b>100.0</b>	<b>26.5</b>	<b>6 560</b>

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

**Table 3.10.3 Annual leave for the period 1 January 2020 to 31 December 2020**

Salary band	Total days taken	Number of employees using annual leave	Average per employee
Lower skilled (levels 1–2)	6 088	513	11.9
Skilled (levels 3–5)	16 739	969	17.3
Highly skilled production (levels 6–8)	71 346	3 745	19.1
Highly skilled supervision (levels 9–12)	48 956	2 679	18.3
Senior management (levels 13–16)	7 512	407	18.5
<b>Total</b>	<b>150 641</b>	<b>8 313</b>	<b>18.1</b>

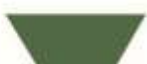
**Table 3.10.4 Capped leave for the period 1 January 2020 to 31 December 2020**

Salary band	Total days of capped leave taken	Number of employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 December 2020
Lower skilled (levels 1–2)	-	-	-	12
Skilled (levels 3–5)	12	2	6	32
Highly skilled production (levels 6–8)	16.25	6	2.7	26
Highly skilled supervision (levels 9–12)	5	2	2.5	26
Senior management (levels 13–16)	9	2	4.5	38
<b>Total</b>	<b>42.25</b>	<b>12</b>	<b>3.5</b>	<b>28</b>

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

**Table 3.10.5 Leave pay-outs for the period 1 April 2020 to 31 March 2021**

Reason	Total amount (R'000)	Number of employees	Average per employee (R)
Leave pay-out for 2020/21 owing to non-utilisation of leave for the previous cycle	690	8	86 250
Capped leave pay-outs on termination of service for 2020/21	8 743	95	92 032
Current leave pay-out on termination of service for 2020/21	8 341	212	39 344
<b>Total</b>	<b>17 774</b>	<b>315</b>	<b>56 425</b>



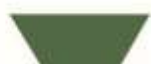
### 3.11 HIV/Aids and health promotion programmes

**Table 3.11.1 Steps taken to reduce the risk of occupational exposure**

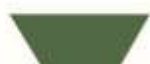
Units/categories of employees identified to be at high risk of contracting HIV and related diseases (if any)	Key steps taken to reduce the risk
Agricultural Machine Users (Farm workers, engineering services)	Preventative strategies through awareness campaigns and health education
Migrant workers (Border posts and fence; Quarantine stations and camps)	HIV counseling and testing, general health screening
Projects (Infrastructure Support, WUID)	Care and support through home visits, Employee Assistance Programme
Shift workers	Employee Assistance Programme
General workers (when coming into contact with body fluids)	Treatment through referrals
First Aiders	Provision of protective clothing and equipment

**Table 3.11.2 Details of health promotion and HIV/Aids programmes**

Questions	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.	√		Ms Mmapitso Mashele – Director: Employee Relations
2. Does the department have a designated unit or designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	√		Sub Directorate: Employee Health and Wellness Management (EHWM): 1 x Deputy Director 1 x Acting Deputy Director 3 x National Coordinators (ADs) 2 x National Practitioners 2 x Occupational/Health Promotion Specialist (AD) 6 x Provincial Coordinators (ADs), with Mpumalanga and Gauteng being vacant
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.	√		<ul style="list-style-type: none"> <li>• Psychosocial Services</li> <li>• Health and Productivity Management (Disease Management, Health Management)</li> <li>• Promotion/Awareness and Health Screening</li> <li>• Life-skills Programmes</li> <li>• HIV&amp;AIDS, TB and STIs including HIV Counselling and Testing</li> </ul>
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.	√		<ul style="list-style-type: none"> <li>• 9 x Provincial EHWM Committees have been established</li> <li>• Committee members have been appointed formally as per the Employee Assistance Programme Association</li> </ul>



Questions	Yes	No	Details, if yes
			(EAPA) Standards and DPSA Framework <ul style="list-style-type: none"> <li>• Representation includes EHWM Coordinators, HR Managers and Communication, Spiritual and Union Representatives</li> </ul>
5. Has the department reviewed its 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.	√		<ul style="list-style-type: none"> <li>• HIV&amp;AIDS, TB and STI Policy</li> <li>• Employee Health and Wellness Policy</li> <li>• Health Productivity Management</li> <li>• Safety, Health, Environment, Risk and Quality (SHERQ) Management</li> </ul>
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.	√		<ul style="list-style-type: none"> <li>• HIV&amp;AIDS Policy is being implemented</li> <li>• Awareness and Education on HIV&amp;AIDS Management</li> <li>• Provision of Care and Support by in-house EHWM Specialists</li> <li>• Service providers through Psychosocial Services</li> </ul>
7. Does the department encourage its employees to undergo voluntary counselling and testing? If so, list the results that you have achieved.	√		<ul style="list-style-type: none"> <li>• HIV Counselling and Testing (HCT) is incorporated into Health and Wellness events/office-based services</li> <li>• World AIDS Day and Sexually Transmitted Infections/Condom Week</li> <li>• As a result of lockdown during this period, HCT services were not provided for compliance with COVID-19 protocols and regulations</li> </ul>
8. Has the department developed measures/indicators to monitor and evaluate the impact of your health promotion programme? If so, list these measures/indicators.	√		<ul style="list-style-type: none"> <li>• Analysis of Health Screening (Chronic conditions and HIV&amp;AIDS and TB) results</li> <li>• Analysis of evaluation forms by participants</li> </ul>



### 3.12 Labour relations

**Table 3.12.1 Collective agreements for the period 1 April 2020 to 31 March 2021**

Subject matter	Date
None	

The following table summarises the outcome of disciplinary hearings conducted within the department for the year under review.

**Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2020 to 31 March 2021**

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	-	-
Verbal warning	-	-
Written warning	-	-
Final written warning	1	12.5
Suspended without pay	1	12.5
Fine	-	-
Demotion	-	-
Dismissal	2	25.0
Not guilty	-	-
Resignation owing to misconduct	-	-
Case withdrawn	4	50.0
<b>Total</b>	<b>8</b>	<b>100.0</b>

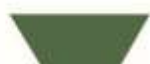
**Table 3.12.3 Types of misconduct addressed and disciplinary hearings for the period 1 April 2020 to 31 March 2021**

Type of misconduct	Number	% of total
Misuse of government vehicle	-	-
Abscondments/Absent without authorisation	-	-
Theft	-	-
Fraud	-	-
Contravenes an Act/Policy/Standard	-	-
Assault/threats to assault	-	-
Prejudicing the administration of the department	-	-
Insubordination	1	12.5
Performing remunerative employment without prior permission	-	-
Irregularities in handling projects	2	25.0
Unacceptable conduct	2	25.0
Failure to disclose business interest	1	12.5
Financial irregularities	2	25.0
Other	-	-
<b>Total</b>	<b>8</b>	<b>100.0</b>

**Table 3.12.4 Grievances logged for the period 1 April 2020 to 31 March 2021**

Grievances	Number	% of total
Number of grievances resolved	115	63.0
*Number of grievances not resolved	68	37.0
<b>Total number of grievances lodged</b>	<b>183</b>	<b>100.0</b>

\* Grievances not resolved because they are still pending or were referred to the Public Service Commission on request of the aggrieved employee(s).



**Table 3.12.5 Disputes logged with councils for the period 1 April 2020 to 31 March 2021**

Disputes	Number	% of total
Number of disputes upheld	3	3.0
Number of disputes dismissed	12	12.0
Matter settled	-	-
Still pending	87	85.0
<b>Total number of disputes lodged</b>	<b>102</b>	<b>100.0</b>

**Table 3.12.6 Strike actions for the period 1 April 2020 to 31 March 2021**

Strike actions
None

**Table 3.12.7 Precautionary suspensions for the period 1 April 2020 to 31 March 2021**

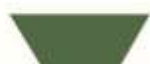
Precautionary suspensions	
Number of people suspended	5
Number of people whose suspension exceeded 30 days	5
Average number of days suspended	304
Cost of suspension	R5 271 776

### 3.13 Skills development

This section highlights the efforts of the department with regard to skills development.

**Table 3.13.1 Training needs identified for the period 1 April 2020 to 31 March 2021**

Occupational category	Gender	Number of employees as on 1 April 2020	Training needs identified at start of the reporting period				Total
			Learner ships	Skills Programme s and other short courses	Other forms of training ABET	Internal Bursaries	
Legislators, senior officials and managers	Female	153	-	117	-	30	147
	Male	229	-	176	-	18	341
Professionals	Female	1 328	-	1 098	-	21	2 213
	Male	1 347	-	1 107	-	94	1 201
Technicians and associate professionals	Female	1 127	-	914	-	129	1 043
	Male	1 090	-	874	-	68	942
Clerks	Female	1 138	-	893	-	226	1 119
	Male	538	-	422	-	253	675
Service and sales workers	Female	26	-	29	-	5	34
	Male	65	-	58	-	3	61
Craft and related trade workers	Female	4	-	3	-	12	15
	Male	34	-	23	-	9	32
Plant and machine operators and assemblers	Female	3	-	2	-	7	9
	Male	35	-	25	-	5	30
Elementary occupations	Female	160	517	167	-	5	689
	Male	387	357	315	-	4	676
Gender subtotals	Female	3 939	517	3 223	-	535	4 275
	Male	3 725	357	3 000	-	454	3 811
<b>Total</b>		<b>7 664</b>	<b>874</b>	<b>6 223</b>	<b>-</b>	<b>989</b>	<b>8 086</b>



**Table 3.13.2 Training provided for the period 1 April 2020 to 31 March 2021**

Occupational category	Gender	Number of employees as on 1 April 2020	Training provided within the reporting period				Total
			Learnerships	Skills programmes and other short courses	Other forms of training		
					Bursaries	ABET	
Legislators, senior officials and managers	Female	153	-	86	30	-	116
	Male	229	-	90	18	-	108
Professionals	Female	1 328	-	201	21	-	222
	Male	1 347	-	204	94	-	298
Technicians and associate professionals	Female	1 127	-	42	129	-	171
	Male	1 090	-	16	68	-	84
Clerks	Female	1 138	-	123	226	-	349
	Male	538	-	70	253	-	323
Service and sales workers	Female	26	-	25	5	-	30
	Male	65	-	24	3	-	27
Craft and related trades workers	Female	4	-	-	12	-	12
	Male	34	-	1	9	-	10
Plant and machine operators and assemblers	Female	3	-	-	7	-	7
	Male	35	-	-	5	-	5
Elementary occupations	Female	160	517	23	5	-	545
	Male	387	357	14	4	-	375
Gender subtotals	Female	3 939	517	500	535	-	1 552
	Male	3 725	357	419	454	-	1 230
<b>Total</b>		<b>7 664</b>	<b>874</b>	<b>919</b>	<b>989</b>	<b>-</b>	<b>2 782</b>

**3.14 Injury on duty**

The following tables provide basic information on injury on duty.

**Table 3.14.1 Injury on duty for the period 1 April 2020 to 31 March 2021**

Nature of injury on duty	Number	% of total
Required basic medical attention only	7	87.5
Temporary total disablement	-	-
Permanent disablement	1	12.5
Fatal	-	-
<b>Total</b>	<b>8</b>	<b>100.0</b>





### 3.15 Utilisation of consultants

***Table 3.15.1 Report on consultant appointments using appropriated funds***

Project title	Total number of consultants who worked on the project	Duration Work days	Contract value in Rand (R'000)
1. Review of Commodity Clearance application – D: GR	4	6	58
2. Review of General Release application – D: GR	5	10	97
3. Review of Contained use – D: GR	4	4	34
4. Review of Trail Release applications – D: GR	12	23	221
5. Review of Facility Registration applications – D: GR	3	4	27
6. Deeds mainframe conversion/Migration	14	750	37 507
7. Support and maintenance of Deeds ICT Environment	10	500	18 682
<b>Total number of projects</b>	<b>Total individual consultants</b>	<b>Total duration Work days</b>	<b>Total contract value in Rand (R'000)</b>
7	52	1 297	56 626

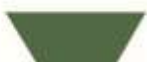
***Table 3.15.2 Report on consultant appointments using donor funds***

No consultants were appointed using donor funds.

### 3.16 Severance packages

***Table 3.16.1 Granting of employee-initiated severance packages for the period 1 April 2020 to 31 March 2021***

No employees were granted severance packages for the period 1 April 2020 to 31 March 2021.



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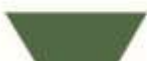
## Financial Information



**Department of Agriculture, Land Reform and Rural Development**  
**Vote no. 29**  
**Annual Financial Statements**

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## Report of the auditor-general to Parliament on vote no. 29: Department of Agriculture, Land Reform and Rural Development

### Report on the audit of the financial statements

#### Opinion

1. I have audited the financial statements of the Department of Agriculture, Land Reform and Rural Development, set out on pages 200 to 359, which comprise the appropriation statement, statement of financial position as at 31 March 2021, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Agriculture, Land Reform and Rural Development as at 31 March 2021, and its financial performance and cash flows for the year then ended in accordance with Modified Cash Standard (MCS) prescribed by the National Treasury and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Division of Revenue Act 16 of 2019 (Dora).

#### Basis for opinion

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

#### Emphasis of matters

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

#### Significant uncertainties

7. As disclosed in note 20 to the financial statements, claims of R1 089,397 million were instituted against the department. These claims are subject to the outcome of legal proceedings. The outcome of these matters cannot be determined at present. As a result, no provision for any liability that may result has been made in the department's financial statements.

#### Impairments

8. As disclosed in notes 25.3 and 12.6 to the financial statements, provision has been made for impairment of R100,837 million, which relates to the impairment of accrued departmental revenue, and R19,985 million, which relates to the impairment of receivables.

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

9. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS and the requirements of the PFMA, Dora and for such

## Report of the auditor-general to Parliament on vote no. 29: Department of Agriculture, Land Reform and Rural Development

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.

10. In preparing the financial statements, the accounting officer is responsible for assessing the department's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

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

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

## Report on the audit of the annual performance report

### Introduction and scope

13. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programme presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
14. My procedures address the usefulness and reliability of the reported performance information, which must be based on the department's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the department enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
15. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programme presented in the department's annual performance report for the year ended 31 March 2021:

Programme	Pages in the annual performance report
Programme 3 – food security, land reform and restitution	61 – 73



## Report of the auditor-general to Parliament on vote no. 29: Department of Agriculture, Land Reform and Rural Development

16. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
17. I did not identify any material findings on the usefulness and reliability of the reported performance information for this programme:
  - Programme 3 – food security, land reform and restitution

### Other matters

18. I draw attention to the matters below.

### Achievement of planned targets

19. Refer to the annual performance report on pages 42 to 96 for information on the achievement of planned targets for the year and management's explanations provided for the under/over achievement of targets.

### Adjustment of material misstatements

20. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of programme 3 – food security, land reform and restitution. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

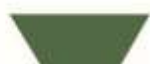
## Report on the audit of compliance with legislation

### Introduction and scope

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

### Expenditure management

23. Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R203,842 million, as disclosed in note 26 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The majority of the irregular expenditure disclosed in the financial statements resulted from non-compliance with supply chain management procedures.
24. Effective steps were not taken to prevent fruitless and wasteful expenditure amounting to R44,548 million, as disclosed in note 27 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The majority of the fruitless and wasteful expenditure was caused by goods paid for but not received by the department.
25. Payments were not made within 30 days or an agreed period after receipt of an invoice, as required by treasury regulation 8.2.3.



## Report of the auditor-general to Parliament on vote no. 29: Department of Agriculture, Land Reform and Rural Development

### Procurement and contract management

26. Some of the invitations for competitive bidding were not advertised for the stipulated minimum period, as required by treasury regulation 16A6.3(c).
27. Some of the bid documentation for procurement of commodities designated for local content and production did not stipulate the minimum threshold for local production and content, as required by 2017 preferential procurement regulation 8(2).

### Consequence management

28. Disciplinary steps were not taken against the officials who had incurred and/or permitted irregular, fruitless and wasteful expenditure, as required by section 38(1)(h)(iii) of the PFMA.

### Other information

29. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.
30. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
31. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
32. The other information I obtained prior to the date of this auditor's report is the accounting officer's report and the audit committee report. The other information to be included in the annual report is expected to be made available to us after 31 July 2021.
33. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

### Internal control deficiencies

34. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted findings on compliance with legislation included in this report.
35. Leadership was not always effective, as evidenced by the misstatements identified in the annual performance report and non-compliance with laws and regulations.
36. Management did not implement effective monitoring of compliance with applicable legislation. Non-compliance with legislation and supply chain management processes could have been prevented if compliance had been properly reviewed and monitored.



## Report of the auditor-general to Parliament on vote no. 29: Department of Agriculture, Land Reform and Rural Development

### Other reports

37. I draw attention to the following engagements conducted by various parties that have, or could have, an impact on the matters reported in the department's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports do not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
38. Proclamation Number R.36 of 2019 (GG 42577 dated 12 July 2019) was signed by the president for the Special Investigating Unit (SIU) to investigate matters related to maladministration in the affairs of the department relating to the mismanagement of the comprehensive agricultural support programme. The outcome of the SIU's investigation was pending at the time of this auditor's report.

*Auditor-general*  
Pretoria  
31 July 2021



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*



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

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

### Financial statements

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

### Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

**DEPARTMENT OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT  
VOTE 29**

**APPROPRIATION STATEMENT  
for the year ended 31 March 2021**

Appropriation per programme	2020/21							2019/20	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Administration	2 817 077	–	302 572	3 119 649	3 119 503	146	100	–	–
2. Agricultural Production, Health, Food Safety, Natural Resources and Disaster Management	2 960 049	–	(4 751)	2 955 298	2 828 021	127 277	95,7	–	–
3. Food Security, Land Reform and Restitution	6 986 096	–	(218 831)	6 767 265	5 915 425	851 840	87,4	–	–
4. Rural Development	770 405	–	(45 279)	725 126	715 087	10 039	98,6	–	–
5. Economic Development, Trade and Marketing	656 900	–	(1 541)	655 359	538 049	117 310	82,1	–	–
6. Land Administration	1 057 086	–	(32 170)	1 024 916	976 946	47 970	95,3	–	–
<b>Subtotal</b>	<b>15 247 613</b>	<b>–</b>	<b>–</b>	<b>15 247 613</b>	<b>14 093 031</b>	<b>1 154 582</b>	<b>92,4</b>	<b>–</b>	<b>–</b>
<b>Reconciliation with statement of financial performance</b>									
<b>Add</b>									
Departmental receipts				<b>260 489</b>				–	
Aid assistance									
<b>Actual amounts per statement of financial performance (total revenue)</b>				<b>15 508 102</b>				–	
<b>Add</b>									
Aid assistance									
<b>Actual amounts per statement of financial performance (total expenditure)</b>					<b>14 093 031</b>				–

**DEPARTMENT OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT  
VOTE 29**

**APPROPRIATION STATEMENT  
as at 31 March 2021**

Appropriation per economic classification	2020/21							2019/20	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>7 816 104</b>	<b>858 422</b>	<b>(44 650)</b>	<b>8 629 876</b>	<b>7 499 047</b>	<b>1 130 829</b>	<b>86,9</b>	<b>-</b>	<b>-</b>
Compensation of employees	4 119 991	1	-	4 119 992	3 753 613	366 379	91,1	-	-
Salaries and wages	3 617 997	(18 906)	(21 600)	3 577 491	3 256 689	320 802	91,0	-	-
Social contributions	501 994	18 907	21 600	542 501	496 924	45 577	91,6	-	-
Goods and services	3 691 560	859 118	(47 219)	4 503 459	3 739 009	764 450	83,0	-	-
Administrative fees	21 102	20 360	-	41 462	41 433	29	99,9	-	-
Advertising	15 610	(2 669)	-	12 941	12 941	-	100,0	-	-
Minor assets	34 856	(28 794)	-	6 062	6 051	11	99,8	-	-
Audit costs: External	28 572	2 541	-	31 113	31 113	-	100,0	-	-
Bursaries: Employees	8 020	1 991	-	10 011	10 011	-	100,0	-	-
Catering: Departmental activities	5 224	(4 028)	-	1 196	1 196	-	100,0	-	-
Communication (G&S)	54 583	1 239	-	55 822	55 723	99	99,8	-	-
Computer services	298 099	(28 068)	(33 406)	236 625	236 625	-	100,0	-	-
Consultants: Business and advisory services	312 629	(18 832)	(69 758)	224 039	220 549	3 490	98,4	-	-
Infrastructure and planning services	63 007	(16 982)	(45 279)	746	746	-	100,0	-	-
Laboratory services	1 151	(607)	-	544	544	-	100,0	-	-
Legal services	122 548	58 082	(9 673)	170 957	169 326	1 631	99,0	-	-
Contractors	43 671	40 586	-	84 257	84 257	-	100,0	-	-
Agency and support / outsourced services	103 333	(43 302)	-	60 031	60 030	1	100,0	-	-
Entertainment	219	(218)	-	1	1	-	100,0	-	-
Fleet services (including motor transport services)	29 056	(2 392)	-	26 664	26 664	-	100,0	-	-

**DEPARTMENT OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT  
VOTE 29**

**APPROPRIATION STATEMENT  
as at 31 March 2021**

Appropriation per economic classification	2020/21							2019/20	
	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: Clothing material and accessories	3 419	(1 454)	—	1 965	1 965	—	100,0		
Inventory: Farming supplies	1 151 791	(36 207)	28	1 115 612	358 289	757 323	32,1		
Inventory: Food and food supplies	1 047	356	—	1 403	1 403	—	100,0		
Inventory: Fuel, oil and gas	7 983	(6 118)	—	1 865	1 865	—	100,0		
Inventory: Materials and supplies	1 244	2 639	—	3 883	3 883	—	100,0		
Inventory: Medical supplies	1 109	840	—	1 949	1 949	—	100,0		
Inventory: Medicine	7 407	2 357	—	9 764	9 764	—	100,0		
Inventory: Other supplies	58 508	877 442	—	935 950	935 950	—	100,0		
Consumable supplies	34 290	(5 886)	—	28 404	28 404	—	100,0		
Consumable: Stationery, printing and office supplies	45 581	(22 434)	—	23 147	23 145	2	100,0		
Operating leases	346 870	70 569	110 869	528 308	528 308	—	100,0		
Property payments	572 179	(187)	—	571 992	571 992	—	100,0		
Transport provided: Departmental activity	1 999	(1 541)	—	458	458	—	100,0		
Travel and subsistence	121 964	63 754	—	185 718	184 407	1 311	100,0		
Training and development	146 001	(58 704)	—	87 297	87 294	3	100,0		
Operating payments	23 179	(9 559)	—	13 620	13 619	1	100,0		
Venues and facilities	22 629	6 585	—	29 214	28 665	549	98,1		
Rental and hiring	2 680	(2 241)	—	439	439	—	100,0		

**DEPARTMENT OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT  
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**APPROPRIATION STATEMENT  
as at 31 March 2021**

Appropriation per economic classification	2020/21							2019/20	
	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
Interest and rent on land	4 553	458	2 569	7 580	7 580	–	100,0		
Interest (including interest on unitary payments (PPP))	4 553	458	2 569	7 580	7 580	–	100,0		
Rent on land	–	–	–	–	–	–	–		
<b>Transfers and subsidies</b>	<b>6 738 730</b>	<b>1 038 349</b>	<b>–</b>	<b>5 700 381</b>	<b>5 679 039</b>	<b>21 342</b>	<b>99,6</b>		
Provinces and municipalities	1 790 364	82 642	–	1 873 006	1 866 384	6 622	99,6		
Provinces	1 695 117	–	–	1 695 117	1 688 499	6 618	99,6		
Provincial Revenue Funds	1 695 117	–	–	1 695 117	1 688 499	6 618	99,6		
Municipalities	95 247	82 642	–	177 889	177 885	4	100,0		
Municipal bank accounts	95 247	82 642	–	177 889	177 885	4	100,0		
Departmental agencies and accounts	2 231 517	–	–	2 231 517	2 231 348	169	100,0		
Departmental agencies and accounts	2 231 517	–	–	2 231 517	2 231 348	169	100,0		
Foreign governments and international organisations	43 886	–	–	43 886	29 338	14 548	66,9		
Public corporations and private enterprises	14 002	–	–	14 002	14 000	2	100,0		
Public corporations	14 000	–	–	14 000	14 000	–	100,0		
Subsidies on products and production (pc)	14 000	–	(14 000)	–	–	–	–		
Other transfers to public corporations	–	–	14 000	14 000	14 000	–	100,0		
Private enterprises	2	–	–	2	–	2	–		

**DEPARTMENT OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT  
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**APPROPRIATION STATEMENT  
as at 31 March 2021**

Appropriation per economic classification	2020/21							2019/20	
	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
Other transfers to private enterprises	2	–	–	2	–	2	–		
Non-profit institutions	4 035	–	–	4 035	4 035	–	100,0		
Households	2 654 926	(1 120 991)	–	1 533 935	1 533 934	1	100,0		
Social benefits	2 114	8 047	4 082	14 243	14 243	–	100,0		
Other transfers to households	2 652 812	(1 129 038)	(4 082)	1 519 692	1 519 691	1	100,0		
<b>Payments for capital assets</b>	<b>692 779</b>	<b>179 927</b>	<b>44 650</b>	<b>917 356</b>	<b>910 503</b>	<b>6 853</b>	<b>99,3</b>		
Buildings and other fixed structures	606 879	173 543	13 769	794 191	787 444	6 747	99,2		
Buildings	386 201	61 254	12 749	460 204	453 457	6 747	98,5		
Other fixed structures	220 678	112 289	1 020	333 987	333 987	–	100,0		
Machinery and equipment	64 259	(1 387)	30 881	93 753	93 647	106	100,0		
Transport equipment	6 685	1 141	–	7 826	7 826	–	100,0		
Other machinery and equipment	57 574	(2 528)	30 881	85 927	85 821	106	99,9		
Heritage assets	16 334	(16 334)	–	–	–	–	–		
Biological assets	–	96	–	96	96	–	100,0		
Land and sub-soil assets	–	27 191	–	27 191	27 191	–	100,0		
Software and other Intangible assets	5 307	(4 337)	–	970	970	–	100,0		
<b>Payments for financial assets</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>4 442</b>	<b>(4 442)</b>	<b>–</b>		
<b>Total</b>	<b>15 247 613</b>	<b>–</b>	<b>–</b>	<b>15 247 613</b>	<b>14 093 031</b>	<b>1 154 582</b>	<b>92,4</b>		

**DEPARTMENT OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT  
VOTE 29**

**APPROPRIATION STATEMENT  
as at 31 March 2021**

<b>PROGRAMME 1: ADMINISTRATION</b>									
<b>Subprogramme</b>	<b>2020/21</b>							<b>2019/20</b>	
	<b>Adjusted appropriation</b>	<b>Shifting of funds</b>	<b>Virement</b>	<b>Final appropriation</b>	<b>Actual expenditure</b>	<b>Variance</b>	<b>Expenditure as % of final appropriation</b>	<b>Final appropriation</b>	<b>Actual expenditure</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
1.1 Ministry	63 564	(3 109)	(22 754)	37 701	37 701	–	100,0		
1.2 Departmental Management	140 250	(19 232)	1 678	122 696	122 578	118	99,9		
1.3 Internal Audit	52 950	(10 719)	151	42 382	42 382	–	100,0		
1.4 Corporate Services	856 002	(44 472)	48 347	859 877	859 875	2	100,0		
1.5 Financial Services	248 544	(5 990)	2 118	244 672	244 646	26	100,0		
1.6 Provincial Coordination	439 142	82 246	145 331	666 719	666 719	–	100,0		
1.7 Office Accommodation	1 016 625	1 276	127 701	1 145 602	1 145 602	–	100,0		
<b>Total for subprogrammes</b>	<b>2 817 077</b>	<b>–</b>	<b>302 572</b>	<b>3 119 649</b>	<b>3 119 503</b>	<b>146</b>	<b>100,0</b>		

**DEPARTMENT OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT  
VOTE 29**

**APPROPRIATION STATEMENT  
as at 31 March 2021**

Economic classification	2020/21							2019/20	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>2 525 916</b>	<b>(2 893)</b>	<b>238 877</b>	<b>2 761 900</b>	<b>2 758 472</b>	<b>3 428</b>	<b>99,9</b>		
Compensation of employees	1 196 039	1	125 439	1 321 479	1 318 051	3 428	99,7		
Salaries and wages	1 039 687	7 430	86 045	1 133 162	1 133 161	1	100,0		
Social contributions	156 352	(7 429)	39 394	188 317	184 890	3 427	98,2		
Goods and services	1 329 877	(2 894)	110 869	1 437 852	1 437 852	–	100,0		
Administrative fees	7 709	(5 801)	–	1 908	1 908	–	100,0		
Advertising	5 628	2 656	–	8 284	8 284	–	100,0		
Minor assets	9 677	(7 928)	–	1 749	1 749	–	100,0		
Audit costs: External	25 859	(3 971)	–	21 888	21 888	–	100,0		
Bursaries: Employees	6 793	2 360	–	9 153	9 153	–	100,0		
Catering: Departmental activities	1 974	(1 678)	–	296	296	–	100,0		
Communication (G&S)	25 446	(2 972)	–	22 474	22 474	–	100,0		
Computer services	219 541	(1 189)	–	218 352	218 352	–	100,0		
Consultants: Business and advisory services	24 823	(6 831)	–	17 992	17 992	–	100,0		
Infrastructure and planning services	3	(3)	–	–	–	–	–		
Laboratory services	–	–	–	–	–	–	–		
Legal services	8 340	7 905	–	16 245	16 245	–	100,0		
Contractors	13 637	(10 596)	–	3 041	3 041	–	100,0		
Agency and support / outsourced services	9 344	(7 801)	–	1 543	1 543	–	100,0		
Entertainment	197	(197)	–	–	–	–	–		
Fleet services (including government motor transport)	7 645	(1 676)	–	5 969	5 969	–	100,0		



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	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: Clothing material and accessories	2 075	(923)	–	1 152	1 152	–	100,0		
Inventory: Farming supplies	1	(1)	–	–	–	–	–		
Inventory: Food and food supplies	135	(135)	–	–	–	–	–		
Inventory: Fuel, oil and gas	175	(174)	–	1	1	–	100,0		
Inventory: Materials and supplies	238	(238)	–	–	–	–	–		
Inventory: Medical supplies	108	(108)	–	–	–	–	–		
Inventory: Medicine	38	(38)	–	–	–	–	–		
Inventory: Other supplies	291	(214)	–	77	77	–	100,0		
Consumable supplies	21 776	(5 495)	–	16 281	16 281	–	100,0		
Consumable: Stationery, printing and office supplies	13 158	(6 392)	–	6 766	6 766	–	100,0		
Operating leases	321 279	52 109	110 869	484 257	484 257	–	100,0		
Property payments	536 826	(14 103)	–	521 723	521 723	–	100,0		
Transport provided: Departmental activity	217	(217)	–	–	–	–	–		
Travel and subsistence	34 867	16 725	–	51 592	51 592	–	100,0		
Training and development	19 011	(11 031)	–	7 980	7 980	–	100,0		
Operating payments	8 078	(4 225)	–	3 853	3 853	–	100,0		
Venues and facilities	5 361	9 880	–	15 241	15 241	–	100,0		
Rental and hiring	627	(592)	–	35	35	–	100,0		
Interest and rent on land	–	–	2 569	2 569	2 569	–	100,0		

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	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
Interest (including interest on unitary payments (PPP))	–	–	2 569	2 569	2 569	–	100,0		
Rent on land	–	–	–	–	–	–	–		
<b>Transfers and subsidies</b>	<b>2 168</b>	<b>(3)</b>	<b>4 211</b>	<b>6 376</b>	<b>6 347</b>	<b>29</b>	<b>99,5</b>		
Provinces and municipalities	88	(12)	–	76	73	3	96,1		
Provinces	–	–	–	–	–	–	–		
Provincial Revenue Funds	–	–	–	–	–	–	–		
Municipalities	88	(12)	–	76	73	3	96,1		
Municipal bank accounts	88	(12)	–	76	73	3	96,1		
Departmental agencies and accounts	1 334	–	–	1 334	1 308	26	98,1		
Departmental agencies	1 334	–	–	1 334	1 308	26	98,1		
Foreign governments and international organisations	–	–	5	5	5	–	100,0		
Public corporations and private enterprises	–	–	–	–	–	–	–		
Public corporations	–	–	–	–	–	–	–		
Subsidies on products and production (pc)	–	–	–	–	–	–	–		
Other transfers to public corporations	–	–	–	–	–	–	–		
Private enterprises	–	–	–	–	–	–	–		
Other transfers to private enterprises	–	–	–	–	–	–	–		

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	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
Non-profit institutions	-	-	-	-	-	-			
Households	746	9	4 206	4 961	4 961	-	100,0		
Social benefits	740	10	4 082	4 832	4 832	-	100,0		
Other transfers to households	6	(1)	124	129	129	-	100,0		
<b>Payments for capital assets</b>	<b>288 993</b>	<b>2 896</b>	<b>59 484</b>	<b>351 373</b>	<b>351 373</b>	<b>-</b>	<b>100,0</b>		
Buildings and other fixed structures	271 381	4 393	27 289	303 063	303 063	-	100,0		
Buildings	268 381	2 897	12 749	284 027	284 027	-	100,0		
Other fixed structures	3 000	1 496	14 540	19 036	19 036	-	100,0		
Machinery and equipment	15 417	-	32 195	47 612	47 612	-	100,0		
Transport equipment	315	(282)	-	33	33	-	100,0		
Other machinery and equipment	15 102	282	32 195	47 579	47 579	-	100,0		
Heritage assets	-	-	-	-	-	-	-		
Biological assets	-	-	-	-	-	-	-		
Land and sub-soil assets	-	-	-	-	-	-	-		
Software and other intangible assets	2 195	(1 497)	-	698	698	-	100,0		
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3 311</b>	<b>(3 311)</b>	<b>-</b>		
<b>Total</b>	<b>2 817 077</b>	<b>-</b>	<b>302 572</b>	<b>3 119 649</b>	<b>3 119 503</b>	<b>146</b>	<b>100,0</b>		

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1.1 Ministry									
Economic classification	2020/21							2019/20	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>62 892</b>	<b>(2 731)</b>	<b>(23 047)</b>	<b>37 114</b>	<b>37 075</b>	<b>39</b>	<b>99,9</b>		
Compensation of employees	47 348	–	(23 047)	24 301	24 262	39	99,8		
Goods and services	15 544	(2 731)	–	12 813	12 813	–	100,0		
Interest and rent on land	–	–	–	–	–	–	–		
<b>Transfers and subsidies</b>	<b>8</b>	<b>(1)</b>	<b>293</b>	<b>300</b>	<b>299</b>	<b>1</b>	<b>99,7</b>		
Provinces and municipalities	8	(1)	–	7	6	1	85,7		
Departmental agencies and accounts	–	–	–	–	–	–	–		
Foreign governments and international organisations	–	–	–	–	–	–	–		
Public corporations and private enterprises	–	–	–	–	–	–	–		
Non-profit institutions	–	–	–	–	–	–	–		
Households	–	–	293	293	293	–	100,0		
<b>Payments for capital assets</b>	<b>664</b>	<b>(377)</b>	<b>–</b>	<b>287</b>	<b>287</b>	<b>–</b>	<b>100,0</b>		
Buildings and other fixed structures	–	–	–	–	–	–	–		
Machinery and equipment	664	(377)	–	287	287	–	100,0		
Heritage assets	–	–	–	–	–	–	–		
Biological assets	–	–	–	–	–	–	–		
Land and sub-soil assets	–	–	–	–	–	–	–		
Software and other Intangible assets	–	–	–	–	–	–	–		
<b>Payments for financial assets</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>40</b>	<b>(40)</b>	<b>–</b>		
<b>Total</b>	<b>63 564</b>	<b>(3 109)</b>	<b>(22 754)</b>	<b>37 701</b>	<b>37 701</b>	<b>–</b>	<b>100,0</b>		

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1.2 Departmental Management									
Economic classification	2020/21							2019/20	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>139 236</b>	<b>(19 077)</b>	<b>359</b>	<b>120 518</b>	<b>120 279</b>	<b>239</b>	<b>99,8</b>		
Compensation of employees	111 824	(18 238)	240	93 826	93 587	239	99,7		
Goods and services	27 412	(839)	–	26 573	26 573	–	100,0		
Interest and rent on land	–	–	119	119	119	–	100,0		
<b>Transfers and subsidies</b>	<b>3</b>	<b>–</b>	<b>932</b>	<b>935</b>	<b>935</b>	<b>–</b>	<b>100,0</b>		
Provinces and municipalities	2	–	–	2	2	–	100,0		
Departmental agencies and accounts	–	–	–	–	–	–	–		
Foreign governments and international organisations	–	–	5	5	5	–	100,0		
Public corporations and private enterprises	–	–	–	–	–	–	–		
Non-profit institutions	–	–	–	–	–	–	–		
Households	1	–	927	928	928	–	100,0		
<b>Payments for capital assets</b>	<b>1 011</b>	<b>(155)</b>	<b>387</b>	<b>1 243</b>	<b>1 243</b>	<b>–</b>	<b>100,0</b>		
Buildings and other fixed structures	–	–	387	387	387	–	100,0		
Machinery and equipment	1 011	(155)	–	856	856	–	100,0		
Heritage assets	–	–	–	–	–	–	–		
Biological assets	–	–	–	–	–	–	–		
Land and sub-soil assets	–	–	–	–	–	–	–		
Software and other Intangible assets	–	–	–	–	–	–	–		
<b>Payments for financial assets</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>121</b>	<b>(121)</b>	<b>–</b>		
<b>Total</b>	<b>140 250</b>	<b>(19 232)</b>	<b>1 678</b>	<b>122 696</b>	<b>122 578</b>	<b>118</b>	<b>99,9</b>		

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1.3 Internal Audit									
Economic classification	2020/21							2019/20	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>52 634</b>	<b>(10 479)</b>	<b>97</b>	<b>42 252</b>	<b>42 252</b>	<b>-</b>	<b>100,0</b>		
Compensation of employees	38 716	(1 113)	97	37 700	37 700	-	100,0		
Goods and services	13 918	(9 366)	-	4 552	4 552	-	100,0		
Interest and rent on land	-	-	-	-	-	-	-		
<b>Transfers and subsidies</b>	<b>15</b>	<b>10</b>	<b>54</b>	<b>79</b>	<b>79</b>	<b>-</b>	<b>100,0</b>		
Provinces and municipalities	-	-	-	-	-	-	-		
Departmental agencies and accounts	-	-	-	-	-	-	-		
Foreign governments and international organisations	-	-	-	-	-	-	-		
Public corporations and private enterprises	-	-	-	-	-	-	-		
Non-profit institutions	-	-	-	-	-	-	-		
Households	15	10	54	79	79	-	100,0		
<b>Payments for capital assets</b>	<b>301</b>	<b>(250)</b>	<b>-</b>	<b>51</b>	<b>51</b>	<b>-</b>	<b>100,0</b>		
Buildings and other fixed structures	-	-	-	-	-	-	-		
Machinery and equipment	301	(250)	-	51	51	-	100,0		
Heritage assets	-	-	-	-	-	-	-		
Biological assets	-	-	-	-	-	-	-		
Land and sub-soil assets	-	-	-	-	-	-	-		
Software and other intangible assets	-	-	-	-	-	-	-		
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		
<b>Total</b>	<b>52 950</b>	<b>(10 719)</b>	<b>151</b>	<b>42 382</b>	<b>42 382</b>	<b>-</b>	<b>100,0</b>		

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<b>1.4 Corporate Services</b>									
Economic classification	2020/21							2019/20	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>846 122</b>	<b>(44 399)</b>	<b>3 019</b>	<b>804 742</b>	<b>801 723</b>	<b>3 019</b>	<b>99,6</b>		
Compensation of employees	432 122	(64 688)	3 019	370 453	367 434	3 019	99,2		
Goods and services	414 000	20 289	–	434 289	434 289	–	100,0		
Interest and rent on land	–	–	–	–	–	–	–		
<b>Transfers and subsidies</b>	<b>1 987</b>	<b>(11)</b>	<b>664</b>	<b>2 640</b>	<b>2 638</b>	<b>2</b>	<b>99,9</b>		
Provinces and municipalities	24	(10)	–	14	12	2	85,7		
Departmental agencies and accounts	1 308	–	–	1 308	1 308	–	100,0		
Foreign governments and international organisations	–	–	–	–	–	–	–		
Public corporations and private enterprises	–	–	–	–	–	–	–		
Non-profit institutions	–	–	–	–	–	–	–		
Households	655	(1)	664	1 318	1 318	–	100,0		
<b>Payments for capital assets</b>	<b>7 893</b>	<b>(62)</b>	<b>44 664</b>	<b>52 495</b>	<b>52 495</b>	<b>–</b>	<b>100,0</b>		
Buildings and other fixed structures	–	–	12 469	12 469	12 469	–	100,0		
Machinery and equipment	5 698	1 435	32 195	39 328	39 328	–	100,0		
Heritage assets	–	–	–	–	–	–	–		
Biological assets	–	–	–	–	–	–	–		
Land and sub-soil assets	–	–	–	–	–	–	–		
Software and other intangible assets	2 195	(1 497)	–	698	698	–	100,0		

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Payments for financial assets	-	-	-	-	3 019	(3 019)	-		
<b>Total</b>	<b>856 002</b>	<b>(44 472)</b>	<b>48 347</b>	<b>859 877</b>	<b>859 875</b>	<b>2</b>	<b>100,0</b>		



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1.5 Financial Services									
Economic classification	2020/21							2019/20	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>243 125</b>	<b>(4 756)</b>	<b>1 825</b>	<b>240 194</b>	<b>240 076</b>	<b>118</b>	<b>100,0</b>		
Compensation of employees	191 041	(7 253)	1 825	185 613	185 495	118	99,9		
Goods and services	52 084	2 497	–	54 581	54 581	–	100,0		
Interest and rent on land	–	–	–	–	–	–	–		
<b>Transfers and subsidies</b>	<b>89</b>	<b>(4)</b>	<b>293</b>	<b>378</b>	<b>352</b>	<b>26</b>	<b>93,1</b>		
Provinces and municipalities	39	(4)	–	35	35	–	100,0		
Departmental agencies and accounts	26	–	–	26	–	26	–		
Foreign governments and international organisations	–	–	–	–	–	–	–		
Public corporations and private enterprises	–	–	–	–	–	–	–		
Non-profit institutions	–	–	–	–	–	–	–		
Households	24	–	293	317	317	–	100,0		
<b>Payments for capital assets</b>	<b>5 330</b>	<b>(1 230)</b>	<b>–</b>	<b>4 100</b>	<b>4 100</b>	<b>–</b>	<b>100,0</b>		
Buildings and other fixed structures	–	–	–	–	–	–	–		
Machinery and equipment	5 330	(1 230)	–	4 100	4 100	–	100,0		
Heritage assets	–	–	–	–	–	–	–		
Biological assets	–	–	–	–	–	–	–		
Land and sub-soil assets	–	–	–	–	–	–	–		
Software and other intangible assets	–	–	–	–	–	–	–		
<b>Payments for financial assets</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>118</b>	<b>(118)</b>	<b>–</b>		
<b>Total</b>	<b>248 544</b>	<b>(5 990)</b>	<b>2 118</b>	<b>244 672</b>	<b>244 646</b>	<b>26</b>	<b>100,0</b>		

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1.6 Provincial Coordination									
Economic classification	2020/21							2019/20	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>436 663</b>	<b>81 666</b>	<b>143 305</b>	<b>661 634</b>	<b>661 621</b>	<b>13</b>	<b>100,0</b>		
Compensation of employees	374 988	91 293	143 305	609 586	609 573	13	100,0		
Goods and services	61 675	(9 627)	–	52 048	52 048	–	100,0		
Interest and rent on land	–	–	–	–	–	–	–		
<b>Transfers and subsidies</b>	<b>66</b>	<b>3</b>	<b>1 975</b>	<b>2 044</b>	<b>2 044</b>	<b>–</b>	<b>100,0</b>		
Provinces and municipalities	15	3	–	18	18	–	100,0		
Departmental agencies and accounts	–	–	–	–	–	–	–		
Foreign governments and international organisations	–	–	–	–	–	–	–		
Public corporations and private enterprises	–	–	–	–	–	–	–		
Non-profit institutions	–	–	–	–	–	–	–		
Households	51	–	1 975	2 026	2 026	–	100,0		
<b>Payments for capital assets</b>	<b>2 413</b>	<b>577</b>	<b>51</b>	<b>3 041</b>	<b>3 041</b>	<b>–</b>	<b>100,0</b>		
Buildings and other fixed structures	–	–	51	51	51	–	100,0		
Machinery and equipment	2 413	577	–	2 990	2 990	–	100,0		
Heritage assets	–	–	–	–	–	–	–		
Biological assets	–	–	–	–	–	–	–		
Land and sub-soil assets	–	–	–	–	–	–	–		
Software and other intangible assets	–	–	–	–	–	–	–		
<b>Payments for financial assets</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>13</b>	<b>(13)</b>	<b>–</b>		
<b>Total</b>	<b>439 142</b>	<b>82 246</b>	<b>145 331</b>	<b>666 719</b>	<b>666 719</b>	<b>–</b>	<b>100,0</b>		

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1.7 Office Accommodation									
Economic classification	2020/21							2019/20	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>745 244</b>	<b>(3 117)</b>	<b>113 319</b>	<b>855 446</b>	<b>855 446</b>	<b>-</b>	<b>100,0</b>		
Compensation of employees	-	-	-	-	-	-	-		
Goods and services	745 244	(3 117)	110 869	852 996	852 997	-	100,0		
Interest and rent on land	-	-	2 450	2 450	2 450	-	100,0		
<b>Transfers and subsidies</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		
Provinces and municipalities	-	-	-	-	-	-	-		
Departmental agencies and accounts	-	-	-	-	-	-	-		
Foreign governments and international organisations	-	-	-	-	-	-	-		
Public corporations and private enterprises	-	-	-	-	-	-	-		
Non-profit institutions	-	-	-	-	-	-	-		
Households	-	-	-	-	-	-	-		
<b>Payments for capital assets</b>	<b>271 381</b>	<b>4 393</b>	<b>14 382</b>	<b>290 156</b>	<b>290 156</b>	<b>-</b>	<b>100,0</b>		
Buildings and other fixed structures	271 381	4 393	14 382	290 156	290 156	-	100,0		
Machinery and equipment	-	-	-	-	-	-	-		
Heritage assets	-	-	-	-	-	-	-		
Biological assets	-	-	-	-	-	-	-		
Land and sub-soil assets	-	-	-	-	-	-	-		
Software and other intangible assets	-	-	-	-	-	-	-		
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		
<b>Total</b>	<b>1 016 625</b>	<b>1 276</b>	<b>127 701</b>	<b>1 145 602</b>	<b>1 145 602</b>	<b>-</b>	<b>100,0</b>		

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PROGRAMME 2: AGRICULTURAL PRODUCTION, HEALTH, FOOD SAFETY, NATURAL RESOURCES AND DISASTER MANAGEMENT									
Sub programme	2020/21							2019/20	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.1 Inspection and Quarantine Services	573 355	22 853	(4 584)	591 624	582 325	9 299	98,4		
2.2 Plant Production and Health	540 534	5 005	–	545 539	544 313	1 226	99,8		
2.3 Animal Production and Health	327 624	(17 303)	–	310 321	203 919	106 402	65,7		
2.4 Natural Resources and Disaster Management	268 616	(10 555)	(167)	257 894	247 544	10 350	96,0		
2.5 Agricultural Research Council	1 249 920	–	–	1 249 920	1 249 920	–	100,0		
<b>Total for sub programmes</b>	<b>2 960 049</b>	<b>–</b>	<b>(4 751)</b>	<b>2 955 298</b>	<b>2 828 021</b>	<b>127 277</b>	<b>95,7</b>		

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Economic classification	2020/21							2019/20	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>1 187 767</b>	<b>(35 991)</b>	<b>(4 584)</b>	<b>1 147 192</b>	<b>1 026 463</b>	<b>120 729</b>	<b>89,5</b>		
Compensation of employees	919 496	–	–	919 496	798 767	120 729	86,9		
Salaries and wages	832 013	(12 986)	–	819 027	701 317	117 710	85,6		
Social contributions	87 483	12 986	–	100 469	97 450	3 019	97,0		
Goods and services	268 271	(35 991)	(4 584)	227 696	227 696	–	100,0		
Administrative fees	434	(361)	–	73	73	–	100,0		
Advertising	758	(694)	–	64	64	–	100,0		
Minor assets	7 296	(6 938)	–	358	358	–	100,0		
Audit costs: External	–	–	–	–	–	–	–		
Bursaries: Employees	582	36	–	618	618	–	100,0		
Catering: Departmental activities	2	–	–	2	2	–	100,0		
Communication (G&S)	2 133	726	–	2 859	2 859	–	100,0		
Computer services	27 988	(22 956)	(4 584)	448	448	–	100,0		
Consultants: Business and advisory services	96 896	(1 487)	–	95 409	95 409	–	100,0		
Infrastructure and planning services	182	(182)	–	–	–	–	–		
Laboratory services	1 120	(578)	–	542	542	–	100,0		
Legal services	2 506	3 409	–	5 915	5 915	–	100,0		
Contractors	7 977	(4 223)	–	3 754	3 754	–	100,0		
Agency and support / outsourced services	29 540	(13 135)	–	16 405	16 405	–	100,0		
Entertainment	–	–	–	–	–	–	–		
Fleet services (including government motor transport)	8 400	1 609	–	10 009	10 009	–	100,0		
Inventory: Clothing material and accessories	1 144	(935)	–	209	209	–	100,0		

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Economic classification	2020/21							2019/20	
	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: Farming supplies	24 749	8 384	–	33 133	33 133	–	100,0		
Inventory: Food and food supplies	16	(16)	–	–	–	–	–		
Inventory: Fuel, oil and gas	797	(517)	–	280	280	–	100,0		
Inventory: Materials and supplies	323	(321)	–	2	2	–	100,0		
Inventory: Medical supplies	996	950	–	1 946	1 946	–	100,0		
Inventory: Medicine	6 950	2 274	–	9 224	9 224	–	100,0		
Inventory: Other supplies	5 195	(2 399)	–	2 796	2 796	–	100,0		
Consumable supplies	3 570	(1 664)	–	1 906	1 906	–	100,0		
Consumable: Stationery, printing and office supplies	3 713	(904)	–	2 809	2 809	–	100,0		
Operating leases	2 019	(1 948)	–	71	71	–	100,0		
Property payments	6 917	7 728	–	14 645	14 645	–	100,0		
Transport provided: Departmental activity	–	–	–	–	–	–	–		
Travel and subsistence	18 936	2 021	–	20 957	20 957	–	100,0		
Training and development	3 914	(3 519)	–	395	395	–	100,0		
Operating payments	3 076	(352)	–	2 724	2 724	–	100,0		
Venues and facilities	142	1	–	143	143	–	100,0		
Rental and hiring	–	–	–	–	–	–	–		
Interest and rent on land	–	–	–	–	–	–	–		
Interest (including interest on unitary payments (PPP))	–	–	–	–	–	–	–		
Rent on land	–	–	–	–	–	–	–		

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	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Transfers and subsidies</b>	<b>1 754 712</b>	<b>35 991</b>	<b>-</b>	<b>1 790 703</b>	<b>1 784 088</b>	<b>6 615</b>	<b>99,6</b>		
Provinces and municipalities	504 455	216	-	504 671	498 056	6 615	98,7		
Provinces	504 422	-	-	504 422	497 807	6 615	98,7		
Provincial Revenue Funds	504 422	-	-	504 422	497 807	6 615	98,7		
Municipalities	33	216	-	249	249	-	100,0		
Municipal bank accounts	33	216	-	249	249	-	100,0		
Departmental agencies and accounts	1 250 162	-	-	1 250 162	1 250 162	-	100,0		
Departmental agencies	1 250 162	-	-	1 250 162	1 250 162	-	100,0		
Foreign governments and international organisations	-	-	-	-	-	-	-		
Public corporations and private enterprises	-	-	-	-	-	-	-		
Public corporations	-	-	-	-	-	-	-		
Subsidies on products and production (pc)	-	-	-	-	-	-	-		
Other transfers to public corporations	-	-	-	-	-	-	-		
Private enterprises	-	-	-	-	-	-	-		
Other transfers to private enterprises	-	-	-	-	-	-	-		
Non-profit institutions	-	-	-	-	-	-	-		
Households	95	35 775	-	35 870	35 870	-	100,0		
Social benefits	95	6 296	-	6 391	6 391	-	100,0		

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Economic classification	2020/21							2019/20	
	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
Other transfers to households	–	29 479	–	29 479	29 479	–	100,0		
<b>Payments for capital assets</b>	<b>17 570</b>	<b>–</b>	<b>(167)</b>	<b>17 403</b>	<b>17 403</b>	<b>–</b>	<b>100,0</b>		
Buildings and other fixed structures	3 407	(1 332)	(167)	1 908	1 908	–	100,0		
Buildings	–	365	–	365	365	–	100,0		
Other fixed structures	3 407	(1 697)	(167)	1 543	1 543	–	100,0		
Machinery and equipment	11 163	4 236	–	15 399	15 399	–	100,0		
Transport equipment	5 000	2 779	–	7 779	7 779	–	100,0		
Other machinery and equipment	6 163	1 457	–	7 620	7 620	–	100,0		
Heritage assets	–	–	–	–	–	–	–		
Biological assets	–	96	–	96	96	–	100,0		
Land and sub-soil assets	–	–	–	–	–	–	–		
Software and intangible assets	3 000	(3 000)	–	–	–	–	–		
<b>Payments for financial assets</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>67</b>	<b>(67)</b>	<b>–</b>		
<b>Total</b>	<b>2 960 049</b>	<b>–</b>	<b>(4 751)</b>	<b>2 955 298</b>	<b>2 828 021</b>	<b>127 277</b>	<b>95,7</b>		



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<b>2.1 Inspection and Quarantine Services</b>									
Economic classification	2020/21							2019/20	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>566 450</b>	<b>13 287</b>	<b>(4 584)</b>	<b>575 153</b>	<b>565 819</b>	<b>9 334</b>	<b>98,4</b>		
Compensation of employees	487 933	25 152	–	513 085	503 751	9 334	98,2		
Goods and services	78 517	(11 865)	(4 584)	62 068	62 068	–	100,0		
Interest and rent on land	–	–	–	–	–	–	–		
<b>Transfers and subsidies</b>	<b>15</b>	<b>7 875</b>	<b>–</b>	<b>7 890</b>	<b>7 890</b>	<b>–</b>	<b>100,0</b>		
Provinces and municipalities	15	119	–	134	134	–	100,0		
Departmental agencies and accounts	–	–	–	–	–	–	–		
Foreign governments and international organisations	–	–	–	–	–	–	–		
Public corporations and private enterprises	–	–	–	–	–	–	–		
Non-profit institutions	–	–	–	–	–	–	–		
Households	–	7 756	–	7 756	7 756	–	100,0		
<b>Payments for capital assets</b>	<b>6 890</b>	<b>1 691</b>	<b>–</b>	<b>8 581</b>	<b>8 581</b>	<b>–</b>	<b>100,0</b>		
Buildings and other fixed structures	–	–	–	–	–	–	–		
Machinery and equipment	6 890	1 595	–	8 485	8 485	–	100,0		
Heritage assets	–	–	–	–	–	–	–		
Biological assets	–	96	–	96	96	–	100,0		
Land and sub-soil assets	–	–	–	–	–	–	–		
Software and intangible assets	–	–	–	–	–	–	–		

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Payments for financial assets	-	-	-	-	35	(35)	-		
<b>Total</b>	<b>573 355</b>	<b>22 853</b>	<b>(4 584)</b>	<b>591 624</b>	<b>582 325</b>	<b>9 299</b>	<b>98,4</b>		

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<b>2.2 Plant Production and Health</b>									
<b>Economic classification</b>	<b>2020/21</b>							<b>2019/20</b>	
	<b>Adjusted appropriation</b>	<b>Shifting of funds</b>	<b>Virement</b>	<b>Final appropriation</b>	<b>Actual expenditure</b>	<b>Variance</b>	<b>Expenditure as % of final appropriation</b>	<b>Final appropriation</b>	<b>Actual expenditure</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>116 806</b>	<b>3 834</b>	<b>–</b>	<b>120 640</b>	<b>119 414</b>	<b>1 226</b>	<b>99,0</b>		
Compensation of employees	76 891	14 057	–	90 948	89 722	1 226	98,7		
Goods and services	39 915	(10 223)	–	29 692	29 692	–	100,0		
Interest and rent on land	–	–	–	–	–	–	–		
<b>Transfers and subsidies</b>	<b>422 997</b>	<b>(8)</b>	<b>–</b>	<b>422 989</b>	<b>422 989</b>	<b>–</b>	<b>100,0</b>		
Provinces and municipalities	422 997	(8)	–	422 989	422 989	–	100,0		
Departmental agencies and accounts	–	–	–	–	–	–	–		
Foreign governments and international organisations	–	–	–	–	–	–	–		
Public corporations and private enterprises	–	–	–	–	–	–	–		
Non-profit institutions	–	–	–	–	–	–	–		
Households	–	–	–	–	–	–	–		
<b>Payments for capital assets</b>	<b>731</b>	<b>1 179</b>	<b>–</b>	<b>1 910</b>	<b>1 910</b>	<b>–</b>	<b>100,0</b>		
Buildings and other fixed structures	–	365	–	365	365	–	100,0		
Machinery and equipment	731	814	–	1 545	1 545	–	100,0		
Heritage assets	–	–	–	–	–	–	–		
Biological assets	–	–	–	–	–	–	–		
Land and sub-soil assets	–	–	–	–	–	–	–		
Software and intangible assets	–	–	–	–	–	–	–		
<b>Payments for financial assets</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>		
<b>Total</b>	<b>540 534</b>	<b>5 005</b>	<b>–</b>	<b>545 539</b>	<b>544 313</b>	<b>1 226</b>	<b>99,8</b>		

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<b>2.3 Animal Production and Health</b>									
Economic classification	2020/21							2019/20	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>323 798</b>	<b>(42 220)</b>	–	<b>281 578</b>	<b>175 176</b>	<b>106 402</b>	<b>62,2</b>		
Compensation of employees	245 141	(39 209)	–	205 932	99 530	106 402	48,3		
Goods and services	78 657	(3 011)	–	75 646	75 646	–	100,0		
Interest and rent on land	–	–	–	–	–	–	–		
<b>Transfers and subsidies</b>	<b>338</b>	<b>27 719</b>	–	<b>28 057</b>	<b>28 057</b>	–	<b>100,0</b>		
Provinces and municipalities	1	66	–	67	67	–	100,0		
Departmental agencies and accounts	242	–	–	242	242	–	100,0		
Foreign governments and international organisations	–	–	–	–	–	–	–		
Public corporations and private enterprises	–	–	–	–	–	–	–		
Non-profit institutions	–	–	–	–	–	–	–		
Households	95	27 653	–	27 748	27 748	–	100,0		
<b>Payments for capital assets</b>	<b>3 488</b>	<b>(2 802)</b>	–	<b>686</b>	<b>686</b>	–	<b>100,0</b>		
Buildings and other fixed structures	–	–	–	–	–	–	–		
Machinery and equipment	488	198	–	686	686	–	100,0		
Heritage assets	–	–	–	–	–	–	–		
Biological assets	–	–	–	–	–	–	–		
Land and sub-soil assets	–	–	–	–	–	–	–		
Software and other intangible assets	3 000	(3 000)	–	–	–	–	–		
<b>Payments for financial assets</b>	–	–	–	–	–	–	–		
<b>Total</b>	<b>327 624</b>	<b>(17 303)</b>	–	<b>310 321</b>	<b>203 919</b>	<b>106 402</b>	<b>65,7</b>		

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2.4 Natural Resources and Disaster Management									
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	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>180 713</b>	<b>(10 892)</b>	<b>–</b>	<b>169 821</b>	<b>166 054</b>	<b>3 767</b>	<b>97,8</b>		
Compensation of employees	109 531	–	–	109 531	105 764	3 767	96,6		
Goods and services	71 182	(10 892)	–	60 290	60 290	–	100,0		
Interest and rent on land	–	–	–	–	–	–	–		
<b>Transfers and subsidies</b>	<b>81 442</b>	<b>405</b>	<b>–</b>	<b>81 847</b>	<b>75 232</b>	<b>6 615</b>	<b>91,9</b>		
Provinces and municipalities	81 442	39	–	81 481	74 866	6 615	91,9		
Departmental agencies and accounts	–	–	–	–	–	–	–		
Foreign governments and international organisations	–	–	–	–	–	–	–		
Public corporations and private enterprises	–	–	–	–	–	–	–		
Non-profit institutions	–	–	–	–	–	–	–		
Households	–	366	–	366	366	–	100,0		
<b>Payments for capital assets</b>	<b>6 461</b>	<b>(68)</b>	<b>(167)</b>	<b>6 226</b>	<b>6 226</b>	<b>–</b>	<b>100,0</b>		
Buildings and other fixed structures	3 407	(1 697)	(167)	1 543	1 543	–	100,0		
Machinery and equipment	3 054	1 629	–	4 683	4 683	–	100,0		
Heritage assets	–	–	–	–	–	–	–		
Biological assets	–	–	–	–	–	–	–		
Land and sub-soil assets	–	–	–	–	–	–	–		
Software and intangible assets	–	–	–	–	–	–	–		
<b>Payments for financial assets</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>32</b>	<b>(32)</b>	<b>–</b>		
<b>Total</b>	<b>268 616</b>	<b>(10 555)</b>	<b>(167)</b>	<b>257 894</b>	<b>247 544</b>	<b>10 350</b>	<b>96,0</b>		

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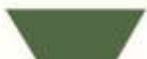
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2.5 Agricultural Research Council									
Economic classification	2020/21							2019/20	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	-	-	-	-	-	-	-		
Compensation of employees	-	-	-	-	-	-	-		
Goods and services	-	-	-	-	-	-	-		
Interest and rent on land	-	-	-	-	-	-	-		
<b>Transfers and subsidies</b>	<b>1 249 920</b>	-	-	<b>1 249 920</b>	<b>1 249 920</b>	-	<b>100,0</b>		
Provinces and municipalities	-	-	-	-	-	-	-		
Departmental agencies and accounts	1 249 920	-	-	1 249 920	1 249 920	-	100,0		
Foreign governments and international organisations	-	-	-	-	-	-	-		
Public corporations and private enterprises	-	-	-	-	-	-	-		
Non-profit institutions	-	-	-	-	-	-	-		
Households	-	-	-	-	-	-	-		
<b>Payments for capital assets</b>	-	-	-	-	-	-	-		
Buildings and other fixed structures	-	-	-	-	-	-	-		
Machinery and equipment	-	-	-	-	-	-	-		
Heritage assets	-	-	-	-	-	-	-		
Biological assets	-	-	-	-	-	-	-		
Land and sub-soil assets	-	-	-	-	-	-	-		

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Software and other intangible assets	-	-	-	-	-	-	-		
Payments for financial assets	-	-	-	-	-	-	-		
<b>Total</b>	<b>1 249 920</b>	<b>-</b>	<b>-</b>	<b>1 249 920</b>	<b>1 249 920</b>	<b>-</b>	<b>100,0</b>		



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PROGRAMME 3: FOOD SECURITY, LAND REFORM AND RESTITUTION									
Sub programme	2020/21							2019/20	
	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
3.1 Food Security	2 068 071	179 988	(24 000)	2 224 059	1 440 239	783 820	64,8		
3.2 Land Tenure Reform	454 903	(3 625)	(17 396)	433 882	432 280	1 602	99,6		
3.3 Land Acquisition and Redistribution	699 364	(3 905)	(19 133)	676 326	628 036	48 290	92,9		
3.4 National Extension Services and Sector Capacity Development	573 678	(193 070)	(20 000)	360 608	359 257	1 351	99,6		
3.5 Farmer Support and Development	9 459	(8 763)	–	696	696	–	100,0		
3.6 Property Management and Advisory Support	258 282	91 187	(47 309)	302 160	302 160	–	100,0		
3.7 Restitution	2 922 339	(61 812)	(90 993)	2 769 534	2 752 757	16 777	99,4		
<b>Total for sub programmes</b>	<b>6 986 096</b>	<b>–</b>	<b>(218 831)</b>	<b>6 767 265</b>	<b>5 915 425</b>	<b>851 840</b>	<b>87,4</b>		



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	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>2 534 696</b>	<b>961 017</b>	<b>(200 625)</b>	<b>3 295 088</b>	<b>2 442 676</b>	<b>852 412</b>	<b>74,1</b>		
Compensation of employees	1 036 197	–	(125 439)	910 758	822 793	87 965	90,3		
Salaries and wages	899 341	(6 156)	(107 645)	785 540	711 706	73 834	90,6		
Social contributions	136 856	6 156	(17 794)	125 218	111 087	14 131	88,7		
Goods and services	1 493 946	960 560	(75 186)	2 379 320	1 614 873	764 447	67,9		
Administrative fees	7 418	28 233	–	35 651	35 622	29	99,9		
Advertising	7 027	(4 841)	–	2 186	2 186	–	100,0		
Minor assets	11 478	(9 619)	–	1 859	1 849	10	99,5		
Audit costs: External	2 713	4 967	–	7 680	7 680	–	100,0		
Bursaries: Employees	380	(247)	–	133	133	–	100,0		
Catering: Departmental activities	2 499	(2 393)	–	106	106	–	100,0		
Communication (G&S)	19 617	3 277	–	22 894	22 795	99	99,6		
Computer services	2 866	(1 570)	–	1 296	1 296	–	100,0		
Consultants : Business and advisory services	106 219	(26 302)	(65 513)	14 405	10 915	3 490	75,8		
Infrastructure and planning services	842	(842)	–	–	–	–	–		
Laboratory services	31	(29)	–	2	2	–	100,0		
Legal services	107 640	50 143	(9 673)	148 110	146 479	1 631	98,9		
Contractors	5 961	61 266	–	67 227	67 227	–	100,0		

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	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
Agency and support / outsourced services	56 973	(17 281)	–	39 692	39 691	1	100,0		
Entertainment	13	(13)	–	–	–	–	–		
Fleet services (including government motor transport)	9 937	(3 081)	–	6 856	6 856	–	100,0		
Inventory: Clothing material and accessories	63	125	–	188	188	–	100,0		
Inventory: Farming supplies	1 001 830	4 112	–	1 005 942	248 619	757 323	24,7		
Inventory: Food and food supplies	896	84	–	980	980	–	100,0		
Inventory: Fuel, oil and gas	74	210	–	284	284	–	100,0		
Inventory: Materials and supplies	35	267	–	302	302	–	100,0		
Inventory: Medical supplies	5	(2)	–	3	3	–	100,0		
Inventory: Medicine	103	(32)	–	71	71	–	100,0		
Inventory: Other supplies	118	886 085	–	886 203	886 203	–	100,0		
Consumable supplies	6 452	1 222	–	7 674	7 674	–	100,0		
Consumable: Stationery, printing and office supplies	18 299	(10 860)	–	7 439	7 439	–	100,0		
Operating leases	16 492	9 287	–	25 779	25 779	–	100,0		

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	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
Property payments	17 384	3 226	–	20 610	20 610	–	100,0		
Transport provided: Departmental activity	1 782	(1 324)	–	458	458	–	100,0		
Travel and subsistence	36 446	12 267	–	48 713	47 402	1 311	97,3		
Training and development	27 109	(10 175)	–	16 934	16 931	3	100,0		
Operating payments	8 341	(5 039)	–	3 302	3 301	1	100,0		
Venues and facilities	15 585	(9 324)	–	6 261	5 712	549	91,2		
Rental and hiring	1 318	(1 238)	–	80	80	–	100,0		
Interest and rent on land	4 553	457	–	5 010	5 010	–	100,0		
Interest (including interest on unitary payments (PPP))	4 553	457	–	5 010	5 010	–	100,0		
Rent on land	–	–	–	–	–	–	–		
<b>Transfers and subsidies</b>	<b>4 403 415</b>	<b>1 072 379</b>	<b>(18 206)</b>	<b>3 312 830</b>	<b>3 312 825</b>	<b>5</b>	<b>100,0</b>		
Provinces and municipalities	1 285 803	82 445	–	1 368 248	1 368 245	3	100,0		
Provinces	1 190 695	–	–	1 190 695	1 190 692	3	100,0		
Provincial Revenue Funds	1 190 695	–	–	1 190 695	1 190 692	3	100,0		
Municipalities	95 108	82 445	–	177 553	177 553	–	100,0		
Municipal bank accounts	95 108	82 445	–	177 553	177 553	–	100,0		
Departmental agencies and accounts	570 232	–	–	570 232	570 232	–	100,0		
Departmental agencies	570 232	–	–	570 232	570 232	–	100,0		

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	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
Foreign governments and international organisations	–	–	–	–	–	–	–		
Public corporations and private enterprises	14 002	–	(14 000)	2	–	2	–		
Public corporations	14 000	–	(14 000)	–	–	–	–		
Subsidies on products and production (pc)	14 000	–	(14 000)	–	–	–	–		
Other transfers to public corporations	–	–	–	–	–	–	–		
Private enterprises	2	–	–	2	–	2	–		
Other transfers to private enterprises	2	–	–	2	–	2	–		
Non-profit institutions	–	–	–	–	–	–	–		
Households	2 533 378	(1 154 824)	(4 206)	1 374 348	1 374 348	–	100,0		
Social benefits	756	888	–	1 644	1 644	–	100,0		
Other transfers to households	2 532 622	(1 155 712)	(4 206)	1 372 704	1 372 704	–	100,0		
<b>Payments for capital assets</b>	<b>47 985</b>	<b>111 362</b>	<b>–</b>	<b>159 347</b>	<b>159 241</b>	<b>106</b>	<b>99,9</b>		
Buildings and other fixed structures	35 243	84 279	–	119 522	119 522	–	100,0		
Buildings	–	–	–	–	–	–	–		
<b>Other fixed structures</b>	<b>35 243</b>	<b>84 279</b>	<b>–</b>	<b>119 522</b>	<b>119 522</b>	<b>–</b>	<b>100,0</b>		
Machinery and equipment	12 742	(108)	–	12 634	12 528	106	99,2		

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	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
Transport equipment	1 280	(1 266)	–	14	14	–	100,0		
Other machinery and equipment	11 462	1 158	–	12 620	12 514	106	99,2		
Heritage assets	–	–	–	–	–	–	–		
Biological assets	–	–	–	–	–	–	–		
Land and sub-soil assets	–	27 191	–	27 191	27 191	–	100,0		
Software and other intangible assets	–	–	–	–	–	–	–		
<b>Payments for financial assets</b>	–	–	–	–	<b>683</b>	<b>(683)</b>	–		
<b>Total</b>	<b>6 986 096</b>	<b>–</b>	<b>(218 831)</b>	<b>6 767 265</b>	<b>5 915 425</b>	<b>851 840</b>	<b>87,4</b>		

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3.1 Food Security									
Economic classification	2020/21							2019/20	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>1 221 339</b>	<b>7 813</b>	<b>(10 000)</b>	<b>1 219 153</b>	<b>435 330</b>	<b>783 823</b>	<b>35,7</b>		
Compensation of employees	144 048	(38 286)	(10 000)	95 762	69 264	26 498	72,3		
Goods and services	1 077 291	46 100	–	1 123 391	366 066	757 325	32,6		
Interest and rent on land	–	–	–	–	–	–	–		
<b>Transfers and subsidies</b>	<b>808 179</b>	<b>183 002</b>	<b>(14 000)</b>	<b>977 181</b>	<b>977 181</b>	<b>–</b>	<b>100,0</b>		
Provinces and municipalities	794 179	182 263	–	976 442	976 442	–	100,0		
Departmental agencies and accounts	–	–	–	–	–	–	–		
Foreign governments and international organisations	–	–	–	–	–	–	–		
Public corporations and private enterprises	14 000	–	(14 000)	–	–	–	–		
Non-profit institutions	–	–	–	–	–	–	–		
Households	–	739	–	739	739	–	100,0		
<b>Payments for capital assets</b>	<b>38 553</b>	<b>(10 828)</b>	<b>–</b>	<b>27 725</b>	<b>27 725</b>	<b>–</b>	<b>100,0</b>		
Buildings and other fixed structures	35 243	(9 647)	–	25 596	25 596	–	100,0		
Machinery and equipment	3 310	(1 181)	–	2 129	2 129	–	100,0		
Heritage assets	–	–	–	–	–	–	–		
Biological assets	–	–	–	–	–	–	–		
Land and sub-soil assets	–	–	–	–	–	–	–		

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Software and other intangible assets	-	-	-	-	-	-	-		
Payments for financial assets	-	-	-	-	3	(3)	-		
<b>Total</b>	<b>2 068 071</b>	<b>179 988</b>	<b>(24 000)</b>	<b>2 224 059</b>	<b>1 440 239</b>	<b>783 820</b>	<b>64,8</b>		

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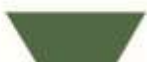
<b>3.2 Land Tenure Reform</b>									
<b>Economic classification</b>	<b>2020/21</b>							<b>2019/20</b>	
	<b>Adjusted appropriation</b>	<b>Shifting of funds</b>	<b>Virement</b>	<b>Final appropriation</b>	<b>Actual expenditure</b>	<b>Variance</b>	<b>Expenditure as % of final appropriation</b>	<b>Final appropriation</b>	<b>Actual expenditure</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>254 892</b>	<b>163 592</b>	<b>(13 190)</b>	<b>405 294</b>	<b>403 663</b>	<b>1 631</b>	<b>99,6</b>		
Compensation of employees	109 940	45 170	651	155 761	155 761	–	100,0		
Goods and services	144 952	118 029	(13 841)	249 140	247 509	1 631	99,3		
Interest and rent on land	–	393	–	393	393	–	100,0		
<b>Transfers and subsidies</b>	<b>199 531</b>	<b>(169 246)</b>	<b>(4 206)</b>	<b>26 079</b>	<b>26 078</b>	<b>1</b>	<b>100,0</b>		
Provinces and municipalities	–	3 151	–	3 151	3 151	–	100,0		
Departmental agencies and accounts	22 192	–	–	22 192	22 192	–	100,0		
Foreign governments and international organisations	–	–	–	–	–	–	–		
Public corporations and private enterprises	1	–	–	1	–	1	–		
Non-profit institutions	–	–	–	–	–	–	–		
Households	177 338	(172 397)	(4 206)	735	735	–	100,0		
<b>Payments for capital assets</b>	<b>480</b>	<b>2 029</b>	<b>–</b>	<b>2 509</b>	<b>2 509</b>	<b>–</b>	<b>100,0</b>		
Buildings and other fixed structures	–	831	–	831	831	–	100,0		
Machinery and equipment	480	1 198	–	1 678	1 678	–	100,0		
Heritage assets	–	–	–	–	–	–	–		
Biological assets	–	–	–	–	–	–	–		
Land and sub-soil assets	–	–	–	–	–	–	–		



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Software and other intangible assets	-	-	-	-	-	-	-		
Payments for financial assets	-	-	-	-	30	(30)	-		
<b>Total</b>	<b>454 903</b>	<b>(3 625)</b>	<b>(17 396)</b>	<b>433 882</b>	<b>432 280</b>	<b>1 602</b>	<b>99,6</b>		



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3.3 Land Acquisition and Redistribution									
Economic classification	2020/21							2019/20	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>149 848</b>	<b>(4 638)</b>	<b>(19 133)</b>	<b>126 077</b>	<b>77 781</b>	<b>48 296</b>	<b>61,7</b>		
Compensation of employees	117 457	–	(19 133)	98 324	50 028	48 296	50,9		
Goods and services	32 391	(4 638)	–	27 753	27 753	–	100,0		
Interest and rent on land	–	–	–	–	–	–	–		
<b>Transfers and subsidies</b>	<b>548 042</b>	<b>6</b>	<b>–</b>	<b>548 048</b>	<b>548 048</b>	<b>–</b>	<b>100,0</b>		
Provinces and municipalities	2	1	–	3	3	–	100,0		
Departmental agencies and accounts	548 040	–	–	548 040	548 040	–	100,0		
Foreign governments and international organisations	–	–	–	–	–	–	–		
Public corporations and private enterprises	–	–	–	–	–	–	–		
Non-profit institutions	–	–	–	–	–	–	–		
Households	–	5	–	5	5	–	100,0		
<b>Payments for capital assets</b>	<b>1 474</b>	<b>727</b>	<b>–</b>	<b>2 201</b>	<b>2 201</b>	<b>–</b>	<b>100,0</b>		
Buildings and other fixed structures	–	–	–	–	–	–	–		
Machinery and equipment	1 474	727	–	2 201	2 201	–	100,0		
Heritage assets	–	–	–	–	–	–	–		
Biological assets	–	–	–	–	–	–	–		

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Land and sub-soil assets	-	-	-	-	-	-	-		
Software and other intangible assets	-	-	-	-	-	-	-		
Payments for financial assets	-	-	-	-	6	(6)	-		
<b>Total</b>	<b>699 364</b>	<b>(3 905)</b>	<b>(19 133)</b>	<b>676 326</b>	<b>628 036</b>	<b>48 290</b>	<b>92,9</b>		

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3.4 National Extension Services and Sector Capacity Development									
Economic classification	2020/21							2019/20	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>148 992</b>	<b>(10 395)</b>	<b>(20 000)</b>	<b>118 597</b>	<b>117 250</b>	<b>1 347</b>	<b>98,9</b>		
Compensation of employees	112 119	(490)	(20 000)	91 629	90 282	1 347	98,5		
Goods and services	36 872	(9 904)	–	26 968	26 968	–	100,0		
Interest and rent on land	1	(1)	–	–	–	–	–		
<b>Transfers and subsidies</b>	<b>423 990</b>	<b>(182 496)</b>	<b>–</b>	<b>241 494</b>	<b>241 490</b>	<b>4</b>	<b>100,0</b>		
Provinces and municipalities	396 853	(182 295)	–	214 558	214 555	3	100,0		
Departmental agencies and accounts	–	–	–	–	–	–	–		
Foreign governments and international organisations	–	–	–	–	–	–	–		
Public corporations and private enterprises	1	–	–	1	–	1	–		
Non-profit institutions	–	–	–	–	–	–	–		
Households	27 136	(201)	–	26 935	26 935	–	100,0		
<b>Payments for capital assets</b>	<b>696</b>	<b>(179)</b>	<b>–</b>	<b>517</b>	<b>517</b>	<b>–</b>	<b>100,0</b>		
Buildings and other fixed structures	–	–	–	–	–	–	–		
Machinery and equipment	696	(179)	–	517	517	–	100,0		
Heritage assets	–	–	–	–	–	–	–		
Biological assets	–	–	–	–	–	–	–		
Land and sub-soil assets	–	–	–	–	–	–	–		

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Software and other intangible assets	-	-	-	-	-	-	-		
Payments for financial assets	-	-	-	-	-	-	-		
<b>Total</b>	<b>573 678</b>	<b>(193 070)</b>	<b>(20 000)</b>	<b>360 608</b>	<b>359 257</b>	<b>1 351</b>	<b>99,6</b>		

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3.5 Farmer Support and Development									
Economic classification	2020/21							2019/20	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	9 459	(8 763)	-	696	696	-	100,0		
Compensation of employees	-	-	-	-	-	-	-		
Goods and services	9 459	(8 763)	-	696	696	-	100,0		
Interest and rent on land	-	-	-	-	-	-	-		
<b>Transfers and subsidies</b>	-	-	-	-	-	-	-		
Provinces and municipalities	-	-	-	-	-	-	-		
Departmental agencies and accounts	-	-	-	-	-	-	-		
Foreign governments and international organisations	-	-	-	-	-	-	-		
Public corporations and private enterprises	-	-	-	-	-	-	-		
Non-profit institutions	-	-	-	-	-	-	-		
Households	-	-	-	-	-	-	-		
<b>Payments for capital assets</b>	-	-	-	-	-	-	-		
Buildings and other fixed structures	-	-	-	-	-	-	-		
Machinery and equipment	-	-	-	-	-	-	-		
Heritage assets	-	-	-	-	-	-	-		

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Biological assets	-	-	-	-	-	-	-		
Land and sub-soil assets	-	-	-	-	-	-	-		
Software and other intangible assets	-	-	-	-	-	-	-		
Payments for financial assets	-	-	-	-	-	-	-		
<b>Total</b>	<b>9 459</b>	<b>(8 763)</b>	<b>-</b>	<b>696</b>	<b>696</b>	<b>-</b>	<b>100,0</b>		

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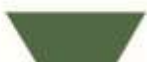
3.6 Property Management and Advisory Support									
Economic classification	2020/21							2019/20	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>161 238</b>	<b>25 972</b>	<b>(47 309)</b>	<b>139 901</b>	<b>139 694</b>	<b>207</b>	<b>99,9</b>		
Compensation of employees	132 578	54	(47 309)	85 323	85 116	207	99,8		
Goods and services	28 660	25 918	–	54 578	54 578	–	100,0		
Interest and rent on land	–	–	–	–	–	–	–		
<b>Transfers and subsidies</b>	<b>95 420</b>	<b>65 523</b>	<b>–</b>	<b>160 943</b>	<b>160 943</b>	<b>–</b>	<b>100,0</b>		
Provinces and municipalities	76 029	84 865	–	160 894	160 894	–	100,0		
Departmental agencies and accounts	–	–	–	–	–	–	–		
Foreign governments and international organisations	–	–	–	–	–	–	–		
Public corporations and private enterprises	–	–	–	–	–	–	–		
Non-profit institutions	–	–	–	–	–	–	–		
Households	19 391	(19 342)	–	49	49	–	100,0		
<b>Payments for capital assets</b>	<b>1 624</b>	<b>(308)</b>	<b>–</b>	<b>1 316</b>	<b>1 316</b>	<b>–</b>	<b>100,0</b>		
Buildings and other fixed structures	–	–	–	–	–	–	–		
Machinery and equipment	1 624	(308)	–	1 316	1 316	–	100,0		
Heritage assets	–	–	–	–	–	–	–		



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Biological assets	-	-	-	-	-	-	-		
Land and sub-soil assets	-	-	-	-	-	-	-		
Software and other intangible assets	-	-	-	-	-	-	-		
Payments for financial assets	-	-	-	-	207	(207)	-		
<b>Total</b>	<b>258 282</b>	<b>91 187</b>	<b>(47 309)</b>	<b>302 160</b>	<b>302 160</b>	<b>-</b>	<b>100,0</b>		



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3.7 Restitution									
Economic classification	2020/21							2019/20	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>588 928</b>	<b>787 435</b>	<b>(90 993)</b>	<b>485 941</b>	<b>1 285 370</b>	<b>17 108</b>	<b>98,7</b>		
Compensation of employees	420 055	(6 448)	(29 648)	1 285 370	383 959	11 617	97,0		
Goods and services	164 321	793 818	(61 345)	896 794	891 303	5 491	99,4		
Interest and rent on land	4 552	65	–	4 617	4 617	–	100,0		
<b>Transfers and subsidies</b>	<b>2 328 253</b>	<b>(969 168)</b>	<b>–</b>	<b>1 359 085</b>	<b>1 359 085</b>	<b>–</b>	<b>100,0</b>		
Provinces and municipalities	18 740	(5 540)	–	13 200	13 200	–	100,0		
Departmental agencies and accounts	–	–	–	–	–	–	–		
Foreign governments and international organisations	–	–	–	–	–	–	–		
Public corporations and private enterprises	–	–	–	–	–	–	–		
Non-profit institutions	–	–	–	–	–	–	–		
Households	2 309 513	(963 628)	–	1 345 885	1 345 885	–	100,0		
<b>Payments for capital assets</b>	<b>5 158</b>	<b>119 921</b>	<b>–</b>	<b>125 079</b>	<b>124 973</b>	<b>106</b>	<b>99,9</b>		
Buildings and other fixed structures	–	93 095	–	93 095	93 095	–	100,0		
Machinery and equipment	5 158	(365)	–	4 793	4 687	106	97,8		
Heritage assets	–	–	–	–	–	–	–		
Biological assets	–	–	–	–	–	–	–		
Land and sub-soil assets	–	27 191	–	27 191	27 191	–	100,0		

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Software and other intangible assets	-	-	-	-	-	-	-		
Payments for financial assets	-	-	-	-	437	(437)	-		
<b>Total</b>	<b>2 922 339</b>	<b>(61 812)</b>	<b>(90 993)</b>	<b>2 769 534</b>	<b>2 752 757</b>	<b>16 777</b>	<b>99,4</b>		



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<b>PROGRAMME 4: RURAL DEVELOPMENT</b>									
<b>Sub programme</b>	<b>2020/21</b>							<b>2019/20</b>	
	<b>Adjusted appropriation</b>	<b>Shifting of funds</b>	<b>Virement</b>	<b>Final appropriation</b>	<b>Actual expenditure</b>	<b>Variance</b>	<b>Expenditure as % of final appropriation</b>	<b>Final appropriation</b>	<b>Actual expenditure</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
4.1 National Rural Youth Services Corps	294 641	(13 661)	–	280 980	280 979	1	100,0		
4.2 Rural Social Infrastructure Coordination	453 780	21 070	(45 279)	429 571	420 161	9 410	97,8		
4.3 Technology Research and Coordination	21 984	(7 409)	–	14 575	13 947	628	95,7		
<b>Total for sub programmes</b>	<b>770 405</b>	<b>–</b>	<b>(45 279)</b>	<b>725 126</b>	<b>715 087</b>	<b>10 039</b>	<b>98,6</b>		

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	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>369 878</b>	<b>(47 329)</b>	<b>(45 279)</b>	<b>277 270</b>	<b>273 809</b>	<b>3 461</b>	<b>98,8</b>		
Compensation of employees	152 425	–	–	152 425	148 965	3 460	97,7		
Salaries and wages	134 544	(38)	–	134 506	133 945	561	99,6		
Social contributions	17 881	38	–	17 919	15 020	2 899	83,8		
Goods and services	217 453	(46 174)	(45 279)	126 000	125 999	1	100,0		
Administrative fees	1 949	507	–	2 456	2 456	–	100,0		
Advertising	246	516	–	762	762	–	100,0		
Minor assets	742	(586)	–	156	156	–	100,0		
Audit costs: External	–	–	–	–	–	–	–		
Bursaries: Employees	–	–	–	–	–	–	–		
Catering: Departmental activities	78	(64)	–	14	14	–	100,0		
Communication (G&S)	1 333	271	–	1 604	1 604	–	100,0		
Computer services	3 366	(3 362)	–	4	4	–	100,0		
Consultants : Business and advisory services	19 760	(17 489)	–	3 426	2 271	–	100,0		
Infrastructure and planning services	61 896	(15 874)	(45 279)	743	743	–	100,0		
Laboratory services	–	–	–	–	–	–	–		
Legal services	4 062	(4 062)	–	–	–	–	–		
Contractors	5 531	(5 306)	–	225	225	–	100,0		
Agency and support / outsourced services	191	1 611	–	1 802	1 802	–	100,0		

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Economic classification	2020/21							2019/20	
	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
Entertainment	9	(9)	–	–	–	–	–		
Fleet services (including government motor transport)	785	(209)	–	576	576	–	100,0		
Inventory: Clothing material and supplies	–	111	–	111	111	–	100,0		
Inventory: Farming supplies	–	–	–	–	–	–	–		
Inventory: Food and food supplies	–	–	–	–	–	–	–		
Inventory: Fuel, oil and gas	111	–	–	111	111	–	100,0		
Inventory: Materials and supplies	–	1	–	1	1	–	100,0		
Inventory: Medical supplies	–	–	–	–	–	–	–		
Inventory: Medicine	–	–	–	–	–	–	–		
Inventory: Other supplies	558	(509)	–	49	49	–	100,0		
Consumable supplies	1 574	(8)	–	1 566	1 566	–	100,0		
Consumable: Stationery, printing and office supplies	3 490	(1 650)	–	1 840	1 839	1	99,9		
Operating leases	1 979	1 077	–	3 056	3 056	–	100,0		
Property payments	1 376	3 028	–	4 584	4 584	–	100,0		
Transport provided: Departmental activity	–	–	–	–	–	–	–		

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Economic classification	2020/21							2019/20	
	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
Travel and subsistence	15 589	25 641	–	41 230	41 230	–	100,0		
Training and development	90 407	(31 764)	–	58 643	58 643	–	100,0		
Operating payments	1 229	(843)	–	386	386	–	100,0		
Venues and facilities	709	1 673	–	2 382	2 382	–	100,0		
Rental and hiring	483	(210)	–	273	273	–	100,0		
Interest and rent on land	–	–	–	–	–	–	–		
Interest (including interest on unitary payments (PPP))	–	–	–	–	–	–	–		
Rent on land	–	–	–	–	–	–	–		
<b>Transfers and subsidies</b>	<b>90 346</b>	<b>(15 411)</b>	<b>–</b>	<b>74 935</b>	<b>74 935</b>	<b>–</b>	<b>100,0</b>		
Provinces and municipalities	–	–	–	–	–	–	–		
Provinces	–	–	–	–	–	–	–		
Provincial Revenue Funds	–	–	–	–	–	–	–		
Municipalities	–	–	–	–	–	–	–		
Municipal bank accounts	–	–	–	–	–	–	–		
Departmental agencies and accounts	–	–	–	–	–	–	–		
Departmental agencies	–	–	–	–	–	–	–		
Foreign governments and international organisations	–	–	–	–	–	–	–		

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Economic classification	2020/21							2019/20	
	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
Public corporations and private enterprises	-	-	-	-	-	-	-		
Public corporations	-	-	-	-	-	-	-		
Other transfers to public corporations	-	-	-	-	-	-	-		
Private enterprises	-	-	-	-	-	-	-		
Other transfers to private enterprises	-	-	-	-	-	-	-		
Non-profit institutions	-	-	-	-	-	-	-		
Households	90 346	(15 411)	-	74 935	74 935	-	100,0		
Social benefits	47	(5)	-	42	42	-	100,0		
Other transfers to households	90 299	(15 406)	-	74 893	74 893	-	100,0		
<b>Payments for capital assets</b>	<b>310 181</b>	<b>62 740</b>	<b>-</b>	<b>372 921</b>	<b>366 175</b>	<b>6 746</b>	<b>98,2</b>		
Buildings and other fixed structures	278 842	92 529	-	370 216	364 625	6 746	98,2		
Buildings	116 371	60 595	-	175 811	170 220	6 746	96,2		
Other fixed structures	162 471	31 934	-	194 405	194 405	-	100,0		
Machinery and equipment	15 005	(13 455)	-	1 550	1 550	-	100,0		
Transport equipment	-	-	-	-	-	-	-		
Other machinery and equipment	15 005	(13 455)	-	1 550	1 550	-	100,0		
Heritage assets	16 334	(16 334)	-	-	-	-	-		
Biological assets	-	-	-	-	-	-	-		



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	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
Land and sub-soil assets	-	-	-	-	-	-	-		
Software and other intangible assets	-	-	-	-	-	-	-		
<b>Payments for financial assets</b>	-	-	-	-	168	(168)	-		
<b>Total</b>	<b>770 405</b>	<b>-</b>	<b>(45 279)</b>	<b>725 126</b>	<b>715 087</b>	<b>10 039</b>	<b>98,6</b>		

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4.1 National Rural Youth Services Corps									
Economic classification	2020/21							2019/20	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>197 981</b>	<b>7 157</b>	<b>-</b>	<b>205 138</b>	<b>205 046</b>	<b>92</b>	<b>100,0</b>		
Compensation of employees	74 424	21 019	-	95 443	95 352	91	99,9		
Goods and services	123 557	(13 862)	-	109 695	109 694	1	100,0		
Interest and rent on land	-	-	-	-	-	-	-		
<b>Transfers and subsidies</b>	<b>90 308</b>	<b>(15 135)</b>	<b>-</b>	<b>75 173</b>	<b>75 173</b>	<b>-</b>	<b>100,0</b>		
Provinces and municipalities	-	-	-	-	-	-	-		
Departmental agencies and accounts	-	-	-	-	-	-	-		
Foreign governments and international organisations	-	-	-	-	-	-	-		
Public corporations and private enterprises	-	-	-	-	-	-	-		
Non-profit institutions	-	-	-	-	-	-	-		
Households	90 308	(15 135)	-	75 173	75 173	-	100,0		
<b>Payments for capital assets</b>	<b>6 352</b>	<b>(5 683)</b>	<b>-</b>	<b>669</b>	<b>669</b>	<b>-</b>	<b>100,0</b>		
Buildings and other fixed structures	-	-	-	-	-	-	-		
Machinery and equipment	6 352	(5 683)	-	669	669	-	100,0		
Heritage assets	-	-	-	-	-	-	-		

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Biological assets	-	-	-	-	-	-	-		
Land and sub-soil assets	-	-	-	-	-	-	-		
Software and other intangible assets	-	-	-	-	-	-	-		
Payments for financial assets	-	-	-	-	91	(91)	-		
<b>Total</b>	<b>294 641</b>	<b>(13 661)</b>	<b>-</b>	<b>280 980</b>	<b>280 979</b>	<b>1</b>	<b>100,0</b>		

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4.2 Rural Social Infrastructure Coordination									
Economic classification	2020/21							2019/20	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>157 832</b>	<b>(54 240)</b>	<b>(45 279)</b>	<b>58 313</b>	<b>55 572</b>	<b>2 741</b>	<b>95,3</b>		
Compensation of employees	64 348	(21 019)	–	43 329	40 588	2 741	93.7	–	–
Salaries and wages	57 512	(20 825)	–	36 687	36 668	19	99.9	–	–
Social contributions	6 836	(194)	–	6 642	3 920	2 722	59.0	–	–
Goods and services	93 484	(33 221)	(45 279)	14 984	14 984	–	100.0	–	–
Administrative fees	220	(106)	–	114	114	–	100.0	–	–
Advertising	37	(34)	–	3	3	–	100.0	–	–
Minor assets	247	(135)	–	112	112	–	100.0	–	–
Audit costs: External	–	–	–	–	–	–	–	–	–
Bursaries: Employees	–	–	–	–	–	–	–	–	–
Catering: Departmental activities	18	(12)	–	6	6	–	100.0	–	–
Communication (G&S)	479	129	–	608	608	–	100.0	–	–
Computer services	–	4	–	4	4	–	100.0	–	–
Consultants : Business and advisory services	14 808	(12 537)	–	2 271	2 271	–	100.0	–	–
Infrastructure and planning services	61 896	(15 874)	(45 279)	743	743	–	100.0	–	–
Laboratory services	–	–	–	–	–	–	–	–	–
Legal services	62	(62)	–	–	–	–	–	–	–
Contractors	5 410	(5 408)	–	2	2	–	100.0	–	–

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Agency and support / outsourced services		980		980	980		100,0
Entertainment							
Fleet services (including motor transport services)	246	15		261	261	–	100,0
Inventory: Clothing material and accessories						–	
Inventory: Farming supplies							
Inventory: Food and food supplies						–	
Inventory: Fuel, oil and gas	111			111	111	–	100,0
Inventory: Materials and supplies		1		1	1	–	100,0
Inventory: Medical supplies						–	
Inventory: Medicine						–	
Inventory: Other supplies	558	(509)		49	49	–	100,0
Consumable supplies	654	(195)		459	459	–	100,0
Consumable: Stationery, printing and office supplies	1 063	(67)		996	996		100,0
Operating leases	1 058	502		1 560	1 560	–	100,0
Property payments	227	2 014		2 241	2 241	–	100,0
Transport provided: Departmental activity						–	
Travel and subsistence	2 351	(419)		1 932	1 932		100,0

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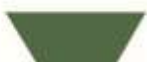
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Training and development	2 800	(1 304)		1 496	1 496		100,0
Operating payments	619	(388)		231	231		100,0
Venues and facilities	214	345		559	559		100,0
Rental and hiring	406	(161)		245	245	–	100,0
Interest and rent on land						–	
Interest (including interest on unitary payments (PPP))						–	
Rent on land	–	–	–	–	–	–	–
<b>Transfers and subsidies</b>	<b>38</b>	<b>(276)</b>	<b>–</b>	<b>(238)</b>	<b>(238)</b>	<b>–</b>	<b>100,0</b>
Provinces and municipalities	–	–	–	–	–	–	–
Departmental agencies and accounts	–	–	–	–	–	–	–
Foreign governments and international organisations	–	–	–	–	–	–	–
Public corporations and private enterprises	–	–	–	–	–	–	–
Non-profit institutions	–	–	–	–	–	–	–
Households	38	(276)	–	(238)	(238)	–	100,0
Social benefits	38	4		42	42		100,0
Other transfers to households		(280)		(280)	(280)		100,0
<b>Payments for capital assets</b>	<b>295 910</b>	<b>75 586</b>	<b>–</b>	<b>371 496</b>	<b>364 750</b>	<b>6 746</b>	<b>98,2</b>
Buildings and other fixed structures	277 342	93 301	–	370 643	363 891	6 746	98,2
Buildings	116 371	60 595		176 966	170 220	6 746	96,2
Other fixed structures	160 971	32 706		193 677	193 677		100,0

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Machinery and equipment	2 234	(1 381)	-	853	853	-	100,0		
Other Machinery and equipment	2 234	(1 381)		853	853		100,0		
Heritage assets	16 334	(16 334)	-	-	-	-	-		
Biological assets	-	-	-	-	-	-	-		
Land and sub-soil assets	-	-	-	-	-	-	-		
Software and other intangible assets	-	-	-	-	-	-	-		
<b>Payments for financial assets</b>	-	-	-	-	77	(77)	-		
<b>Total</b>	<b>453 780</b>	<b>21 070</b>	<b>(45 279)</b>	<b>429 571</b>	<b>420 161</b>	<b>9 410</b>	<b>97,8</b>		



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<b>4.3 Technology Research and Coordination</b>									
<b>Economic classification</b>	<b>2019/20</b>							<b>2018/19</b>	
	<b>Adjusted appropriation</b>	<b>Shifting of funds</b>	<b>Virement</b>	<b>Final appropriation</b>	<b>Actual expenditure</b>	<b>Variance</b>	<b>Expenditure as % of final appropriation</b>	<b>Final appropriation</b>	<b>Actual expenditure</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>14 065</b>	<b>(246)</b>	<b>-</b>	<b>13 819</b>	<b>13 191</b>	<b>628</b>	<b>95,5</b>		
Compensation of employees	13 653	-	-	13 653	13 025	628	95,4		
Goods and services	412	(246)	-	166	166	-	100,0		
Interest and rent on land	-	-	-	-	-	-	-		
<b>Transfers and subsidies</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		
Provinces and municipalities	-	-	-	-	-	-	-		
Departmental agencies and accounts	-	-	-	-	-	-	-		
Foreign governments and international organisations	-	-	-	-	-	-	-		
Public corporations and private enterprises	-	-	-	-	-	-	-		
Non-profit institutions	-	-	-	-	-	-	-		
Households	-	-	-	-	-	-	-		
<b>Payments for capital assets</b>	<b>7 919</b>	<b>(7 163)</b>	<b>-</b>	<b>756</b>	<b>756</b>	<b>-</b>	<b>100,0</b>		
Buildings and other fixed structures	1 500	(772)	-	728	728	-	100,0		
Machinery and equipment	6 419	(6 391)	-	28	28	-	100,0		
Heritage assets	-	-	-	-	-	-	-		
Biological assets	-	-	-	-	-	-	-		
Land and sub-soil assets	-	-	-	-	-	-	-		
Software and other intangible assets	-	-	-	-	-	-	-		



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Payments for financial assets	-	-	-	-	-	-	-		
Total	21 984	(7 409)	-	14 575	13 947	628	95,7		

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<b>PROGRAMME 5: ECONOMIC DEVELOPMENT, TRADE AND MARKETING</b>									
<b>Sub programme</b>	<b>2020/21</b>							<b>2019/20</b>	
	<b>Adjusted appropriation</b>	<b>Shifting of funds</b>	<b>Virement</b>	<b>Final appropriation</b>	<b>Actual expenditure</b>	<b>Variance</b>	<b>Expenditure as % of final appropriation</b>	<b>Final appropriation</b>	<b>Actual expenditure</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
5.1 International Relations and Trade	184 642	22 092	(1 131)	205 603	191 055	14 548	92,9		
5.2 Cooperatives Development	33 019	(2 928)	14 000	44 091	43 836	255	99,4		
5.3 Agro-processing Marketing and Rural Industrial Development	439 239	(19 164)	(14 410)	405 665	303 158	102 507	74,7		
<b>Total for sub programmes</b>	<b>656 900</b>	<b>-</b>	<b>(1 541)</b>	<b>655 359</b>	<b>538 049</b>	<b>117 310</b>	<b>82,1</b>		

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	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>545 661</b>	<b>5 148</b>	<b>28</b>	<b>550 837</b>	<b>447 984</b>	<b>102 853</b>	<b>81,3</b>		
Compensation of employees	300 186	–	–	300 186	197 333	102 853	65,7		
Salaries and wages	264 851	(6 753)	–	258 098	171 301	86 797	66,4		
Social contributions	35 335	6 753	–	42 088	26 032	16 056	61,9		
Goods and services	245 475	(5 148)	28	250 651	250 651	–	100,0		
Administrative fees	3 238	(2 114)	–	1 124	1 124	–	100,0		
Advertising	1 054	285	–	1 339	1 339	–	100,0		
Minor assets	630	(335)	–	295	295	–	100,0		
Audit costs: External	–	1 087	–	1 087	1 087	–	100,0		
Bursaries: Employees	265	(158)	–	107	107	–	100,0		
Catering: Departmental activities	645	123	–	768	768	–	100,0		
Communication (G&S)	2 069	22	–	2 091	2 091	–	100,0		
Computer services	738	(314)	–	424	424	–	100,0		
Consultants : Business and advisory services	11 795	49 978	–	61 773	61 773	–	100,0		
Infrastructure and planning services	–	–	–	–	–	–	–		
Laboratory services	–	–	–	–	–	–	–		
Legal services	–	44	–	44	44	–	100,0		
Contractors	336	2 979	–	3 315	3 315	–	100,0		
Agency and support / outsourced services	7 101	(6 512)	–	589	589	–	100,0		

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	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
Entertainment	–	–	–	–	–	–	–		
Fleet services (including government motor transport)	1 282	442	–	1 724	1 724	–	100,0		
Inventory: Clothing material and supplies	137	168	–	305	305	–	100,0		
Inventory: Farming supplies	125 211	(48 702)	28	76 537	76 537	–	100,0		
Inventory: Food and food supplies	–	423	–	423	423	–	100,0		
Inventory: Fuel, oil and gas	6 826	(5 637)	–	1 189	1 189	–	100,0		
Inventory: Materials and supplies	648	2 930	–	3 578	3 578	–	100,0		
Inventory: Medical supplies	–	–	–	–	–	–	–		
Inventory: Medicine	316	153	–	469	469	–	100,0		
Inventory: Other supplies	52 346	(5 521)	–	46 825	46 825	–	100,0		
Consumable supplies	485	(405)	–	80	80	–	100,0		
Consumable: Stationery, printing and office supplies	3 033	(1 680)	–	1 353	1 353	–	100,0		
Operating leases	3 075	9 052	–	12 127	12 127	–	100,0		
Property payments	3 042	1 371	–	4 413	4 413	–	100,0		
Transport provided: Departmental activity	–	–	–	–	–	–	–		

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	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
Travel and subsistence	13 688	5 102	–	18 790	18 790	–	100,0		
Training and development	5 419	(2 074)	–	3 345	3 345	–	100,0		
Operating payments	1 424	1 307	–	2 731	2 731	–	100,0		
Venues and facilities	437	3 355	–	3 792	3 792	–	100,0		
Rental and hiring	235	(221)	–	14	14	–	100,0		
Interest and rent on land	–	–	–	–	–	–	–		
Interest (including interest on unitary payments (PPP))	–	–	–	–	–	–	–		
Rent on land	–	–	–	–	–	–	–		
<b>Transfers and subsidies</b>	<b>89 305</b>	<b>23</b>	<b>13 098</b>	<b>102 426</b>	<b>87 878</b>	<b>14 548</b>	<b>85,8</b>		
Provinces and municipalities	3	–	–	3	3	–	100,0		
Provinces	–	–	–	–	–	–	–		
Provincial Revenue Funds	–	–	–	–	–	–	–		
Municipalities	3	–	–	3	3	–	100,0		
Municipal bank accounts	3	–	–	3	3	–	100,0		
Departmental agencies and accounts	47 422	–	–	47 422	47 422	–	100,0		
Departmental agencies	47 422	–	–	47 422	47 422	–	100,0		
Foreign governments and international organisations	41 877	–	(902)	40 975	26 427	14 548	64,5		

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	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
Public corporations and private enterprises	–	–	14 000	14 000	14 000	–	100,0		
Public corporations	–	–	14 000	14 000	14 000	–	100,0		
Other transfers to public corporations	–	–	14 000	14 000	14 000	–	100,0		
Private enterprises	–	–	–	–	–	–	–		
Other transfers to private enterprises	–	–	–	–	–	–	–		
Non-profit institutions	–	–	–	–	–	–	–		
Households	3	23	–	26	26	–	100,0		
Social benefits	2	21	–	23	23	–	100,0		
Other transfers to households	1	2	–	3	3	–	100,0		
<b>Payments for capital assets</b>	<b>21 934</b>	<b>(5 171)</b>	<b>(14 667)</b>	<b>2 096</b>	<b>2 095</b>	<b>1</b>	<b>100,0</b>		
Buildings and other fixed structures	18 006	(5 171)	(13 353)	(518)	(519)	–	100,0		
Buildings	1 449	(1 448)	–	1	–	1	100,0		
Other fixed structures	16 557	(3 723)	(13 353)	(519)	(519)	–	100,0		
Machinery and equipment	3 816	(160)	(1 314)	2 342	2 342	–	100,0		
Transport equipment	90	(90)	–	–	–	–	–		
Other machinery and equipment	3 726	(70)	(1 314)	2 342	2 342	–	100,0		
Heritage assets	–	–	–	–	–	–	–		
Biological assets	–	–	–	–	–	–	–		

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	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
Land and sub-soil assets	-	-	-	-	-	-	-		
Software and other intangible assets	112	160	-	272	272	-	100,0		
<b>Payments for financial assets</b>	-	-	-	-	92	(92)	-		
<b>Total</b>	<b>656 900</b>	<b>-</b>	<b>(1 541)</b>	<b>655 359</b>	<b>538 049</b>	<b>117 310</b>	<b>82,1</b>		

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5.1 International Relations and Trade									
Economic classification	2020/21							2019/20	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>141 558</b>	<b>21 935</b>	<b>-</b>	<b>163 493</b>	<b>163 493</b>	<b>-</b>	<b>100,0</b>		
Compensation of employees	120 917	14 948	-	135 865	135 865	-	100,0		
Goods and services	20 641	6 987	-	27 628	27 628	-	100,0		
Interest and rent on land	-	-	-	-	-	-	-		
<b>Transfers and subsidies</b>	<b>41 880</b>	<b>24</b>	<b>(902)</b>	<b>41 002</b>	<b>26 454</b>	<b>14 548</b>	<b>64,5</b>		
Provinces and municipalities	-	1	-	1	1	-	100,0		
Departmental agencies and accounts	-	-	-	-	-	-	-		
Foreign governments and international organisations	41 877	-	(902)	40 975	26 427	14 548	64,5		
Public corporations and private enterprises	-	-	-	-	-	-	-		
Non-profit institutions	-	-	-	-	-	-	-		
Households	3	23	-	26	26	-	100,0		
<b>Payments for capital assets</b>	<b>1 204</b>	<b>133</b>	<b>(229)</b>	<b>1 108</b>	<b>1 108</b>	<b>-</b>	<b>100,0</b>		
Buildings and other fixed structures	-	-	-	-	-	-	-		
Machinery and equipment	1 092	(27)	(229)	836	836	-	100,0		
Heritage assets	-	-	-	-	-	-	-		
Biological assets	-	-	-	-	-	-	-		



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Land and sub-soil assets	-	-	-	-	-	-	-		
Software and other intangible assets	112	160	-	272	272	-	100,0		
Payments for financial assets	-	-	-	-	-	-	-		
<b>Total</b>	<b>184 642</b>	<b>22 092</b>	<b>(1 131)</b>	<b>205 603</b>	<b>191 055</b>	<b>14 548</b>	<b>92,9</b>		

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5.2 Cooperatives Development									
Economic classification	2020/21							2019/20	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>32 673</b>	<b>(2 884)</b>	<b>-</b>	<b>29 789</b>	<b>29 534</b>	<b>255</b>	<b>99,1</b>		
Compensation of employees	27 884	-	-	27 884	27 629	255	99,1		
Goods and services	4 789	(2 884)	-	1 905	1 905	-	100,0		
Interest and rent on land	-	-	-	-	-	-	-		
<b>Transfers and subsidies</b>	<b>3</b>	<b>(1)</b>	<b>14 000</b>	<b>14 002</b>	<b>14 002</b>	<b>-</b>	<b>100,0</b>		
Provinces and municipalities	3	(1)	-	2	2	-	100,0		
Departmental agencies and accounts	-	-	-	-	-	-	-		
Foreign governments and international organisations	-	-	-	-	-	-	-		
Public corporations and private enterprises	-	-	14 000	14 000	14 000	-	100,0		
Non-profit institutions	-	-	-	-	-	-	-		
Households	-	-	-	-	-	-	-		
<b>Payments for capital assets</b>	<b>343</b>	<b>(43)</b>	<b>-</b>	<b>300</b>	<b>300</b>	<b>-</b>	<b>100,0</b>		
Buildings and other fixed structures	-	-	-	-	-	-	-		
Machinery and equipment	343	(43)	-	300	300	-	100,0		
Heritage assets	-	-	-	-	-	-	-		

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Biological assets	-	-	-	-	-	-	-		
Land and sub-soil assets	-	-	-	-	-	-	-		
Software and other intangible assets	-	-	-	-	-	-	-		
Payments for financial assets	-	-	-	-	-	-	-		
<b>Total</b>	<b>33 019</b>	<b>(2 928)</b>	<b>14 000</b>	<b>44 091</b>	<b>43 836</b>	<b>255</b>	<b>99,4</b>		

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5.3 Agro-Processing Marketing and Rural Industrial Development									
2020/21								2019/20	
Economic classification	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>371 430</b>	<b>(13 903)</b>	<b>28</b>	<b>357 555</b>	<b>254 957</b>	<b>102 598</b>	<b>71,3</b>		
Compensation of employees	151 385	(14 948)	–	136 437	33 839	102 598	24,8		
Goods and services	220 045	(1 045)	28	221 118	221 118	–	100,0		
Interest and rent on land	–	–	–	–	–	–	–		
<b>Transfers and subsidies</b>	<b>47 422</b>	<b>–</b>	<b>–</b>	<b>47 422</b>	<b>47 422</b>	<b>–</b>	<b>100,0</b>		
Provinces and municipalities	–	–	–	–	–	–	–		
Departmental agencies and accounts	47 422	–	–	47 422	47 422	–	100,0		
Foreign governments and international organisations	–	–	–	–	–	–	–		
Public corporations and private enterprises	–	–	–	–	–	–	–		
Non-profit institutions	–	–	–	–	–	–	–		
Households	–	–	–	–	–	–	–		
<b>Payments for capital assets</b>	<b>20 387</b>	<b>(5 261)</b>	<b>(14 438)</b>	<b>688</b>	<b>687</b>	<b>1</b>	<b>99,9</b>		
Buildings and other fixed structures	18 006	(5 171)	(13 353)	(518)	(519)	1	100,0		
Machinery and equipment	2 381	(90)	(1 085)	1 206	1 206	–	100,0		
Heritage assets	–	–	–	–	–	–	–		
Biological assets	–	–	–	–	–	–	–		

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Land and sub-soil assets	-	-	-	-	-	-	-		
Software and other intangible assets	-	-	-	-	-	-	-		
Payments for financial assets	-	-	-	-	92	(92)	-		
<b>Total</b>	<b>439 239</b>	<b>(19 164)</b>	<b>(14 410)</b>	<b>405 665</b>	<b>303 158</b>	<b>102 507</b>	<b>74,7</b>		

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<b>PROGRAMME 6: LAND ADMINISTRATION</b>									
<b>Subprogramme</b>	<b>2020/21</b>							<b>2019/20</b>	
	<b>Adjusted appropriation</b>	<b>Shifting of funds</b>	<b>Virement</b>	<b>Final appropriation</b>	<b>Actual expenditure</b>	<b>Variance</b>	<b>Expenditure as % of final appropriation</b>	<b>Final appropriation</b>	<b>Actual expenditure</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
6.1 National Geomatics Management Services	524 372	26 075	(27 925)	522 522	483 846	38 676	92,6		
6.2 Spatial Planning and Land Use	166 312	(21 884)	(4 245)	140 183	131 032	9 151	93,5		
6.3 Registration of Deeds Trade Account	358 034	–	–	358 034	358 033	1	100,0		
6.4 SA Council of Planners	4 035	–	–	4 035	4 035	–	100,0		
6.5 SA Geomatics Council	4 333	(4 191)	–	142	–	142	–		
<b>Total for subprogrammes</b>	<b>1 057 086</b>	<b>–</b>	<b>(32 170)</b>	<b>1 024 916</b>	<b>976 946</b>	<b>47 970</b>	<b>95,3</b>		

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	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>652 186</b>	<b>(21 530)</b>	<b>(33 067)</b>	<b>597 589</b>	<b>549 643</b>	<b>47 946</b>	<b>92,0</b>		
Compensation of employees	515 648	–	–	515 648	467 704	47 944	90,7		
Salaries and wages	447 561	(403)	–	447 158	405 259	41 899	90,6		
Social contributions	68 087	403	–	68 490	62 445	6 045	91,2		
Goods and services	136 538	(21 531)	(33 067)	81 940	81 938	2	100,0		
Administrative fees	354	(104)	–	250	250	–	100,0		
Advertising	897	(591)	–	306	306	–	100,0		
Minor assets	5 033	(3 388)	–	1 645	1 644	1	99,9		
Audit costs: External	–	458	–	458	458	–	100,0		
Bursaries: Employees	–	–	–	–	–	–	–		
Catering: Departmental activities	26	(16)	–	10	10	–	100,0		
Communication (G&S)	3 985	(85)	–	3 900	3 900	–	100,0		
Computer services	43 600	1 323	(28 822)	16 101	16 101	–	100,0		
Consultants : Business and advisory services	53 136	(17 857)	(4 245)	31 034	31 034	–	100,0		
Infrastructure and planning services	84	(81)	–	3	3	–	100,0		
Laboratory services	–	–	–	–	–	–	–		
Legal services	–	643	–	643	643	–	100,0		
Contractors	10 229	(3 534)	–	6 695	6 695	–	100,0		
Agency and support / outsourced services	184	(184)	–	–	–	–	–		

**DEPARTMENT OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT  
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Economic classification	2020/21							2019/20	
	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
Entertainment	–	1	–	1	1	–	100,0		
Fleet services (including government motor transport)	1 007	523	–	1 530	1 530	–	100,0		
Inventory: Clothing material and supplies	–	–	–	–	–	–	–		
Inventory: Farming supplies	–	–	–	–	–	–	–		
Inventory: Food and food supplies	–	–	–	–	–	–	–		
Inventory: Fuel, oil and gas	–	–	–	–	–	–	–		
Inventory: Materials and supplies	–	–	–	–	–	–	–		
Inventory: Medical supplies	–	–	–	–	–	–	–		
Inventory: Medicine	–	–	–	–	–	–	–		
Inventory: Other supplies	–	–	–	–	–	–	–		
Consumable supplies	433	464	–	897	897	–	100,0		
Consumable: Stationery, printing and office supplies	3 888	(948)	–	2 940	2 939	1	100,0		
Operating leases	2 026	992	–	3 018	3 018	–	100,0		
Property payments	7 634	(1 617)	–	6 017	6 017	–	100,0		
Transport provided: Departmental activity	–	–	–	–	–	–	–		



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Economic classification	2020/21							2019/20	
	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
Travel and subsistence	2 438	1 998	–	4 436	4 436	–	100,0		
Training and development	141	(141)	–	–	–	–	–		
Operating payments	1 031	(407)	–	624	624	–	100,0		
Venues and facilities	395	1 000	–	1 395	1 395	–	100,0		
Rental and hiring	17	20	–	37	37	–	100,0		
Interest and rent on land	–	1	–	1	1	–	100,0		
Interest (including interest on unitary payments (PPP))	–	1	–	1	1	–	100,0		
Rent on land	–	–	–	–	–	–	–		
<b>Transfers and subsidies</b>	<b>398 784</b>	<b>13 430</b>	<b>897</b>	<b>413 111</b>	<b>412 966</b>	<b>145</b>	<b>100,0</b>		
Provinces and municipalities	15	(7)	–	8	7	1	87,5		
Provinces	–	–	–	–	–	–	–		
Provincial Revenue Funds	–	–	–	–	–	–	–		
Municipalities	15	(7)	–	8	7	1	87,5		
Municipal bank accounts	15	(7)	–	8	7	1	87,5		
Departmental agencies and accounts	362 367	–	–	362 367	362 224	143	100,0		
Departmental agencies	362 367	–	–	362 367	362 224	143	100,0		
Foreign governments and international organisations	2 009	–	897	2 906	2 906	–	100,0		

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APPROPRIATION STATEMENT  
as at 31 March 2021

Economic classification	2020/21							2019/20	
	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
Public corporations and private enterprises	-	-	-	-	-	-	-		
Public corporations	-	-	-	-	-	-	-		
Other transfers to public corporations	-	-	-	-	-	-	-		
Private enterprises	-	-	-	-	-	-	-		
Other transfers to private enterprises	-	-	-	-	-	-	-		
Non-profit institutions	4 035	-	-	4 035	4 035	-	100,0		
Households	30 358	13 437	-	43 795	43 794	1	100,0		
Social benefits	474	837	-	1 311	1 311	-	100,0		
Other transfers to households	29 884	12 600	-	42 484	42 483	1	100,0		
<b>Payments for capital assets</b>	<b>6 116</b>	<b>8 100</b>	<b>-</b>	<b>14 216</b>	<b>14 216</b>	<b>-</b>	<b>100,0</b>		
Buildings and other fixed structures	-	-	-	-	-	-	-		
Buildings	-	-	-	-	-	-	-		
Other fixed structures	-	-	-	-	-	-	-		
Machinery and equipment	6 116	8 100	-	14 216	14 216	-	100,0		
Transport equipment	-	-	-	-	-	-	-		
Other machinery and equipment	6 116	8 100	-	14 216	14 216	-	100,0		
Heritage assets	-	-	-	-	-	-	-		
Biological assets	-	-	-	-	-	-	-		

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as at 31 March 2021**

Economic classification	2020/21							2019/20	
	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
Land and sub-soil assets	-	-	-	-	-	-	-		
Software and other intangible assets	-	-	-	-	-	-	-		
<b>Payments for financial assets</b>	-	-	-	-	121	(121)	-		
<b>Total</b>	<b>1 057 086</b>	<b>-</b>	<b>(32 170)</b>	<b>1 024 916</b>	<b>976 946</b>	<b>47 970</b>	<b>95,3</b>		

DEPARTMENT OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT  
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APPROPRIATION STATEMENT  
as at 31 March 2021

6.1 National Geomatics Management Services									
Economic classification	2020/21							2019/20	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>487 316</b>	<b>94</b>	<b>(28 822)</b>	<b>458 588</b>	<b>419 807</b>	<b>38 781</b>	<b>91,5</b>		
Compensation of employees	423 008	–	–	423 008	384 229	38 779	90,8		
Goods and services	64 308	93	(26 822)	35 579	35 577	2	100,0		
Interest and rent on land	–	1	–	1	1	–	100,0		
<b>Transfers and subsidies</b>	<b>32 382</b>	<b>17 368</b>	<b>897</b>	<b>50 647</b>	<b>50 646</b>	<b>1</b>	<b>100,0</b>		
Provinces and municipalities	15	(7)	–	8	7	1	87,5		
Departmental agencies and accounts	–	4 191	–	4 191	4 191	–	100,0		
Foreign governments and international organisations	2 009	–	897	2 906	2 906	–	100,0		
Public corporations and private enterprises	–	–	–	–	–	–	–		
Non-profit institutions	–	–	–	–	–	–	–		
Households	30 358	13 184	–	43 542	43 542	–	100,0		
<b>Payments for capital assets</b>	<b>4 674</b>	<b>8 613</b>	<b>–</b>	<b>13 287</b>	<b>13 287</b>	<b>–</b>	<b>100,0</b>		
<b>Buildings and other fixed structures</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>		
Machinery and equipment	4 674	8 613	–	13 287	13 287	–	100,0		
Heritage assets	–	–	–	–	–	–	–		

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Biological assets	-	-	-	-	-	-	-		
Land and sub-soil assets	-	-	-	-	-	-	-		
Software and other intangible assets	-	-	-	-	-	-	-		
Payments for financial assets	-	-	-	-	106	(106)	-		
<b>Total</b>	<b>524 372</b>	<b>26 075</b>	<b>(27 925)</b>	<b>522 522</b>	<b>483 846</b>	<b>38 676</b>	<b>92,6</b>		

**DEPARTMENT OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT  
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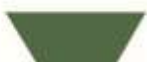
**APPROPRIATION STATEMENT  
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6.2 Spatial Planning and Land Use									
Economic classification	2020/21							2019/20	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>164 870</b>	<b>(21 624)</b>	<b>(4 245)</b>	<b>139 001</b>	<b>129 836</b>	<b>9 165</b>	<b>93,4</b>		
Compensation of employees	92 640	–	–	92 640	83 475	9 165	90,1		
Goods and services	72 230	(21 624)	(4 245)	46 361	46 361	–	100,0		
Interest and rent on land	–	–	–	–	–	–	–		
<b>Transfers and subsidies</b>	<b>–</b>	<b>253</b>	<b>–</b>	<b>253</b>	<b>252</b>	<b>1</b>	<b>99,6</b>		
Provinces and municipalities	–	–	–	–	–	–	–		
Departmental agencies and accounts	–	–	–	–	–	–	–		
Foreign governments and international organisations	–	–	–	–	–	–	–		
Public corporations and private enterprises	–	–	–	–	–	–	–		
Non-profit institutions	–	–	–	–	–	–	–		
Households	–	253	–	253	252	1	99,6		
<b>Payments for capital assets</b>	<b>1 442</b>	<b>(513)</b>	<b>–</b>	<b>929</b>	<b>929</b>	<b>–</b>	<b>100,0</b>		
Buildings and other fixed structures	–	–	–	–	–	–	–		
Machinery and equipment	1 442	(513)	–	929	929	–	100,0		
Heritage assets	–	–	–	–	–	–	–		

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**APPROPRIATION STATEMENT  
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Biological assets	-	-	-	-	-	-	-		
Land and sub-soil assets	-	-	-	-	-	-	-		
Software and other intangible assets	-	-	-	-	-	-	-		
Payments for financial assets	-	-	-	-	15	(15)	-		
<b>Total</b>	<b>166 312</b>	<b>(21 884)</b>	<b>(4 245)</b>	<b>140 183</b>	<b>131 032</b>	<b>9 151</b>	<b>93,5</b>		



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**APPROPRIATION STATEMENT  
as at 31 March 2021**

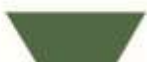
6.3 Registration of Deeds Trace Account									
Economic classification	2020/21							2019/20	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	-	-	-	-	-	-	-		
Compensation of employees	-	-	-	-	-	-	-		
Goods and services	-	-	-	-	-	-	-		
Interest and rent on land	-	-	-	-	-	-	-		
<b>Transfers and subsidies</b>	<b>358 034</b>	-	-	<b>358 034</b>	<b>358 033</b>	<b>1</b>	<b>100,0</b>		
Provinces and municipalities	-	-	-	-	-	-	-		
Departmental agencies and accounts	358 034	-	-	358 034	358 033	1	100,0		
Foreign governments and international organisations	-	-	-	-	-	-	-		
Public corporations and private enterprises	-	-	-	-	-	-	-		
Non-profit institutions	-	-	-	-	-	-	-		
Households	-	-	-	-	-	-	-		
<b>Payments for capital assets</b>	-	-	-	-	-	-	-		
Buildings and other fixed structures	-	-	-	-	-	-	-		
Machinery and equipment	-	-	-	-	-	-	-		
Heritage assets	-	-	-	-	-	-	-		



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Biological assets	-	-	-	-	-	-	-		
Land and sub-soil assets	-	-	-	-	-	-	-		
Software and other intangible assets	-	-	-	-	-	-	-		
Payments for financial assets	-	-	-	-	-	-	-		
<b>Total</b>	<b>358 034</b>	<b>-</b>	<b>-</b>	<b>358 034</b>	<b>358 033</b>	<b>1</b>	<b>100,0</b>		



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6.4 SA Council of Planners									
Economic classification	2020/21							2019/20	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	-	-	-	-	-	-	-		
Compensation of employees	-	-	-	-	-	-	-		
Goods and services	-	-	-	-	-	-	-		
Interest and rent on land	-	-	-	-	-	-	-		
<b>Transfers and subsidies</b>	<b>4 035</b>	-	-	<b>4 035</b>	<b>4 035</b>	-	<b>100,0</b>		
Provinces and municipalities	-	-	-	-	-	-	-		
Departmental agencies and accounts	-	-	-	-	-	-	-		
Foreign governments and international organisations	-	-	-	-	-	-	-		
Public corporations and private enterprises	-	-	-	-	-	-	-		
Non-profit institutions	4 035	-	-	4 035	4 035	-	100,0		
Households	-	-	-	-	-	-	-		
<b>Payments for capital assets</b>	-	-	-	-	-	-	-		
Buildings and other fixed structures	-	-	-	-	-	-	-		
Machinery and equipment	-	-	-	-	-	-	-		
Heritage assets	-	-	-	-	-	-	-		
Biological assets	-	-	-	-	-	-	-		

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Land and sub-soil assets	-	-	-	-	-	-	-		
Software and other intangible assets	-	-	-	-	-	-	-		
Payments for financial assets	-	-	-	-	-	-	-		
<b>Total</b>	<b>4 035</b>	<b>-</b>	<b>-</b>	<b>4 035</b>	<b>4 035</b>	<b>-</b>	<b>100,0</b>		



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APPROPRIATION STATEMENT  
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6.5 SA Geomatics Council									
Economic classification	2019/20							2018/19	
	Adjusted appropriation	Shifting of funds	Virement	Final appropriation	Actual expenditure	Variance	Expenditure as % of final appropriation	Final appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	-	-	-	-	-	-	-		
Compensation of employees	-	-	-	-	-	-	-		
Goods and services	-	-	-	-	-	-	-		
Interest and rent on land	-	-	-	-	-	-	-		
<b>Transfers and subsidies</b>	4 333	(4 191)	-	142	-	142	-		
Provinces and municipalities									
Departmental agencies and accounts	4 333	(4 191)	-	142	-	142	-		
Foreign governments and international organisations	-	-	-	-	-	-	-		
Public corporations and private enterprises	-	-	-	-	-	-	-		
Non-profit institutions	-	-	-	-	-	-	-		
Households	-	-	-	-	-	-	-		
<b>Payments for capital assets</b>	-	-	-	-	-	-	-		
Buildings and other fixed structures	-	-	-	-	-	-	-		
Machinery and equipment	-	-	-	-	-	-	-		
Heritage assets	-	-	-	-	-	-	-		

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**APPROPRIATION STATEMENT  
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Biological assets	-	-	-	-	-	-	-		
Land and sub-soil assets	-	-	-	-	-	-	-		
Software and other intangible assets	-	-	-	-	-	-	-		
Payments for financial assets	-	-	-	-	-	-	-		
<b>Total</b>	<b>4 333</b>	<b>(4 191)</b>	<b>-</b>	<b>142</b>	<b>-</b>	<b>142</b>	<b>-</b>		



**NOTES TO THE APPROPRIATION STATEMENT  
as at 31 March 2021**

**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 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 appropriation
	R'000	R'000	R'000	%
Administration	3 119 649	3 119 503	146	100,0
Agricultural Production, Health, Food Safety and Natural Resources	2 955 298	2 828 021	127 277	95,7
Food Security, Land Reform and Restitution	6 767 265	5 915 425	851 840	87,4
Rural Development	725 126	715 087	10 039	98,6
Economic Development, Trade and Marketing	655 359	538 049	117 310	82,1
Land Administration	1 024 916	976 946	47 970	95,3
<b>Total</b>	<b>15 247 613</b>	<b>14 093 031</b>	<b>1 154 582</b>	<b>92,4</b>

**Administration**

*This programme's spending was 100%*

**Agricultural Production, Health, Food Safety and Natural Resources**

*Underspending was caused by vacant posts mainly within the Animal Production and Health subprogramme.*

**Food Security, Land Reform and Restitution**

*The department received the allocation of R1 billion for the Presidential Employment Stimulus Initiative (PESI) late in September 2020 and had to verify a huge number of farmers who applied resulting in issuing vouchers to beneficiaries late, hence the under expenditure under this programme.*

**Rural Development**

*Underspending was caused by delaying's in the filling of vacant posts. The department was in the process of matching and placing staff due to the merger of the two departments.*



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**Economic Development, Trade and Marketing**

Underspending was caused by delaying's in the filling of vacant posts. The department was in the process of matching and placing staff due to the merger of the two departments.

**Land Administration**

Underspending was caused by delaying's in the filling of vacant posts. The department was in the process of matching and placing staff due to the merger of the two departments.

**4.2 Per economic classification**

	Final appropriation	Actual expenditure	Variance	Variance as a % of final appropriation
	R'000	R'000	R'000	%
<b>Current payments</b>				
Compensation of employees	4 119 992	3 753 613	366 379	91,1
Goods and services	4 502 304	3 737 854	764 450	83,0
Interest and rent on land	7 580	7 580	–	100,0
<b>Subtotal</b>	<b>8 629 876</b>	<b>7 499 047</b>	<b>1 130 829</b>	<b>86,9</b>
<b>Transfers and subsidies</b>				
Provinces and municipalities	1 873 006	1 866 384	6 622	99,6
Departmental agencies and accounts	2 231 517	2 231 348	169	100,0
Public corporations and private enterprises	14 002	14 000	2	100,0
Foreign governments and international organisations	43 886	29 338	14 548	66,9
Non-profit institutions	4 035	4 035	–	100,0
Households	1 533 935	1 533 934	1	100,0
<b>Subtotal</b>	<b>5 700 381</b>	<b>5 679 039</b>	<b>21 342</b>	<b>99,6</b>
<b>Payments for capital assets</b>				
Buildings and other fixed structures	795 346	788 599	6 747	99,2
Machinery and equipment	93 753	93 647	106	99,9
Heritage assets	–	–	–	–
Specialised military assets	–	–	–	–
Biological assets	96	96	–	–
Land and sub-soil assets	27 191	27 191	–	100,0
Software and other intangible assets	970	970	–	100,0
<b>Subtotal</b>	<b>917 356</b>	<b>910 503</b>	<b>6 853</b>	<b>99,3</b>
<b>Payments for financial assets</b>	<b>–</b>	<b>4 442</b>	<b>(4 442)</b>	<b>–</b>
<b>Total</b>	<b>15 247 613</b>	<b>14 093 031</b>	<b>1 154 582</b>	<b>–</b>



NOTES TO THE APPROPRIATION STATEMENT  
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The underspending of compensation of employees is due to vacant posts. The Department received the allocation of R1 billion for the Presidential Employment Stimulus Initiative (PESI) late in September 2020 and had to verify a huge number of farmers who applied resulting in issuing vouchers to beneficiaries late, hence the under-expenditure under this programme. The under-expenditure on foreign governments and international organisations was due to delays in the approval of transfer for membership fees to the Food and Agriculture Organisation for the United Nations. The under-expenditure on provinces and municipalities was due to the withholding of transfers regarding LandCare conditional grants for Gauteng, Limpopo and North West provinces due to unsatisfactory financial performance. The under-expenditure on buildings and other fixed structure items was due to delays in the finalisation of rural infrastructure projects as a result of frequent closure of construction sites due to COVID-19 positive cases and inadequate capacity as contractors had to comply with COVID-19 regulations in terms of the number of people allowed at the construction sites. The over-expenditure under payments for financial assets was due to write-offs regarding thefts and losses. The department has sufficient savings due to vacancies to cover the over-expenditure.

4.3 Per conditional grant

	Final appropriation	Actual expenditure	Variance	Variance as a % of final appropriation
	R'000	R'000	R'000	%
Comprehensive Agricultural Support Programme (CASP)	1 190 695	1 190 692	3	100,0
Ilima/Letsema	422 983	422 983	–	100,0
Infrastructure Development and Poverty Relief (LandCare)	81 439	74 824	6 615	91,9
<b>Total</b>	<b>1 695 117</b>	<b>1 688 499</b>	<b>6 618</b>	

In relation to LandCare, three provinces (Gauteng, Limpopo and North West) transfers were withheld due to unsatisfactory financial performance.



**DEPARTMENT OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT  
VOTE 29**

**STATEMENT OF FINANCIAL PERFORMANCE  
as at 31 March 2021**

	Note	2020/21 R'000	2019/20 R'000
<b>Revenue</b>			
Annual appropriation	1	15 247 613	
Departmental revenue	2	260 489	
<b>Total revenue</b>		<b>15 508 102</b>	
<b>Expenditure</b>			
<b>Current expenditure</b>			
Compensation of employees	4	3 753 613	
Goods and services	5	3 737 854	
Interest and rent on land	6	7 580	
<b>Total current expenditure</b>		<b>7 499 047</b>	
<b>Transfers and subsidies</b>			
Transfers and subsidies	8	5 679 039	
<b>Total transfers and subsidies</b>		<b>5 679 039</b>	
<b>Expenditure for capital assets</b>			
Tangible assets	9	909 533	
Intangible assets	9	970	
<b>Total expenditure for capital assets</b>		<b>910 503</b>	
Payments for financial assets	7	4 442	
<b>Total expenditure</b>		<b>14 093 031</b>	
<b>Surplus for the year</b>		<b>1 415 071</b>	
<b>Reconciliation of net surplus for the year</b>			
Voted funds		1 154 582	
Annual appropriation		1 154 582	
Departmental revenue and NRF receipts	15	260 489	
Aid assistance	3		
<b>Surplus for the year</b>		<b>1 415 071</b>	

**DEPARTMENT OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT  
VOTE 29**

**STATEMENT OF FINANCIAL POSITION  
for the year ended 31 March 2021**

	Note	2020/21 R'000	2019/20 R'000
<b>Assets</b>			
<b>Current assets</b>			
		<b>1 307 039</b>	
Cash and cash equivalents	10	1 176 139	
Prepayments and advances	11	62 562	
Receivables	12	68 338	
<b>Non-current assets</b>			
		<b>2 616</b>	
Investments	13	1	
Receivables	12	2 615	
<b>Total assets</b>		<b>1 309 655</b>	
<b>Liabilities</b>			
<b>Current liabilities</b>			
		<b>1 298 118</b>	
Voted funds to be surrendered to the Revenue Fund	14	1 153 870	
Departmental revenue and NRF receipts to be surrendered to the Revenue Fund	15	22 378	
Payables	16	121 870	
<b>Non-current liabilities</b>			
Payables	17	1	
<b>Total liabilities</b>		<b>1 298 119</b>	
<b>Net assets</b>		<b>11 536</b>	
<b>Represented by:</b>			
Recoverable revenue		11 536	
<b>Total</b>		<b>11 536</b>	

**DEPARTMENT OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT  
VOTE 29**

**STATEMENT OF CHANGES IN NET ASSETS  
for the year ended 31 March 2021**

	Note	2020/21 R'000	2019/20 R'000
<b>Recoverable revenue</b>			
Opening balance			
Transfers:		11 536	
Irrecoverable amounts written off	7.1	(2 922)	
Debts recovered (included in departmental receipts)		(1 918)	
Debts raised		16 376	
<b>Closing balance</b>		<b>11 536</b>	
<b>Total</b>		<b>11 536</b>	

**DEPARTMENT OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT  
VOTE 29**

**CASH FLOW STATEMENT  
for the year ended 31 March 2021**

	Note	2020/21 R'000	2019/20 R'000
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
		<b>15 507 390</b>	
Annual appropriated funds received	1	15 246 901	
Departmental revenue received	2	243 783	
Interest received	2.3	16 706	
Net (increase)/decrease in working capital		(9 030)	
Surrendered to Revenue Fund		(238 111)	
Surrendered to RDP Fund/Donor			
<b>Current payments</b>			
		<b>(7 491 467)</b>	
Interest paid	6	(7 580)	
Payments for financial assets		(4 442)	
Transfers and subsidies paid		<u>(5 679 039)</u>	
<b>Net cash flow available from operating activities</b>	<b>18</b>	<b><u>2 077 721</u></b>	
<b>Cash flows from investing activities</b>			
Payments for capital assets	9	(910 503)	
Proceeds from sale of capital assets	2.4		
(Increase)/decrease in investments		(1)	
(Increase)/decrease in non-current receivables		<u>(2 615)</u>	
<b>Net cash flows from investing activities</b>		<b><u>(913 119)</u></b>	
<b>Cash flows from financing activities</b>			
Increase/(decrease) in net assets		11 536	
Increase/(decrease) in non-current payables		<u>1</u>	
<b>Net cash flows from financing activities</b>		<b><u>11 537</u></b>	
Net increase/(decrease) in cash and cash equivalents		1 176 139	
<b>Cash and cash equivalents at end of period</b>	<b>19</b>	<b><u>1 176 139</u></b>	

**ACCOUNTING POLICIES**

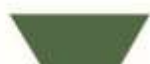
**Summary of significant accounting policies**

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

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

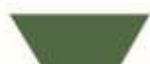
Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued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

<b>1</b>	<p><b>Basis of preparation</b></p> <p>The financial statements have been prepared in accordance with the Modified Cash Standard.</p>
<b>2</b>	<p><b>Going concern</b></p> <p>The financial statements have been prepared on a going concern basis.</p>
<b>3</b>	<p><b>Presentation currency</b></p> <p>Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.</p>
<b>4</b>	<p><b>Rounding</b></p> <p>Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).</p>
<b>5</b>	<p><b>Foreign currency translation</b></p> <p>Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.</p>
<b>6</b>	<p><b>Comparative information</b></p>
<b>6.1</b>	<p><b>Prior period comparative information</b></p> <p>The combined Department of Agriculture, Land Reform and Rural Development need not to present comparative information in the first reporting period in accordance with the Modified Cash Standards, chapter 20 Paragraph 31.</p>
<b>6.2</b>	<p><b>Current year comparison with budget</b></p> <p>A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.</p>
<b>7</b>	<p><b>Revenue</b></p>
<b>7.1</b>	<p><b>Appropriated funds</b></p> <p>Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).</p> <p>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.</p> <p>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.</p>
<b>7.2</b>	<p><b>Departmental revenue</b></p> <p>Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.</p>



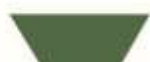
**ACCOUNTING POLICIES**

	Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.
<b>7.3</b>	<p><b>Accrued departmental revenue</b></p> <p>Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:</p> <ul style="list-style-type: none"> <li>• it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and</li> <li>• the amount of revenue can be measured reliably.</li> </ul> <p>The accrued revenue is measured at the fair value of the consideration receivable. Write-offs are made according to the department's debt write-off policy</p>
<b>8</b>	<b>Expenditure</b>
<b>8.1</b>	<b>Compensation of employees</b>
<b>8.1.1</b>	<p><b>Salaries and wages</b></p> <p>Salaries and wages are recognised in the statement of financial performance on the date of payment.</p> <p>Employee costs are capitalised to the cost of a capital project when an employee spends more than 50% of his/her time on the project. These payments form part of the expenditure for capital assets in the statement of financial performance.</p>
<b>8.1.2</b>	<p><b>Social contributions</b></p> <p>Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.</p> <p>Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.</p>
<b>8.2</b>	<p><b>Other expenditure</b></p> <p>Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.</p>
<b>8.3</b>	<p><b>Financial transactions in assets and liabilities</b></p> <p>Debts are written off when they are identified as irrecoverable. Debts written off are limited to the amount of savings and/or underspending of appropriated funds, with the exception of debt transferred to the department from the Agricultural Debt Account, after the Agricultural Debt Management Act, 2001 (Act No. 45 of 2001) had been repealed during the 2008/09 financial year.</p> <p>Debt written-off is recorded in the notes to the financial statements.</p> <p>No provision is made for irrecoverable amounts, but an estimate is included in the notes to the financial statements. The estimate in respect of the Agricultural Debt Account debtors is based on the calculation of impairments on financial instruments in accordance with Generally Accepted Accounting Practice (GAAP).</p> <p>All other losses are recognised once authorisation has been granted for the recognition thereof.</p>
<b>8.4</b>	<p><b>Accruals and payables not recognised</b></p> <p>Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.</p>
<b>8.5</b>	<b>Leases</b>
<b>8.5.1</b>	<p><b>Operating leases</b></p> <p>Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment.</p>



**ACCOUNTING POLICIES**

	The operating lease commitments are recorded in the notes to the financial statements.
<b>8.5.2</b>	<p><b>Finance leases</b></p> <p>Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment.</p> <p>The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.</p> <p>Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:</p> <ul style="list-style-type: none"> <li>• cost, being the fair value of the asset; or</li> <li>• the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.</li> </ul>
<b>9</b>	<b>Aid Assistance</b>
<b>9.1</b>	<p><b>Aid assistance received</b></p> <p>Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value.</p> <p>Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.</p>
<b>9.2</b>	<p><b>Aid assistance paid</b></p> <p>Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.</p>
<b>10</b>	<p><b>Cash and cash equivalents</b></p> <p>Cash and cash equivalents are stated at cost in the statement of financial position.</p> <p>Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.</p> <p>For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.</p>
<b>11</b>	<p><b>Prepayments and advances</b></p> <p>Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.</p> <p>Prepayments and advances are initially and subsequently measured at cost.</p> <p>Advances (payments to government entities) are recognised in the statement of financial performance if the advance is material and was budgeted for as an expense in the year in which the actual advance was made.</p>
<b>12</b>	<p><b>Loans and receivables</b></p> <p>Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.</p>
<b>13</b>	<p><b>Investments</b></p> <p>Investments are recognised in the statement of financial position at cost.</p>
<b>14</b>	<b>Financial assets</b>
<b>14.1</b>	<p><b>Financial assets (not covered elsewhere)</b></p> <p>A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset.</p>



**ACCOUNTING POLICIES**

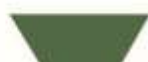
	At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.
<b>14.2</b>	<p><b>Impairment of financial assets</b></p> <p>Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements. Impairment will be based on the type of debt according to the applicable policy.</p>
<b>15</b>	<p><b>Payables</b></p> <p>Payables recognised in the statement of financial position are recognised at cost.</p>
<b>16</b>	<p><b>Capital Assets</b></p>
<b>16.1</b>	<p><b>Immovable capital assets</b></p> <p>Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment.</p> <p>Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the movable asset is recorded by another department/entity in which case the completed project costs are transferred to that department.</p> <p>Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.</p>
<b>16.2</b>	<p><b>Movable capital assets</b></p> <p>Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.</p> <p>Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Biological assets are subsequently carried at fair value.</p> <p>Biological assets (plantations) are measured at standing value. The standing value is the value of the standing, marketable timber that is present in a stand at the age when the value is computed. The standing value is determined with reference to the market volume, obtained from a growth model or yield table, which is applicable to a specific species, site and silviculture regime. The department uses the Microforest for managing the growing stock data base.</p> <p>The valuation is performed annually and is recognised in the notes to the financial statements.</p> <p>Biological assets (plantations) are subsequently carried at fair value.</p> <p>Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the movable asset is recorded by another department/entity in which case the completed project costs are transferred to that department.</p>





ACCOUNTING POLICIES

16.3	<p><b>Intangible assets</b></p> <p>Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.</p> <p>Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.</p> <p>Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.</p>
16.4	<p><b>Heritage assets: Forestry</b></p> <p>Indigenous forests are valued at R1 per hectare and are demarcated as state forests in terms of chapter 3 of the National Forests Act, 1998 (Act No. 84 of 1998).</p> <p>The valuation is performed annually and is recognised in the notes to the financial statements.</p>
16.5	<p><b>Project Costs: Work-in-progress</b></p> <p>Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid.</p> <p>Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use, the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register.</p> <p>Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.</p>
17	<p><b>Provisions and Contingents</b></p>
17.1	<p><b>Provisions</b></p> <p>Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.</p>
17.2	<p><b>Contingent liabilities</b></p> <p>Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.</p>
17.3	<p><b>Contingent assets</b></p> <p>Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.</p>
17.4	<p><b>Capital commitments</b></p> <p>Capital commitments are recorded at cost in the notes to the financial statements.</p>



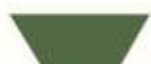
**ACCOUNTING POLICIES**

<b>18</b>	<p><b>Unauthorised expenditure</b></p> <p>Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:</p> <ul style="list-style-type: none"> <li>• approved by Parliament or the Provincial Legislature with funding and the related funds are received; or</li> <li>• approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or</li> <li>• transferred to receivables for recovery.</li> </ul> <p>Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.</p>
<b>19</b>	<p><b>Fruitless and wasteful expenditure</b></p> <p>Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.</p> <p>Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables or written off.</p> <p>Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>
<b>20</b>	<p><b>Irregular expenditure</b></p> <p>Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note.</p> <p>Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery, not condoned and removed or written-off.</p> <p>Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>
<b>21</b>	<p><b>Changes in accounting estimates and errors</b></p> <p>Changes in accounting estimates are applied prospectively in accordance with MCS requirements.</p> <p>Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.</p>
<b>22</b>	<p><b>Events after the reporting date</b></p> <p>Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.</p>
<b>23</b>	<p><b>Principal-Agent arrangements</b></p> <p>Where the department is party to a principal-agent arrangement all related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Additional disclosures have been provided in the notes to the financial statements where appropriate.</p>
<b>24</b>	<p><b>Departures from the MCS requirements</b></p> <p>The department did not depart from MCS requirements</p>



ACCOUNTING POLICIES

25	<p><b>Capitalisation reserve</b></p> <p>The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National Revenue Fund when the underlying asset is disposed and the related funds are received.</p>
26	<p><b>Recoverable revenue</b></p> <p>Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.</p>
27	<p><b>Related party transactions</b></p> <p>Related party transactions within the Minister portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.</p> <p>Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department. Key management personnel includes all executive management on level 14 and above. The number of individuals and the full compensation of key management personnel is recorded in the notes to the financial statements.</p>
28	<p><b>Inventories</b></p> <p>At the date of acquisition, inventories are recognised at cost in the statement of financial performance.</p> <p>Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition.</p> <p>Inventories are subsequently measured at the lower of cost and net realisable value or where intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge, the lower of cost and current replacement value.</p> <p>The cost of inventories is assigned by using the weighted average cost basis.</p>
29	<p><b>Public-Private Partnerships</b></p> <p>Public Private Partnerships are accounted for based on the nature and or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies.</p> <p>A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the department are recorded in the notes to the financial statements.</p>
30	<p><b>Employee benefits</b></p> <p>The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.</p>
31	<p><b>Transfers of functions</b></p> <p>Transfers of functions are accounted for by the acquirer by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of transfer.</p> <p>Transfers of functions are accounted for by the transferor by derecognising or removing assets and liabilities at their carrying amounts at the date of transfer.</p>
32	<p><b>Mergers</b></p> <p>Mergers are accounted for by the combined department by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of the merger.</p> <p>Mergers are accounted for by the combining departments by derecognising or removing assets and liabilities at their carrying amounts at the date of the merger.</p>



**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2021**

## 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:

	2020/21			2019/20
	Final appropriation	Actual funds received	Funds not requested/not received	Final appropriation
	R'000	R'000	R'000	R'000
Administration	2 817 077	2 817 077	–	–
Agricultural Production, Health, Food Safety and Natural Resources	2 960 049	2 959 990	59	–
Food Security, Land Reform and Restitution	6 986 096	6 985 977	119	–
Rural Development	770 405	770 346	59	–
Economic Development, Trade and Marketing	656 900	656 544	356	–
Land Administration	1 057 086	1 056 967	119	–
<b>Total</b>	<b>15 247 613</b>	<b>15 246 901</b>	<b>712</b>	<b>–</b>

## 2. DEPARTMENTAL REVENUE

	Note	2021/21	2019/20
		R'000	R'000
Sales of goods and services other than capital assets	2.1	228 822	–
Fines, penalties and forfeits	2.2	1	–
Interest, dividends and rent on land	2.3	18 806	–
Transactions in financial assets and liabilities	2.4	12 838	–
Transfer received	2.5	22	–
Total revenue collected		260 489	–
<b>Departmental revenue collected</b>		<b>260 489</b>	<b>–</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**2.1 Sales of goods and services other than capital assets**

	2020/21	2019/20
	R'000	R'000
Sales of goods and services produced by the department	228 818	–
Sales by market establishment	1 552	–
Administrative fees	222 304	–
Other sales	4 962	–
Sales of scrap, waste and other used current goods	4	–
<b>Total</b>	<b>228 822</b>	<b>–</b>

**2.2 Fines, penalties and forfeits**

	2020/21	2019/20
	R'000	R'000
Penalties	1	–
<b>Total</b>	<b>1</b>	<b>–</b>

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

	2020/21	2019/20
	R'000	R'000
Interest	16 706	–
Rent on land	2 100	–
<b>Total</b>	<b>18 806</b>	<b>–</b>

**2.4 Transactions in financial assets and liabilities**

	2020/21	2019/20
	R'000	R'000
Receivables	1 744	–
Stale cheques written back	7 677	–
Other Receipts including Recoverable Revenue	3 417	–
<b>Total</b>	<b>12 838</b>	<b>–</b>

**2.5 Transfers received**

	2020/21	2019/20
	R'000	R'000
Public corporations and private enterprises	22	–
<b>Total</b>	<b>22</b>	<b>–</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**2.6 Cash received not recognised (not included in the main note) - 2020/21**

	Amount received	Amount paid to Revenue Fund	Balance
	R'000	R'000	R'000
Eastern and Western Cape Provincial Treasury	8 758	427	8 331
Northern Cape and Free State Provincial Treasury	7 722	7 722	–
Gauteng Provincial Treasury	6 714	6 714	–
KwaZulu Natal Provincial Treasury	5 736	5 736	–
Mpumalanga and Limpopo Provincial Treasury	20 048	20 048	–
North West Provincial Treasury	90 636	90 636	–
<b>Total</b>	<b>139 614</b>	<b>131 283</b>	<b>8 331</b>

*Cash received represent unspent conditional grants surrendered by the provincial departments for the 2019/20 financial year. On 31 March 2021 the Eastern Cape Provincial Department surrendered R8,331 million. The amount was paid to National Treasury on 14 April 2021.*

**3. AID ASSISTANCE**

**3.1 Analysis of balance**

	2020/21	2019/20
	R'000	R'000
Aid assistance not requested/not received	6 324	–

*The ACIAR deposited R6,237 million into the RDP fund for the Small Scale and Emerging beef cattle farmers in SA, but for the 2020/21 financial year no funds were requested from National Treasury to fund the project. The funds were transferred to the department on 5 May 2021.*

*Biodiversity International informed the Department that the funds surrendered in 2019/20 of R87 thousand is available for the extension of the seed banks project in SA which will run from 1 July 2021 to 30 November 2021.*

*The formal notification from National Treasury is still outstanding.*

**3.2 Donations received in kind (not included in the main note)**

	2020/21	2019/20
	R'000	R'000
Food & Agriculture Organisation of the United Nation (FAO)	205	–
Nestle	1	–
Japan International Cooperation Agency (JICA)	475	–
The Technical Centre for Agriculture and Rural Cooperation (CTA)	83	–
<b>Total</b>	<b>764</b>	<b>–</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**4. COMPENSATION OF EMPLOYEES**

**4.1 Salaries and wages**

	2020/21	2019/20
	R'000	R'000
Basic salary	2 622 259	–
Performance award	30 114	–
Service based	4 191	–
Compensative/circumstantial	45 009	–
Periodic payments	11 083	–
Other non-pensionable allowances	544 033	–
<b>Total</b>	<b>3 256 689</b>	<b>–</b>

**4.2 Social contributions**

	2020/21	2019/20
	R'000	R'000
<b>Employer contributions</b>		
Pension	324 095	–
Medical	171 462	–
Bargaining council	728	–
Insurance	639	–
<b>Total</b>	<b>496 924</b>	<b>–</b>
<b>Total compensation of employees</b>	<b>3 753 613</b>	<b>–</b>
<b>Average number of employees</b>	<b>10 982</b>	<b>–</b>

*The Directorate: Infra Structure Support has two projects Drilling and FMD of which the COE and Goods and Services expenditure are capitalised. Compensation of employees – excludes R9,676 million disclosed as project costs (refer to note 9)*

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**5. GOODS AND SERVICES**

	<i>Note</i>	2019/20 R'000	2018/19 R'000
Administrative fees		41 433	–
Advertising		12 941	–
Minor assets	<u>5.1</u>	6 051	–
Bursaries (employees)		10 011	–
Catering		1 196	–
Communication		55 723	–
Computer services	<u>5.2</u>	236 625	–
Consultants: Business and advisory services		219 394	–
Infrastructure and planning services		746	–
Laboratory services		544	–
Legal services		169 326	–
Contractors		84 257	–
Agency and support / outsourced services		60 030	–
Entertainment		1	–
Audit cost – external	5.3	31 113	–
Fleet services		26 664	–
Inventory	5.4	1 315 068	–
Consumables	5.5	51 549	–
Operating leases		528 308	–
Property payments	<u>5.6</u>	571 992	–
Rental and hiring		439	–
Transport provided as part of the departmental activities		458	–
Travel and subsistence	<u>5.7</u>	184 407	–
Venues and facilities		28 665	–
Training and development		87 294	–
Other operating expenditure	<u>5.8</u>	13 619	–
<b>Total</b>		<b>3 737 854</b>	<b>–</b>

*The Directorate: Infra Structure Support has two projects Drilling and FMD of which the COE and Goods and Services expenditure are capitalised.*

*Goods & Services – excludes R14,414 million disclosed as project costs (refer to note 9).*



**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**5.1 Minor assets**

	2020/21	2019/20
	R'000	R'000
Tangible assets	6 051	–
Buildings and other fixed structures	199	–
Machinery and equipment	5 852	–
<b>Total</b>	<b>6 051</b>	<b>–</b>

**5.2 Computer services**

	2020/21	2019/20
	R'000	R'000
SITA computer services	15 393	–
External computer service providers	221 232	–
<b>Total</b>	<b>236 625</b>	<b>–</b>

**5.3 Audit cost – external**

	2020/21	2019/20
	R'000	R'000
Regularity audits	28 181	–
Investigations	2 932	–
<b>Total</b>	<b>31 113</b>	<b>–</b>

**5.4 Inventory**

	2020/21	2019/20
	R'000	R'000
Clothing material and accessories	1 965	–
Farming supplies	358 289	–
Food and food supplies	1 403	–
Fuel, oil and gas	1 865	–
Materials and supplies	4 009	–
Medical supplies	1 950	–
Medicine	9 764	–
Other supplies	935 823	–
<b>Total</b>	<b>1 315 068</b>	<b>–</b>

Note

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**5.4.1 Other supplies**

	2020/21 R'000	2019/20 R'000
Assets for distribution	48 007	–
Machinery and equipment	48 007	–
Other	<b>887 816</b>	–
<b>Total</b>	<b>935 823</b>	–

**5.5 Consumables**

	2020/21 R'000	2019/20 R'000
Consumable supplies	28 404	–
Uniform and clothing	1 853	–
Household supplies	5 425	–
Building material and supplies	3 858	–
Communication accessories	19	–
IT consumables	628	–
Other consumables	16 621	–
Stationery, printing and office supplies	23 145	–
<b>Total</b>	<b>51 549</b>	–

**5.6 Property payments**

	2020/21 R'000	2019/20 R'000
Municipal services	152 736	–
Property management fees	253 586	–
Property maintenance and repairs	13 487	–
Other	152 183	–
<b>Total</b>	<b>571 992</b>	–

**5.7 Travel and subsistence**

	2020/21 R'000	2019/20 R'000
Local	181 882	–
Foreign	2 525	–
<b>Total</b>	<b>184 407</b>	–

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**5.8 Other operating expenditure**

	2020/21	2019/20
	R'000	R'000
Professional bodies, membership and subscription fees	827	–
Resettlement costs	1 673	–
Other	11 119	–
<b>Total</b>	<b>13 619</b>	<b>–</b>

**6. INTEREST AND RENT ON LAND**

	2020/21	2019/20
	R'000	R'000
Interest paid	7 580	–
<b>Total</b>	<b>7 580</b>	<b>–</b>

**7. PAYMENTS FOR FINANCIAL ASSETS**

	2020/21	2019/20
	R'000	R'000
Other material losses written-off	1 413	–
Debts written-off	3 029	–
<b>Total</b>	<b>4 442</b>	<b>–</b>

Note

**7.1 Other material losses written-off**

	2020/21	2019/20
	R'000	R'000
Damaged rental vehicles – officials did not forfeit state cover	1 367	–
Other	46	–
<b>Total</b>	<b>1 413</b>	<b>–</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**7.2 Debt written-off**

	2020/21 R'000	2019/20 R'000
Recoverable revenue written-off		
Bursary debt	2 909	–
Salary overpayments	9	–
Tax debt	3	–
Traffic fines	1	–
<b>Total</b>	<b>2 922</b>	<b>–</b>
Other debt written-off		
Salary overpayments	87	–
Tax debt	19	–
Traffic fines	1	–
<b>Total</b>	<b>107</b>	<b>–</b>
<b>Total debt written-off</b>	<b>3 029</b>	<b>–</b>

**8. TRANSFERS AND SUBSIDIES**

	Note	2020/21 R'000	2019/20 R'000
Provinces and municipalities	37,38	1 866 384	–
Departmental agencies and accounts	Annex 1B	2 231 348	–
Foreign governments and international organisations	Annex 1E	29 338	–
Public corporations and private enterprises	Annex 1D	14 000	–
Non-profit institutions	Annex 1F	4 035	–
Households	Annex 1G	1 533 934	–
<b>Total</b>		<b>5 679 039</b>	<b>–</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**9. EXPENDITURE FOR CAPITAL ASSETS**

	Note	2020/21 R'000	2019/20 R'000
<b>Tangible assets</b>		<b>909 533</b>	–
Buildings and other fixed structures	34	788 599	–
Heritage assets		–	–
Machinery and equipment	32	93 647	–
Land and sub-soil assets		27 191	–
Biological assets	32	96	–
<b>Intangible assets</b>		<b>970</b>	–
Software	33	970	–
<b>Total</b>		<b>910 503</b>	
The following amounts have been included as project costs in expenditure for capital assets:			
Compensation of employees		9 676	–
Goods and services		14 414	–
<b>Total</b>		<b>24 090</b>	–

**9.1 Analysis of funds utilised to acquire capital assets – 2020/21**

	Voted funds R'000	Aid assistance R'000	Total R'000
<b>Tangible assets</b>	909 533	–	909 533
Buildings and other fixed structures	788 599	–	788 599
Heritage assets	–	–	–
Machinery and equipment	93 647	–	93 647
Land and sub-soil assets	27 191	–	27 191
Biological assets	96	–	96
<b>Intangible assets</b>	970	–	970
Software	970	–	970
<b>Total</b>	<b>910 503</b>	–	<b>910 503</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**9.2 Finance lease expenditure included in expenditure for capital assets**

	2020/21 R'000	2019/20 R'000
Machinery and equipment	17 214	–
<b>Total</b>	<b>17 214</b>	<b>–</b>

**Summary of Machinery and equipment**

*Finance leases for other machinery (photo copier machines and cellular)*

**10. CASH AND CASH EQUIVALENTS**

	2020/21 R'000	2019/20 R'000
Consolidated Paymaster General Account	1 175 747	–
Cash on hand	392	–
<b>Total</b>	<b>1 176 139</b>	<b>–</b>

Included in Cash and Cash Equivalents is R24,351 million of Restitution Account. These are unclaimed funds still to be distributed to Land Claim Claimants.

**11. PREPAYMENTS AND ADVANCES**

	2020/21 R'000	2019/20 R'000
Travel and subsistence	1 634	–
Prepayments (not expensed)	56 176	–
Advances paid (not expensed)	4 752	–
<b>Total</b>	<b>62 562</b>	<b>–</b>

**11.1 Advances paid (not expensed)**

	Balance as at 1 April 2020 R'000	Less: Amount expensed in current year R'000	Add or less: Other R'000	Add: Current year advances R'000	Balance as at 31 March 2021 R'000
National departments	–	(11 086)	2 639	13 199	4 752
<b>Total</b>	<b>–</b>	<b>(11 086)</b>	<b>2 639</b>	<b>13 199</b>	<b>4 752</b>

The advance was paid to the Department of Government Communication and Information Systems (GCIS) for purposes of the various media campaigns that GCIS runs on behalf of the department.

The funds are advanced based on the pro-forma invoice that the GCIS sends to the department. Once the campaign has run, the final invoice is then sent to the department in order for the department to correctly account for it in the general ledger and at the same time reduce the balance of the advance.

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**11.2 Prepayments (not expensed)**

	Balance as at 1 April 2020	Less: Amount expensed in current year	Add or less: Other	Add: Current year prepayments	Amount as at 31 March 2021
	R'000	R'000	R'000	R'000	R'000
Goods and services	–	(150 145)	51 911	154 410	56 176
<b>Total</b>	<b>–</b>	<b>(150 145)</b>	<b>51 911</b>	<b>154 410</b>	<b>56 176</b>

The advance was paid to the Department of Government Communication and Information Systems (GCIS) for purposes of the various media campaigns that GCIS runs on behalf of the department.

The funds are advanced based on the pro-forma invoice that the GCIS sends to the department. Once the campaign has run, the final invoice is then sent to the department in order for the department to correctly account for it in the general ledger and at the same time reduce the balance of the advance.

**11.3 Prepayments (expensed)**

	Balance as at 1 April 2020	Less: Received in current year	Add or less: Other	Add: Current year prepayments	Amount as at 31 March 2021
	R'000	R'000	R'000	R'000	R'000
Goods and services			(71 934)	241 670	169 736
<b>Total</b>			<b>(71 934)</b>	<b>241 670</b>	<b>169 736</b>

These funds were advanced in line with the Presidential Employment Stimulus Initiative (PESI) that was introduced in order to provide relief to distressed farmers affected by the COVID-19 pandemic. The assistance is provided through the issue of e-vouchers to the farmers. The department did not have the resources to administer the e-voucher function, thus the services of an external service provider (Vodacom) were sought to administer these vouchers. Funds are advanced to Vodacom in line with the departmental approval process, Vodacom will in turn disperse the vouchers to the approved farmers through the Connected Farmer eVoucher solution.

**11.4 Advances paid (expensed)**

	Balance as at 1 April 2020	Less: Received in the current year	Add or less: other	Add: Current year advances	Amount as at 31 March 2021
	R'000	R'000	R'000	R'000	R'000
National departments	–	11 488	(7 663)	78	3 903
Public entities	–	1 014 355	(116 436)	14 000	911 919
Other institutions	–	59 033	(25 783)	35 857	69 107
<b>Total</b>	<b>–</b>	<b>1 084 876</b>	<b>(149 882)</b>	<b>49 935</b>	<b>984 929</b>

National departments; Government Communication and Information System and Statistics South Africa

Public Entities: The Land Bank and Agricultural Research Council

Other Institutions: Fruit SA and Human Research Council

The funds are dispersed in line with the MOU's that the department has concluded with these entities.

Refer to note 37.1 for the detail of the services that are being provided.



**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**12. RECEIVABLES**

		2020/21			
		Current	Non-current	Total	Current
Note		R'000	R'000	R'000	R'000
	Claims recoverable	33 830	–	33 830	–
	Recoverable expenditure	18 054	–	18 054	–
	Staff debt	14 669	2 615	17 284	–
	Fruitless and wasteful expenditure	1 337	–	1 337	–
	Other receivables	448	–	448	–
	<b>Total</b>	<b>68 338</b>	<b>2 615</b>	<b>70 953</b>	<b>–</b>

**12.1 Claims recoverable**

	Note	2020/21	2019/20
	Annex 4	R'000	R'000
National departments		3 009	–
Provincial departments		34	–
Public entities		30 787	–
<b>Total</b>		<b>33 830</b>	<b>–</b>

**12.2 Recoverable expenditure (disallowance accounts)**

	2020/21	2019/20
	R'000	R'000
Damage vehicles	8 201	–
Disallowance damage and losses	6 900	–
Salary: Reversal control	1 053	–
Salary: Tax debt	80	–
Disallowance: Dishonoured cheques	1	–
Salary: Deduction disallowance	68	–
Agency: Services: NSF	1 751	–
<b>Total</b>	<b>18 054</b>	<b>–</b>

*Agency Services – NSF: An amount of R17,908 million was received on 22 April 2021.*



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**12.3 Staff debt**

	2020/21	2019/20
	R'000	R'000
Bursary debt	6 181	–
Student debt - GADI	4 649	–
Leave without pay	1 308	–
Salary debt	3 038	–
GG accident	340	–
Losses/damages – Employees and non-employees	995	–
Tax debt	151	–
Suppliers	356	–
Other staff debt	215	–
Pension Recoverable Account	51	–
<b>Total</b>	<b>17 284</b>	<b>–</b>

Other staff debt:

Subsidised motor scheme – R52 000

Telephone debt – R1 000

Breach of contract employees – R36 000

Cell phone debt – R66 000

State guarantee – R12 000

Breach of contract non-employees R5 000

Travel and subsistence – R43 000

**Total R215 000**

**12.4 Other receivables**

	2020/21	2019/20
	R'000	R'000
Transport payment suspense	448	–
<b>Total</b>	<b>448</b>	<b>–</b>

**12.5 Fruitless and wasteful expenditure**

	2020/21	2019/20
	R'000	R'000
Opening balance	–	–
Less amounts recovered	(50)	–
Less amounts written-off	–	–
Transfers from note 27 Fruitless and wasteful expenditure	1 387	–
<b>Total</b>	<b>1 337</b>	<b>–</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**12.6 Impairment of receivables**

	2020/21	2019/20
	R'000	R'000
Estimate of impairment of receivables	19 985	–
<b>Total</b>	<b>19 985</b>	<b>–</b>

**13. INVESTMENTS**

	2020/21	2019/20
	R'000	R'000
<b>Non-Current</b>		
<b>Shares and other equity</b>		
Onderstepoort Biological Products	1	–
<b>Total non-current</b>	<b>1</b>	<b>–</b>

**14. VOTED FUNDS TO BE SURRENDERED TO THE REVENUE FUND**

	2020/21	2019/20
	R'000	R'000
Opening balance	–	
Transfer from statement of financial performance (as restated)	1 154 582	
Voted funds not requested/not received	(712)	
<b>Closing balance</b>	<b>1 153 870</b>	

**15. DEPARTMENTAL REVENUE AND NRF RECEIPTS TO BE SURRENDERED TO THE REVENUE FUND**

	2020/21	2019/20
	R'000	R'000
Opening balance	–	
Transfer from Statement of Financial Performance (as restated)	260 489	
Paid during the year	(238 111)	
<b>Closing balance</b>	<b>22 378</b>	

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**16. PAYABLES – CURRENT**

	Note	2020/21 R'000	2019/20 R'000
Advances received	16.1	311	
Clearing accounts	<u>16.2</u>	10 758	
Other payables	<u>16.3</u>	110 801	
<b>Total</b>		<b>121 870</b>	

**16.1 Advances received**

	Note	2020/21 R'000	2019/20 R'000
Other institutions	<i>Annex 8B</i>	311	
<b>Total</b>		<b>311</b>	

**16.2 Clearing accounts**

	2020/21 R'000	2019/20 R'000
Salary: Income tax	7 616	
Salary: Pension fund	357	
Salary: ACB recalls	294	
Telephone control account	260	
Salary: Reversal account	649	
Salary: GEHS refund control	1 568	
Salary: Bargaining Control	2	
Salary: Medical Aid	12	
<b>Total</b>	<b>10 758</b>	

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**16.3 Other payables**

	2020/21	2019/20
	R'000	R'000
Disallowance damages and losses	11 045	
Restitution unclaimed vouchers	75 392	
Payable: Advance National Department/Public Entities	13	
Restitution Bank Account	24 351	
<b>Total</b>	<b>110 801</b>	

**17. PAYABLES – NON-CURRENT**

**17.1 Other payables**

	2020/21	2019/20
	R'000	R'000
Onderstepoort Biological Products Ltd	1	
<b>Total</b>	<b>1</b>	

**18. NET CASH FLOW AVAILABLE FROM OPERATING ACTIVITIES**

	2020/21	2019/20
	R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance	1 415 071	
Add back non-cash/cash movements not deemed operating activities	662 650	
(Increase)/decrease in receivables	(68 338)	
(Increase)/decrease in prepayments and advances	(62 562)	
Increase/(decrease) in payables – current	121 870	
Expenditure on capital assets	910 503	
Surrenders to Revenue Fund	(238 111)	
Voted funds not requested/not received	(712)	
<b>Net cash flow generated by operating activities</b>	<b>2 077 721</b>	

**19. RECONCILIATION OF CASH AND CASH EQUIVALENTS FOR CASH FLOW PURPOSES**

	2020/21	2019/20
	R'000	R'000
Consolidated Paymaster General account	1 175 747	-
Cash on hand	392	-
<b>Total</b>	<b>1 176 139</b>	<b>-</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**20. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

**20.1 Contingent liabilities**

Liable to	Nature	Note	2020/21 R'000	2019/20 R'000
Housing loan guarantees	Employees	Annex 3A	127	-
Claims against the department		Annex 3B	1 089 397	-
Intergovernmental payables (unconfirmed balances)		Annex 5	431 035	-
Other			-	-
<b>Total</b>			<b>1 520 559</b>	<b>-</b>

Interest and legal cost that may arise from claims against the state are not disclosed as contingent liability as the occurrence obligation depends on the handing down of an order by a court that the department is liable for payment of interest and legal costs, and it is only in instances where the department is not appealing or reviewing in order. There are some claims brought against the department that are not sounding in money and which are therefore not quantifiable due to the nature of the claims not sounding in money.

The cases reported under contingent liabilities in Annexure 3A represent housing loan guarantees that were issued to employees still in the employment of DALRRD. Any possible outflow of funds will firstly be recovered from the salary/service benefits of the employee before any debt is raised. The cases reported under contingent liabilities in Annexure 3B represent legal cases instituted against DALRRD which are in various stages of investigation/legal actions. Also included are Occupation Specific Dispensation (OSD's) claims that are unpaid and are subject to approval.

Cases reported in Annexure 5 represent unconfirmed intergovernmental payable.

**20.2 Contingent assets**

	Note	2020/21 R'000	2019/20 R'000
Asset seized by AFU		13 010	-
Legal		26 854	-
<b>Total</b>		<b>39 864</b>	<b>-</b>

**21. CAPITAL COMMITMENTS**

	2020/21 R'000	2019/20 R'000
<b>Approved and contracted:</b>		
Machinery and Equipment	14 231	-
Buildings and Other Fixed Structures	1 434 537	-
<b>Total commitments</b>	<b>1 448 768</b>	<b>-</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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*Included in commitments are restitution projects that are older than 3 years, this is due to changes on Restitution settlement options, community, tribal and family disputes and untraceable claims. Interest might be charged on settlement of some of these claims in terms of Section 80 of PFMA as prescribed by the Minister of Finance.*

**22. ACCRUALS AND PAYABLES NOT RECOGNISED**

**22.1 Accruals**

			2020/21	2019/20
	30 days	30+ days	Total	Total
	R'000	R'000	R'000	R'000
<b>Listed by economic classification</b>				
Goods and services	73 568	7 050	80 618	-
Transfers and subsidies	4 714	2 447	7 161	-
Other (COE)	977	1 064	2 041	-
<b>Total</b>	<b>79 259</b>	<b>10 561</b>	<b>89 820</b>	<b>-</b>

**Listed by programme level**

Programme 1	61 390
Programme 2	10 269
Programme 3	7 581
Programme 4	9 296
Programme 5	151
Programme 6	1 133
<b>Total</b>	<b>89 820</b>

**22.2 Payables not recognised**

			2020/21	2019/20
	30 days	30+ days	Total	Total
	R'000	R'000	R'000	R'000
<b>Listed by economic classification</b>				
Goods and services	86 553	1 265	87 818	-
Capital assets	1 066	11 623	12 689	-
Transfers and subsidies	355	-	355	-
Other	2 608	108	2 716	-
<b>Total</b>	<b>90 582</b>	<b>12 996</b>	<b>103 578</b>	<b>-</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**Listed by programme level**

Programme 1	26 335
Programme 2	32 058
Programme 3	32 797
Programme 4	2 151
Programme 5	9 223
Programme 6	1 014
<b>Total</b>	<b>103 578</b>

**Included in the above totals are the following:**

	<i>Note</i>	2020/21 R'000	2019/20 R'000
Confirmed balances with other departments	Annex 5		
Confirmed balances with other government entities	Annex 5	4 011	
<b>Total</b>		<b>4 011</b>	

**23. EMPLOYEE BENEFITS**

	2020/21 R'000	2019/20 R'000
Leave entitlement	283 830	
Service bonus	100 519	
Performance awards	–	
Capped leave	50 609	
Other	3 226	
<b>Total</b>	<b>438 184</b>	

Leave entitlement balance has been taken into account and the negative balances of R599 thousand which resulted from the following:

At the beginning of the year, the official is allocated 22 or 30 days of vacation leave for the whole year, which is pro-rated from month to month. Sometimes officials take leave that is more than the leave accumulated for a particular period, which then result in the pro-rated days of that particular period being exceeded hence the negative balance.

**24. LEASE COMMITMENTS**

**24.1 Operating leases**

	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
<b>2020/21</b>				
Not later than 1 year	1	320 368	61 780	382 148
Later than 1 year and not later than 5 years	3	608 314	10 216	618 533
Later than five years	41	6 042	–	6 083
<b>Total lease commitments</b>	<b>44</b>	<b>934 724</b>	<b>71 996</b>	<b>1 006 764</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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Existing lease agreements: The lease commitments for lease office accommodation/buildings/facilities/land were based on the actual lease tariff and escalation rate per annum, as outlined in the signed lease agreements/cost analyses per building/facility/land.

Leases extended by NDPWI (month-to-month basis): The following lease agreements have expired and the National Department of Public Works and Infrastructure (NDPWI) extends the leases on a month-to-month basis to allow monthly rental payments until the finalisation of the lease renewals or acquisition of alternative office space as per Procurement Instruction (PI) and the DAFF's "Confirmation of period of continued use of leasehold" schedule dated 08/03/2019 issued: Durban - King Shaka International Airport, Port Elizabeth - ICI Building, De Aar - Locust Depot, Bloemfontein - Omni Building, Bloemfontein - Bram Fischer International Airport, Cape Town - Epping Fresh Produce Market, Cape Town - Cape Town International Airport, Lanseria - Lanseria International Airport, Kempton Park - OR Tambo International Airport Cargo & Terminal and Pretoria - Delpen Building. The projected commitment for the month-to-month leases is included in the above figure. The projected monthly rental tariffs are based on the last rental tariffs claimed from NDPWI. The projected renewal periods are per DALRRD's needs assessments and the procurement instructions issued by NDPWI and/or according to the DALRRD's confirmation of period of continued use of leased facilities dated Friday, 8 March 2019. Refer to enclosed schedules in this regard. State-owned accommodation charges: The State-owned accommodation charges over the MTEF period are included in the above figure. Refer to enclosed schedules in this regard.

**24.2 Finance leases**

	Machinery and equipment	Total
	R'000	R'000
<b>2020/21</b>		
Not later than 1 year	6 878	6 878
Later than 1 year and not later than 5 years	5 712	5 712
<b>Total lease commitments</b>	<b>12 590</b>	<b>12 590</b>

**24.3 Operating lease future revenue**

	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000		R'000
<b>2020/21</b>				
Not later than 1 year	5 585	-	-	5 585
Later than 1 year and not later than 5 years	26 522			26 522
Later than five years	1 915 000			1 915 000
<b>Total operating lease revenue receivable</b>	<b>1 947 107</b>			<b>1 947 107</b>

Operating lease comprises of farms owned by the department leased to farmers. Contract conditions such as renewals and escalations vary from contract to contract.





**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**25. ACCRUED DEPARTMENTAL REVENUE**

	2020/21	2019/20
	R'000	R'000
Sales of goods and services other than capital assets	19 548	
Interest, dividends and rent on land	136 019	
Transactions in financial assets and liabilities	—	
<b>Total</b>	<b>155 567</b>	

**25.1 Analysis of accrued departmental revenue**

	2020/21	2019/20
	R'000	R'000
Opening balance		
Less: amounts received	138 008	
Add: amounts recognised	295 657	
Less: Amounts written-off/reversed as irrecoverable	2 082	
<b>Closing balance</b>	<b>155 567</b>	

**25.2 Accrued department revenue written off**

	2020/21	2019/20
	R'000	R'000
<b>Nature of losses</b>		
Irrecoverable/uneconomical to recover the debt (trade and farm rental debt)	2 082	-
<b>Total</b>	<b>2 082</b>	<b>-</b>

**25.3 Impairment of accrued departmental revenue**

	2020/21	2019/20
	R'000	R'000
Estimate of impairment of accrued departmental revenue	100 837	
<b>Total</b>	<b>100 837</b>	

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2021**

**26. IRREGULAR EXPENDITURE**

**26.1 Reconciliation of irregular expenditure**

	Note	2020/21 R'000	2019/20 R'000
Opening balance			
Add: Irregular expenditure – relating to prior year	26.2	173 915	
Add: Irregular expenditure – relating to current year	26.2	29 977	
Less: Prior year amounts condoned			
Less: Current year amounts condoned			
Less: Prior year amounts not condoned and removed			
Less: Current year amounts not condoned and removed			
Less: Amount recoverable (current and prior year)		(50)	
<b>Closing balance</b>		<b>203 842</b>	
 <b>Analysis of awaiting condonation per age classification</b>			
Current year		29 977	
Prior years		173 865	
<b>Total</b>		<b>203 842</b>	

**26.2 Details of current and prior year irregular expenditure – added current year (under determination and investigation)**

Incident	Disciplinary steps taken/criminal proceedings	2020/21 R'000
Non-compliance – SCM procedures		202 723
Restitution overpayment		6
Overpayment on recapitalisation development		1 163
<b>Total</b>		<b>203 892</b>

**26.3 Details of irregular expenditure under assessment (not included in the main note)**

Incident	2020/21 R'000
Non-compliance with SCM policies	11 585
Non-compliance with Land Acquisition Strategy	12 980
<b>Total</b>	<b>24 565</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2021**

**27. FRUITLESS AND WASTEFUL EXPENDITURE**

**27.1 Reconciliation of fruitless and wasteful expenditure**

	Note	2020/21 R'000	2019/20 R'000
Opening balance			
Fruitless and wasteful expenditure – relating to prior year	27.2	33 639	
Fruitless and wasteful expenditure – relating to current year	27.2	10 909	
Less: Amounts written-off			
<b>Closing balance</b>		<b>44 548</b>	

**Analysis of awaiting resolution per economic classification**

	2020/21 R'000	2019/20 R'000
Current	44 548	
Capital		
<b>Total</b>	<b>44 548</b>	

**27.2 Details of current and prior year fruitless and wasteful expenditure – added current year (under determination and investigation)**

Incident	Disciplinary steps taken/criminal proceedings	2020/21 R'000
Interest paid on late payments of invoices		8 833
Interest paid as compelled by court		5 009
Non delivery of goods by service provider		29 167
No show		75
Reschedule of travel arrangements		4
Calculation errors on overtime claims		9
Non-attendance of training		1 330
Interest paid on late payment of pension		119
Penalties and arrears for late renewal for vehicle licences.		2
<b>Total</b>		<b>44 548</b>

**27.3 Details of fruitless and wasteful expenditure under investigation (not in the main note)**

Incident	2019/20 R'000
The department did not obtain any value from the amount expended	913
<b>Total</b>	<b>913</b>

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2021**

**28. RELATED PARTY TRANSACTIONS**

	Note	2020/21 R'000	2019/20 R'000
<b>In kind goods and services provided/received</b>			
The department paid for the office space for the Deeds		(71 941)	
Deeds Registration Trading account has rendered services		6 417	
The Agricultural Land Holdings Account		(13 721)	
GG vehicles paid by the Department on behalf of Deeds		(1 702)	
Commission on Restitution of Land Rights			
The department paid for the office space for the OVG		(983)	
<b>Total</b>		<b>(81 930)</b>	

*Agricultural Research Council  
National Agricultural Marketing Council  
Perishable Products Export Control Board  
Onderstepoort Biological Products  
Deeds Registration Trading Entity  
Agricultural Land Holdings Account  
Office of the Valuer General  
Commission on Restitution of Land Rights*

**Note: All departments and public entities in the National sphere of government are related parties.**

**29. KEY MANAGEMENT PERSONNEL**

	No. of individuals	2020/21 R'000	2019/20 R'000
Political office bearers	3	6 357	–
Officials:			
Level 15 to 16	20	39 361	–
Level 14	80	103 778	–
Family members of key management personnel	7	5 806	
<b>Total</b>		<b>155 302</b>	

**30. PUBLIC PRIVATE PARTNERSHIP**

	2020/21 R'000	2019/20 R'000
Capital/(Liabilities)	497 773	
Property	497 773	
<b>Total</b>	<b>497 773</b>	

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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PPP is defined as a contract between a public sector institution/municipality and a private party, in which the private party assumes substantial financial, technical and operational risk in the design, financing, building and operation of a project.

PPP is between DALRRD and Tshala Bese Uyavuna Consortium.

The Status of PPP:

The DALRRD has registered a PPP project with National Treasury and prepared the feasibility study comprising of needs analysis, option analysis, project due diligence, value assessment, economic valuation and procurement plan which were also submitted to National Treasury.

In line with the PPP manual, the department further obtained the following approvals:

Treasury Approval I : Design Procurement Processes

Treasury Approval IIA : Pre-qualification of parties, Issuing of RFP, receive bids, compare bids with feasibility study, select preferred bidder and prepare value for money report.

Treasury Approval IIB : Negotiations with the preferred bidder

Treasury Approval III : Approval to sign the PPP agreement (approval granted by National Treasury in May 2017)

**PROPOSED PPP PROJECT PLAN**

- a) The PPP building will accommodate all Pretoria based offices including the Gauteng: PSSC, National Office, Deeds and Restitution.
- b) The building will have 82 434 square meters, 1 124 parking bays and will accommodate 2 400 staff members
- c) The building will be fully serviced which will include the provision of the following services by Private Party:
  - Printing services
  - Cleaning services
  - Catering services
  - Maintenance service
  - Furniture
- d) Note: The private party will operate the building for a period of 25 years and thereafter the building becomes state property.

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2021**

**31. NON-ADJUSTING EVENTS AFTER REPORTING DATE**

	2020/21 R'000
<b>Nature of event</b>	
Included in the moveable asset note (note 32) are 187 Dell laptops which were stolen in April 2020	(4 925)
The ARC notified the department on 26 May 2021 that an amount will be refunded for a contract that was not fulfilled.	5 087
<b>Total</b>	<b>162</b>

**32. MOVABLE TANGIBLE CAPITAL ASSETS**

Movement in movable tangible capital assets per asset register for the year ended 31 March 2021

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing balance R'000
<b>Heritage assets</b>			<b>197</b>	<b>197</b>	
Heritage assets			197	197	-
<b>Machinery and equipment</b>			<b>1 285 634</b>	<b>86 380</b>	<b>1 199 254</b>
Transport assets			221 481	48 928	172 553
Computer equipment			653 395	13 080	640 315
Furniture and office equipment			146 852	4 174	142 678
Other machinery and equipment			263 906	20 198	243 708
<b>Biological assets</b>			<b>776 251</b>	<b>775 808</b>	<b>443</b>
Biological assets			776 251	775 808	443
<b>Total movable tangible capital assets</b>			<b>2 062 082</b>	<b>862 385</b>	<b>1 199 697</b>

*This is a new department DALRRD and has no opening balance. The closing balances of both former DAFF and DRDLR is included in the non-cash additions column note 34.1.*

**Movable Tangible Capital Assets under investigation**

	Number	Value R'000
--	--------	----------------

**Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:**

- Heritage assets
- Machinery and equipment
- Specialised military assets
- Biological assets

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2021**

**32.1 Additions**

**Additions to movable tangible capital assets per asset register for the year ended 31 March 2020**

	Cash	Non-cash	(Capital work in progress current costs and finance lease payments)	Received current, not paid (paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
<b>Heritage assets</b>		<b>197</b>			<b>197</b>
Heritage assets		197			197
<b>Machinery and equipment</b>	<b>93 647</b>	<b>1 202 219</b>	<b>(20 271)</b>	<b>10 039</b>	<b>1 285 634</b>
Transport assets	7 827	214 449	(695)	(100)	221 481
Computer equipment	57 104	586 824	(1 454)	10 921	653 395
Furniture and office equipment	5 650	141 507	(13)	(292)	146 852
Other machinery and equipment	23 066	259 439	(18 109)	(490)	263 906
<b>Biological assets</b>	<b>96</b>	<b>776 155</b>			<b>776 251</b>
Biological assets	96	776 155			776 251
<b>Total additions to movable tangible capital assets</b>	<b>93 743</b>	<b>1 978 571</b>	<b>(20 271)</b>	<b>10 039</b>	<b>2 062 082</b>

*The paid current year received prior year represents accruals that occurred in previous year.*

*Non-cash represents the opening balance and non-cash additions of both departments.*

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2021**

### 32.2 Disposals

#### Disposals of movable tangible capital assets per asset register for the year ended 31 March 2021

	Sold for cash	Non- cash disposal	Total disposals	Cash received actual
	R'000	R'000	R'000	R'000
<b>HERITAGE ASSETS</b>				
Heritage assets		197	197	
		197	197	
<b>Machinery and equipment</b>		<b>86 380</b>	<b>86 380</b>	
Transport assets		48 928	48 928	
Computer equipment		13 080	13 080	
Furniture and office equipment		4 174	4 174	
Other machinery and equipment		20 198	20 198	
<b>Biological assets</b>		<b>775 808</b>	<b>775 808</b>	
Biological assets		775 808	775 808	
<b>Total disposal of movable tangible capital assets</b>		<b>862 385</b>	<b>862 385</b>	

*The non-cash disposals amongst others represents assets destroyed, lost and assets donated.  
Refer also to note 39 - Transfer of functions.*

### 32.3 Minor assets

#### Movement in minor assets per the asset register for the year ended as at 31 March 2021

	Intangible assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000
Opening balance				
Value adjustments				
Additions	49	172 823	1 815	174 687
Disposals	6	6 921	622	7 549
<b>Total minor assets</b>	<b>43</b>	<b>165 902</b>	<b>1 193</b>	<b>167 138</b>
Number of R1 minor assets		50 369	5	50 374
Number of minor assets at cost	16	96 184	729	96 929
<b>Total number of minor assets</b>	<b>16</b>	<b>146 553</b>	<b>734</b>	<b>147 303</b>



**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**32.4 Movable assets written off for the year ended as at 31 March 2021**

	Intangible assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Assets written off	4	3 803	737	4 544
<b>Total movable assets written off</b>	<b>4</b>	<b>3 803</b>	<b>737</b>	<b>4 544</b>

**33. INTANGIBLE CAPITAL ASSETS**

**Movement in intangible capital assets per asset register for the year ended 31 March 2021**

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
Software		76 656	1 017	75 639
<b>Total intangible capital assets</b>		<b>76 656</b>	<b>1 017</b>	<b>75 639</b>

**33.1 Additions**

**Additions to intangible capital assets per asset register for the year ended 31 March 2020**

	Cash R'000	Non-Cash R'000	(Develop- ment work in progress – current costs) R'000	Received current year, not paid (paid current year, received prior year) R'000	Total R'000
Software	970	78 746	(3 025)	(35)	76 656
<b>Total additions to intangible capital assets</b>	<b>970</b>	<b>78 746</b>	<b>(3 025)</b>	<b>(35)</b>	<b>76 656</b>

*The majority of non-cash-work-in-progress that represents the in-house self-developed systems.*

**33.2 Disposals**

**Disposals of intangible capital assets per asset register for the year ended 31 March 2021**

	Sold for cash R'000	Non- cash disposal R'000	Total disposals R'000	Cash received actual R'000
Software		1 017	1 017	
<b>Total additions to intangible capital assets</b>		<b>1 017</b>	<b>1 017</b>	

*Refer also to note 39 - Transfer of functions.*

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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34. IMMOVABLE TANGIBLE CAPITAL ASSETS

Movement in immovable tangible capital assets per asset register for the year ended 31 March 2021

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
<b>Buildings and other fixed structures</b>		<b>1 022 802</b>	<b>378 759</b>	<b>644 043</b>
Dwellings		1 523	892	631
Non-residential buildings		800	–	800
Other fixed structures		1 020 479	377 867	642 612
<b>Land and subsoil assets</b>		<b>1 054 529</b>	<b>12 160</b>	<b>1 042 369</b>
Land		1 054 529	12 160	1 042 369
<b>Total immovable tangible capital assets</b>		<b>2 077 331</b>	<b>390 919</b>	<b>1 686 412</b>

34.1 Additions

Additions to immovable tangible capital assets per asset register for the year ended 31 March 2021

	Cash	Non-cash	(Capital work in progress current costs and finance lease payments)	Received current, not paid (paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
<b>Building and other fixed structures</b>	<b>788 599</b>	<b>1 458 500</b>	<b>(1 224 297)</b>		<b>1 022 802</b>
Dwelling	93 095	215 081	(306 653)		1 523
Non-residential buildings	277 638	220 934	(497 773)		800
Other fixed structures	417 865	1 022 485	(419 871)		1 020 479
<b>Land and subsoil assets</b>	<b>27 191</b>	<b>983 876</b>	<b>(14 927)</b>	<b>58 389</b>	<b>1 054 529</b>
Land	27 191	983 876	(14 927)	58 389	1 054 529
<b>Total additions to immovable tangible capital assets</b>	<b>815 790</b>	<b>2 442 376</b>	<b>(1 239 224)</b>	<b>58 389</b>	<b>2 077 331</b>

Included in Cash additions are upgrades to current DPW projects.

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**34.2 Disposals**

Disposals of immovable tangible capital assets per asset register for the year ended 31 March 2021

	Non-cash disposal R'000	Total disposals R'000
<b>Buildings and other fixed structures</b>	<b>378 759</b>	<b>378 759</b>
Dwellings	892	892
Other fixed structures	377 867	377 867
Land and subsoil assets	12 160	12 160
<b>Land</b>	<b>12 160</b>	<b>12 160</b>
Total disposals of immovable tangible capital assets	<u>390 919</u>	<u>390 919</u>

Refer also to note 39 - Transfer of functions.

**34.3 Capital work-in-progress**

Capital work-in-progress as at 31 March 2021

Note	Opening balance 1 April 2020 R'000	Current year WIP R'000	Ready for use (assets to the AR) / contracts terminated R'000	Closing balance 31 March 2021 R'000
<b>Annexure 7</b>				
Buildings and other fixed structures	–	2 074 675	453 118	1 621 557
Machinery and equipment	–	26 854	–	26 854
Intangible assets	–	9 358	851	8 507
<b>Total</b>	<u>–</u>	<u>2 110 887</u>	<u>453 969</u>	<u>1 656 918</u>

As per Annexure 7 and the comprehensive report on capital projects in progress

Age analysis on ongoing projects	Number of projects		2020/21
	Planned, construction not started	Planned, construction started	Total R'000
0 to 1 year	7	35	244 342
1 to 3 years	7	53	1 136 395
3 to 5 years	4	23	172 425
Longer than 5 years	1	16	103 756
<b>Total</b>	<b>19</b>	<b>127</b>	<b>1 656 918</b>

**DEPARTMENT OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT  
VOTE 29**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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*Project 45521 many internal and bilateral meetings with DPW were held to discuss the progress and the possibility to discontinue the project and possible reimbursement of the money spend. DPW referred the long outstanding project WCS 44038 to their legal department, DALRRD is still awaiting further instructions from DPW.*

**Payables not recognised relating to Capital WIP**

	2020/21	2019/20
	R'000	R'000
<i>[Amounts relating to progress certificates received but not paid at year end and therefore not included in capital work-in-progress]</i>	950	
<b>Total</b>	<b>950</b>	

**PROJECT LONGER THAN 5 YEARS**

Suppliers Name	Project Name	Status
LDM Quantity Surveyors	Construction of a high throughput cattle and sheep abattoir in Butterworth	There has been slow progress on site due to work stoppages, delays because of redesigning, regulatory and compliance issues, community unrest.  Contract expired and has therefore been transferred to an implementing agent for completion.
Element consulting	Design of irrigation system for agricultural land and other infrastructure in Mvezo and Ludondolo	DSW was to assist with reserve determination but ran out funds. Project to be abandoned following the reprioritisation process. It was at planning and design stage
Indyebo Consulting	Zuurberg Heritage Tourism Memorial and Youth Centre	The service provider (PSP) will be terminated due to poor performance.
ARUP	Architectural service for the construction of a Heritage Memorial & Youth Training Centre in Zuurberg	The contractor depends on the PSP which is Indyebo to complete the project. Indyebo is in a process of being terminated.
Sizeya Consulting	Design and monitor construction of Multi-Purpose Centre In Qutubeni	The project had experienced continues and lengthy delays in getting past design development due to continuous changes and delays being made by the architect representing the community, who was not appointed by the Department but was designated the role for design oversight by the community.
Montseng/Mapitsi Jv	Construction of a river crossing bridge and 10km access road at Gqunu	Montseng/ Mapitsi JV Contract Terminated due to Poor performance and Slow progress on site with the contract period lapsing without extension of time.
AECOM SA (PTY) LTD	Professional service for construction of a river crossing bridge&10 km access road	Furthermore, to the Montseng/ Mapitsi JV Contract Terminated due to Poor performance and Slow progress on site with the contract period lapsing without extension of time. The project scope will be reduced to minimally provide project objectives as opposed to the proposed costs for completion of the project which has escalated over time and has since proved to be expensive.
BVI Consulting	Civil engineering services for the design and monitoring of 5km road in Dumalisile	Project cost estimate indications were that it would be too expensive- the project was at Planning and Design stage
BVI Consulting	Engineering services for the installation of irrigation system at Bumbane Great Place	Project abandoned following the reprioritisation process. It was at planning and design stage. Project to be considered for implementation in future years.
Sinned Construction	Construction of a concrete water tower for the Mamello low cost housing development in Vaal Marina, Midvaal Local	The manner in which service provider was appointed; Municipality appointed PSP, contractor by the department. The contractor suffered cash flow constraints
Element Consulting	PSP Mooi River	Phase 1 was terminated; it will be re-advertised. Therefore phase 2 cannot be completed, it depends on phase 1
Kipp Consulting Engineers Jv Mashaipone General Construction	Construction of Mphalaleni Irrigation Scheme	Terminated due to Continuous Community protests
Tychofied	PSP construction of Madzivhandila College access road	Terminated due to financial problems

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Suppliers Name	Project Name	Status
Mohwibidu Construction	Construction of internal street paving in Muyexe Villege	Terminated due to cash flow problems by contractor
Ranti & Associates	PSP for construction of internal street paving for Dingamanzi	The contractor underestimated the material and resulted in him under coating. The money he needs to finish the project is too much. As a result, the matter is going to be presented to NBAC.
Diphatse Consulting	Construction of 12 classroom blocks for Ndivheni Primary School (PSP)	Terminated due to protests delayed the PSP & has left the site

**TERMINATED PROJECTS**

SUPPLIERS NAME	CONTRACT NAME	ASSET	PROJECT VALUE	REASONS FOR TERMINATION OF CONTRACT
Mlokotwa Construction	Construction of 800m2 warehouse in Bekkersdal	Warehouse	7 659 223,67	Non-performance by the contractor due to cash flow problems
Sebuyile Projects	Construction of Boiketlong Community Hall in Bethlehem	Community Hall	5 686 443,15	Disruption by community members relating to appointment of local labourers
Striving Mind	Construction of 20 houses Gonono Village	Houses	4 144 128,00	Terminated due to Cash flow problems
Nemorango General Construction	PSP for construction of FPSU in Mapela	PSP	2 148 757,50	Terminated due to land dispute
Nemorango General Construction	PSP for project management for the renovation and refurbishment of Modimmolle abattoir	PSP	1 695 180,00	Terminated due to land dispute
Poad Consulting	PSP For Masia swimming pool	PSP	1 961 939,91	Demarcation of municipality: When project started the village was under Makhado Municipality, now it's under Collins Chabane, tribal authority refused access to the site
Poad Consulting	PSP For Borkum FPSU	PSP	1 684 711,68	The site conditions of the land which was earmarked for the establishment of the FPSU were unfavourable.
Mgoda Trading Jv Maleko Projects	Drilling and equipping of 3 boreholes with 6 tanks and tank stands and 2 drinking troughs for Botsalanong Rbm and Senoela	Boreholes	1 799 394,78	VO was declined by National Treasury and they recommended that other quotes be sourced, new service provider who was cheaper was appointed.
Diphatse Consulting	Construction of 12 classroom block for Ndivheni Primary School (Psp)	PSP	7 728 233,96	Terminated due to protests delayed the PSP & has left the site
Mohwibidu Construction	Construction of internal street paving in Muyexe Villege	Street Paving	24 950 378,79	Terminated due to cash flow problems by contractor
Tychofied	PSP construction of Madzivhandila College access road	Road	9 454 552,07	Terminated due to financial problems
Gridon T/A Sinethemba Construction	Drought emergency: Tangeni Feedlot	Dams	14 677 537,68	Project put on hold due to an internal conflict in which the asset forfeiture was involved. The SP was then suspended.
MBB Consulting	Tangeni Feedlot	Feedlot	580 602,00	Project put on hold due to an internal conflict in which the asset forfeiture was involved. The SP was then suspended.
Inkonka Civils	Refurbishment of Mooi River Irrigation Scheme including steel structures in the Muden Area, Greytown, in KZN phase 1	Irrigation schemes	25 080 598,40	Poor performance & abandoned the site
Stemashan Holdings	Construction of Kusa Kusa Irrigation	Irrigation scheme	2 874 412,58	Poor performance & abandoned the site
EVN Africa	Design and feasibility for Biyela Irrigation	PSP	3 723 261,57	Service provider withdrawn

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Xesibe	Construction of Ncera Macadamia Phase-2	Irrigation System	49 082 624,08	Xesibe contract terminated due to poor performance and slow progress on site with the contract period lapsing without extension of time.
Nebavest	Construction of a high throughput cattle and sheep abattoir in Butterworth	Cattle and Sheep Abattoir	59 999 999,99	Nebavest Contract Terminated due to contract period lapsing without extension of time.
Sizeya Consulting	Design and monitor construction of Multi-Purpose Centre in Qutubeni	PSP	2 574 148,50	The project had experienced continuous and lengthy delays in getting past design development due to continuous changes and delays being made by the architect representing the community, who was not appointed by the Department but was designated the role for design oversight by the community.
Montseng/ Mapitsi JV	Construction of a river crossing bridge and 10km access road at Gqunu	Bridge Road	72 616 629,06	Montseng/ Mapitsi JV contract terminated due to poor performance and slow progress on site with the contract period lapsing without extension of time.
Aecom SA (Pty) Ltd	Professional service for construction of a river crossing bridge&10 km access road	Road & Bridge	6 358 091,54	Furthermore, to the Montseng/ Mapitsi JV contract terminated due to poor performance and slow progress on site with the contract period lapsing without extension of time. The project scope will be reduced to minimally provide project objectives as opposed to the proposed costs for completion of the project which has escalated over time and has since proved to be expensive.
Nanga Trading	Construction of paved road, storm water culverts, erection of carpports at Mbodla Heritage	Road, Storm Water Culverts, Carpports	4 165 138,43	Nanga contract terminated due to poor performance and slow progress on site and the contractor abandoning site.
BVI Consulting	Civil engineering services for the design and monitoring of 5km road in the Dumalisile	PSP	1 262 407,50	Project cost estimate indications were that it would be too expensive- the project was at Planning and Design stage
BVI Consulting	Engineering services for the installation of irrigation system at Bumbane Great Place	PSP	714 780,00	Project abandoned following the reprioritisation process. It was at Planning and Design stage. Project to be considered for implementation in future years.
Element Consulting	Design review and construction monitoring for 16.1km in Ncora in Intsika Yethu LM	PSP	2 583 838,50	Contract to be terminated due to few issues: After the appointment of the PSP, they indicated that their appointment was based on the NEC3 Contract and that they will require an additional R968 151,28 for Design and Construction Management before they can continue.
Za Amandaba	Construction of Mantusini dipping tank at Mantusini Village in Port St Johns Local Municipality, under OR Tambo District Municipality	Dipping tanks	713 946,95	Lapsing of contract without formal extension of time being granted
Kipp Consulting Engineers Jv Mashaipone General Construction	Mphalaleni Irrigation Scheme	Irrigation Scheme	11,824,316.43	Terminated due to continuous community protests



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**34.4 S42 Immovable assets**

**Assets to be transferred in terms of S42 of the PFMA – 2020/21**

	Number of assets	Value of assets R'000
<b>Buildings and other fixed structures</b>		
Other fixed structures	[ ]	[ ]
<b>Land and subsoil assets</b>	<b>22</b>	<b>22</b>
Land	22	22
<b>Total</b>	<b>22</b>	<b>22</b>

*Other fixed structures are assets to be transferred to DEFF.*

**34.5 Immovable assets (additional information)**

**Property deemed vested**

	Note	2020/21 Number	2019/20 Number
Land parcels		2 545	

**35. PRINCIPAL-AGENT ARRANGEMENTS**

**35.1 Department acting as the principal**

	2020/21 R'000	2019/20 R'000
Nkosi Sabelo Incorp	32 325	
Heifer project (HPSA)	500	
CSIR	153	
Vodacom	1 007	
National Agricultural Marketing Council (NAMC)	1 840	
<b>Total</b>	<b>35 825</b>	

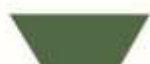
*For each of the individual principal-agent arrangements of the department, provide a description of the nature, circumstances, significant judgment applied, significant terms and conditions, any significant risks and benefits relating to the arrangements with the agents*

*In instances where the department has numerous principal-agent arrangements that are similar in nature, circumstances and terms, these can be grouped to provide a summary of the description of the nature, circumstances and terms relating to the similar arrangements.*

*National Research Foundation  
National Wool Growers Association  
Department of Defence  
UNDP  
HPSA  
Stellenbosch University*

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Name of Public Entity	Description	Achievements of the public entity
CSIR	Provision of agro-biotechnology research. Procurement and installation of ICT equipment at 24 rural schools, development of training manuals and training to educators. iSchool Africa Rural Development Programme and ICT for education project. Operational support and maintenance of infrastructure installed under the digital doorways and schools' connectivity and ICT educational projects. Should the DALRDD become entitled to claim damages from the service provider, the service provider will be liable only for the clients' actual damage up to the amount that the service provider has actually received from the clients a payment for the specific service or items that are the subject to the claim in terms of the agreement.	Provision of agro-biotechnology research. Procurement and installation of ICT equipment at 24 rural schools, development of training manuals and training to educators. iSchool Africa Rural Development Programme and ICT for education project. Operational support and maintenance of infrastructure installed under the digital doorways and schools' connectivity and ICT educational projects.
NATIONAL RESEARCH FOUNDATION	Implementation of the SAEON (South African Environmental Observation Network) system. In the event that there is Poor performance and/or misconduct of such a serious nature during the duration of this agreement, the DALRRD/NAMC Project Review Committee may agree upon a request to suspend and even cancel the Funding Agreement and/or partnership if there is a breach of trust emanating from Poor performance and/ or misconduct.	A functional SAEON Systems is in place. The system is used by data custodians to capture and publish metadata in line with section 12 of the Spatial Data Infrastructure Act, 2003.
NATIONAL WOOL GROWERS ASSOCIATION	Provision of animal and veld infrastructure to rural communities to participate in the livestock (rams) improvement programme	Genetic improvement programme (2 927 quality rams bred)
NATIONAL SCHOOL OF GOVERNMENT	Leadership and management development programmes. Should the need for the initiative no longer exists and/or the Parties agree to terminate the agreement it will be subject to conditions as may be agreed between the parties.	Training and development were provided
DEPARTMENT OF DEFENCE	Training of youth (National Youth Leadership Development Programme) including provision of accommodation, meals and basic health care for the duration of training.	Training, accommodation, meals and basic health care services were provided.
NKOSI	Refer cases and matters to members of legal and mediation panels, and other experts on behalf of the Dept and the Commission of Restitution Land Rights. Also perform all necessary administration duties and training programmes to panel members and departmental officials. In the case of termination of the contract before the completion of the work, all reasonable costs associated with termination may be allowed, including all pro-rata fees for services and deliverables met.	All cases and matters during the year under review were referred to members of legal and mediation panels.





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UNDP	To secure international and local expertise to execute policy research and development tasks in support of acceleration of land reforms and broader land governance in South Africa	To secure international and local expertise to execute policy research and development tasks in support of acceleration of land reforms and broader land governance in South Africa
HEIFER PROJECT	Umdukatsane rural development project - implementation of KZN goat agribusiness in five prioritised districts of KwaZulu Natal province. In the event that there is poor performance of a serious nature, the DALRRD can suspend or even cancel the funding agreement. All funds not distributed shall be returned. This can be done during any of the Monthly Project Review Meeting.	CAHWs pilot training and facilitation has taken place.
HPSA	Umdukatsane rural development project - implementation of KZN goat agribusiness in five prioritised districts of KwaZulu Natal province. In the event that there is poor performance of a serious nature, the DALRRD can suspend or even cancel the funding agreement. All funds not distributed shall be returned. This can be done during any of the Monthly Project Review Meeting.	CAHWs pilot training and facilitation has taken place.
SA FARMERS DEV	Provide training, advice, strategy leadership and capacity building to farmer and the sugar industry to ensure success of the sector and maintain profitability. Upon termination of the Agreement, the implementing entity shall take immediate steps to bring the service to a close within 3 months from the ruminant date.	Training, advice, and strategy leadership were provided.
STELLENBOSCH UNI	Learnership programmes in mixed farming and plant production.	Training, advice, and strategy leadership were provided.
NAMC	Provide training, advice, strategy leadership and capacity building to farmers and the red meat industry to ensure success of the sector and maintain profitability. Failure to remedy the cause of the breach of contract within 14 days from notification the aggrieved party shall be entitled to claim specific performance/payment of damages/cancel the agreement.	Training, advice, and strategy leadership were provided.
ECDC	To coordinate the implementation of the Agri-Parks programme across the country. DALRRD will contribute funds towards the development of the Zanyokhwe production site renovations/repairs of existing buildings and mechanization center, Zanyokhwe construction of hydroponic tunnels, Mnyomashe Abattoir completion and commissioning of the abattoir and Mbodla heritage facility. Subject to provisions on extensions the contract shall be terminated on submission of final works.	ECDC appointed as the implementing agent to ensure successful implementation of projects. Management fee of 6.5% is payable after the successful completion of critical deliverables. A total of R5, 134 million was paid during the 2020/21 financial year.



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The Land and Agriculture Development Bank of South Africa	<p>AgriBEE fund: Support the economic empowerment and successful entry of black people into the agriculture sector in accordance with the objectives of the AgriBEE Charter. The Land Bank and DAFF shall manage, disburse and monitor the funds as per MoU and Operational plan. The Land Bank shall refund and/or all monies already paid by DAFF, in terms of the Agreement and which remains unutilised as at the date of termination.</p>	<p>R40,166 million, R42,496 million, R43,754 million and R14 million were respectively transferred to the Land Bank in the 2017/18, 2018/19, 2019/20 and 2020/21 financial years. The Land Bank compile quarterly and annual qualitative evaluation reports that is monitored and evaluated by the Directorate: Business and Entrepreneurial. The Land Bank AGRIBEE had a balance of R275, 562 million in their books at the end of 2020/21.</p>
	<p>BPCP: The objective is to create a partnership to provide blended support to Black Commercial Producers in the agriculture, land reform and rural development sectors in an attempt to accelerate agricultural development and to transform these sectors. The support will include blended funding, skills and technical support required by these producers. The Land Bank will be the implementing agency for managing the Grant Funding in an interesting bearing account. Each party will bear its own liabilities.</p>	<p>R100 million, R120 million and R360,019 million were respectively transferred to the Land Bank in the 2017/18, 2018/19 and 2019/20 financial years. The funds were appropriated in the ENE as transfer payments – earmarked amounts. The Land Bank is responsible to provide monthly and quarterly reports. The Joint Steering Committee is responsible for the co-ordination, performance of parties, monitoring and report activities. The Land Bank BPCP had a balance of R641, 457 million in their books at the end of 2020/21.</p>
	<p>MAFISA: The purpose of the MAFISA project is to provide micro and retail agricultural financial services in the rural areas for agriculture activities. The Land Bank has been appointed during 2008 by DAFF to implement the MAFISA project. The Land Bank will use the funds only when written instruction is given by the Director-General- DAFF. The agreement lapsed in 2013. On termination the Land Bank shall pay back the total balance of MAFISA funds not disbursed, including any interest accrued.</p>	<p>The former DAFF further entered into agreements with intermediaries. The Land Bank was responsible for transferring MAFISA funds to the intermediaries to expense in terms of the agreement. The former DAFF did not transfer any funds to the Land Bank in the 2017/18, 2018/19 and 2019/20 financial years. DALRRD did not transfer any funds in the 2020/21 financial year. The Land Bank had a balance of R13,899 million in their books at the end of 2020/21. The intermediaries had balances of R79,16, R80,61 and R72,49 million respectively in the 2018/19, 2019/20 and 2020/21 financial years.</p>
	<p>COVID 19: To provide relief to distressed farmers affected by the COVID-19 pandemic. Land Bank shall submit an audited financial statement after termination.</p>	<p>A R100 million was paid from the 2019/20 budget to the Land Bank. The Land Bank COVID-19 fund had a balance of R95, 521 million in their books at the end of 2020/21.</p>
Vodacom	<p>The Connected farmer eVoucher solution is a Vodacom solution aimed at assisting DALRRD with the distribution of electronic vouchers to their farmers. The proposal has been prepared by Vodacom SA with the assistance of Mezzanine, a wholly owned subsidiary of Vodacom Group based in SA.</p>	<p>The eVoucher solution is designed for configurability and scalability. The objective is to support a cost-effective, long-term solution that can adapt to client requirements over time.</p>
ARC	<p>As a Research Institute and specialist in agriculture the entity project manages, provides technical support, training enterprise development, and market access for the enterprise. Each party shall bear its own legal costs.</p>	<p>Training, advice, and strategy leadership were provided.</p>

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**35.2 Department acting as the agent**

**35.2.1 Revenue received for agency activities**

	2020/21	2019/20
	R'000	R'000
	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

- i) The nature of arrangements is to train NARYSEC youth in different skills programme as stipulated in the implementation protocol. In 2012, the Department did not have enough funding to train more than 7 000 youth, a funding proposal was made to DHE which was approved. A MoU was signed by the two departments. The conditions to the agreement was that DALRRD will in writing notify NSF within 21 days of any changes to the project which might affect the planned project deliverables
- ii) All draw down request should be accompanied by the current bank reconciliation statement, supported by evidence commitment and performance and all other documentation as may be requested by NSF.
- iii) The department undertakes to honour its obligation for VAT payment and other transaction in compliance with SA laws and good practices.
- iv) DALRRD undertake to submit to NSF quarterly reports within 15 days after the end of the quarter. This would have a positive impact in the implementing he project as outlined below:
- Current training linked to NQF to enable rural youth to further their studies after exit should they choose to.
  - The following risks were however identified:
    - i) Limited capacity of public colleges to absorb all NARYSC leaners and to offer all required skills training.
    - ii) Colleges outsource training to private providers without informing the department.
    - iii) Prolonged delay by SETA to issue competent learners with certificates and failure by Colleges to upload learner information into SETA system. NSF Obligations to DALRRD.
    - iv) The NSF will pay an amount for the first Quarter as agreed in the project draw-down schedule Upon receipt of the signed agreement and necessary supporting documentation
      - i) Payment of subsequent drawdowns shall be dependent on the presentation by DRDLR and acceptance by the NSF of the quarterly reports as in clause 5.7 above.
      - ii) The NSF shall retain 10% of the total project costs and this shall be paid to DALRRD on the successful closure of the project.
      - iii) The NSF shall process DRDLR quarterly in advance subject to clause 6.5 above and accordance with the rates and budgeted times as set out in the Project budget.
      - iv) The NSF is entitled to refuse to pay any claim submitted by DALRRD in relation to this MoU if such claim is submitted after the expiry of the MoU

**35.2.2 Reconciliation of funds and disbursements – 2020/21**

Category of revenue or expenditure per arrangement	Total funds received	Expenditure incurred against funds
	R'000	R'000
Department of Higher Education – National Skills Fund	14 091	15 842
<b>Total</b>	<b>14 091</b>	<b>15 842</b>

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**35.2.3 Reconciliation of carrying amount of receivables and payables – 2020/21**

**Payables**

Note	Opening balance	Expenses incurred on behalf of principal	Cash paid on behalf of principal	Closing balance
	R'000	R'000	R'000	R'000
Department of Higher Education -National Skills Fund	14 091	(15 842)		(1 751)
<b>Total</b>	<b>14 091</b>	<b>(15 842)</b>		<b>(1 751)</b>

**36. TRANSFER OF FUNCTIONS AND MERGERS**

**36.1 Transfer of functions**

*The President announced the reconfiguration of Departments on 14 June 2019. The Agriculture functions of former Department of Agriculture, Forestry and Fishers (DAFF) will merge with the former Department of Rural Development and Land Reform (DRDLR) to form the Department of Agriculture, Land Reform and Rural Development (DALRD). The Forestry and Fisheries functions will be transferred to the Department of Forestry, Fisheries and Environment (DFFE). The transfer of the budget to the newly formed departments were finalised and became effective on 1 April 2020. The staff components were also transferred on PERSAL with effect from 1 April 2020. These processes were in line with the National Macro Organisation of Government.*

*The transfer of assets and liabilities are reported in terms of the recommendations issued by National Treasury on 28 May 2021.*

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**36.1.1. Statement of Financial Position**

Note	Balance before transfer date	Functions (transferred) / received	Functions (transferred) / received	Functions (transferred) / received	Balance after transfer date
		DFFE			
	R'000	R'000	R'000	R'000	R'000
<b>ASSETS</b>					
Current assets	176 788	(309)	–	–	176 479
Unauthorised expenditure					
Cash and cash equivalents	173 227	–	–	–	173 227
Other financial assets					
Prepayments and advances	1 779	–	–	–	1 779
Receivables	1 782	(309)	–	–	1 473
Loans					
Aid assistance prepayments					
Aid assistance receivable					
<b>Non-current Assets</b>	<b>6 734</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>6 734</b>
Investments	1	–	–	–	1
Receivables	6 733	–	–	–	6 733
Loans					
Other financial assets					
<b>Total assets</b>	<b>183 522</b>	<b>(309)</b>	<b>–</b>	<b>–</b>	<b>183 213</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>	<b>181 521</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>181 521</b>
Voted funds to be surrendered to the Revenue Fund	152 089	–	–	–	152 089

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Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	10 298	-	-	-	10 298
Bank Overdraft					
Payables	19 134		-	-	19 134
Aid assistance repayable					
Aid assistance unutilised					
<b>Non-Current Liabilities</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>
Payables	1	-	-	-	1
<b>Total liabilities</b>	<b>181 522</b>		<b>-</b>	<b>-</b>	<b>181 522</b>
<b>NET ASSETS</b>	<b>2 000</b>	<b>-309</b>	<b>-</b>	<b>-</b>	<b>1 691</b>

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**36.1.2 Notes**

Note	Balance before transfer date	Functions (transfer- red) / received	Functions (transfer- red) / received	Functions (transfer- red) / received	Balance after transfer date
	DFFE				
	R'000	R'000	R'000	R'000	R'000
Contingent liabilities	869 730	(6 516)			863 214
Contingent assets					
Capital commitments	3 912	(197)			3 715
Accruals	47 281	(4 876)			42 405
Payables not recognised	308 832	(5 650)			303 182
Employee benefits	290 852	(153 005)			137 847
Lease commitments – operating lease	1 192 856	(474 466)			718 390
Lease commitments – finance lease	11 216	(2 983)			8 233
Lease commitments – Operating lease revenue					
Accrued departmental revenue	13 441				13 441
Irregular expenditure	28 993				28 993
Fruitless and wasteful expenditure	33 636				33 636
Impairment	136				136
Provisions	4 238	(4 238)			
Movable tangible capital assets	1 319 880	(852 947)			466 933
Immovable tangible capital assets	2 323	(892)			1 431
Intangible capital assets	74 870	(1 017)			73 853

*Revenue received for the Forestry function after 1 April 2020 were paid to DFFE.*

*Expenditure incurred on behalf of the Forestry and Fisheries functions were claimed from DFFE through the normal interdepartmental claim process.*

*Note: Minor assets are not catered for in the above note:*

*Movable tangible minor assets R6,279,546.16*

*Immovable tangible minor assets R515,089.00*

*Intangible minor assets R2,349.00*

*A joint verification was conducted between the transfer and receiving department for assets to be transferred.*

*The S42 was handed over to the DFFE but not yet concluded on 31 March 2021.*

*The carrying amount from DAFF were brought in using the 2 years measuring period and from 1 April 2020 DFFE will utilize the two year measurement period provided by the MCS/AMD/NT directive issued on 28 May 2021, to measure all assets and to revise comparative information for prior periods presented in the financial statements as needed.*

*The balances before transfer date will not correspond to the closing balance for DAFF on 31 March 2020 since adjustments were made to the opening balances. The reason for the adjustments were due to asset classification and category changes.*

*Revenue received for the Forestry functions after 1 April 2020 were paid to the DFFE.*

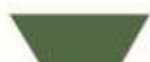
*Expenditure incurred on behalf of the Forestry and Fisheries functions were claimed from DFFE through the normal interdepartmental claim process.*

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**36.2. Mergers**

**36.2.1 Statement of Financial Position**

<i>Note</i>	<b>Balance bef merger date</b>	<b>Balance bef merger date</b>	<b>Balance bef merger date</b>	<b>Balance after merger date</b>
	<b>Combining Dept of Rural Development &amp; Land Reform R'000</b>	<b>Combining Dept of Agriculture, Forestry &amp; Fisheries R'000</b>	<b>Combining Dept (Specify) R'000</b>	<b>Combined Dept (Specify) R'000</b>
<b>ASSETS</b>	<b>317 233</b>	<b>176 479</b>		<b>493 712</b>
<b>Current Assets</b>				
Unauthorised expenditure				
Cash and cash equivalents	217 208	173 227		390 435
Other financial assets				
Prepayments and advances	54 558	1 779		56 337
Receivables	45 467	1 473		46 940
Loans				
Aid assistance prepayments				
Aid assistance receivable				
<b>Non-Current Assets</b>	<b>2 440</b>	<b>6 734</b>		<b>9 174</b>
Investments		1		1
Receivables	2 440	6 733		9 173
Loans				
Other financial assets				
<b>Total assets</b>	<b>319 673</b>	<b>183 213</b>		<b>502 886</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>	<b>296 504</b>	<b>181 521</b>		<b>478 025</b>
Voted funds to be surrendered to the Revenue Fund	22 430	152 089		174 519
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	7 537	10 298		17 835
Bank Overdraft				
Payables	266 537	19 134		285 671
Aid assistance repayable				
Aid assistance unutilised				
<b>Non-Current Liabilities</b>		<b>1</b>		<b>1</b>
Payables		1		1
<b>Total liabilities</b>	<b>296 504</b>	<b>181 522</b>		<b>478 026</b>
<b>Net assets</b>	<b>23 169</b>	<b>1 691</b>		<b>24 860</b>





**DEPARTMENT OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT  
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**36.2.2. Notes**

Note	Balance bef merger date	Balance bef merger date	Balance bef merger date	Balance after merger date
	Combining Dept Rural Development & Land Reform	Combining Dept of Agriculture, Forestry & Fisheries	Combining Dept (Specify)	Combined Dept (Specify)
	R'000	R'000	R'000	R'000
Contingent liabilities	2 474 845	863 214		3 338 059
Contingent assets	24 210			24 210
Capital commitments	1 858 563	3 715		1 862 278
Accruals	72 473	42 405		114 878
Payables not recognised	54 922	303 182		358 104
Employee benefits	242 532	137 847		380 379
Lease commitments – Operating lease	314 373	718 390		1 032 763
Lease commitments – Finance lease	6 446	8 233		14 679
Lease commitments – Operating lease revenue	1 874 588			1 874 588
Accrued departmental revenue	129 191	13 441		142 632
Irregular expenditure	143 300	28 993		172 293
Fruitless and wasteful expenditure	3	33 636		33 639
Impairment	90 670	136		90 806
Public Private Partnership	220 134			220 134
Movable tangible capital assets	657 835	466 933		1 124 768
Immovable tangible capital assets	1 413 044	1 431		1 414 475
Intangible capital assets		73 853		73 853

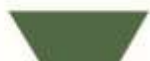
*Assets of Department of Agriculture to be merged with Department of Rural Development to become the new established Department of Agriculture, Land Reform and Rural Development (DALRRD) due to the NMOG 2019 project.*

*A joint verification was conducted between the transfer and receiving department for assets to be transferred.*

NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2021

37. STATEMENT OF CONDITIONAL GRANTS PAID TO THE PROVINCES

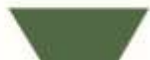
Name of province / grant	Grant allocation				Transfer			Spent				2019/20
	Division of Revenue Act	Rollovers	Adjustments	Total available	Actual transfer	Funds withheld	Re-allocations by National Treasury or National Department	Amount received by department	Amount spent by department	Unspent funds	% of available funds spent by department	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000
<b>Summary by province</b>												
Eastern Cape	320 163	–	(79 743)	240 420	240 420	–	–	240 420	232 868	–	97,0	–
Free State	252 987	–	(52 244)	200 743	200 743	–	–	200 743	200 743	–	100,0	–
Gauteng	135 822	–	(23 954)	111 868	109 292	2 576	–	109 292	107 138	–	98,0	–
KwaZulu-Natal	292 381	–	(64 472)	227 909	227 909	–	–	227 909	227 909	–	100,0	–
Limpopo	317 007	–	(79 706)	237 301	234 862	2 439	–	234 862	179 273	–	76,0	–
Mpumalanga	224 721	–	(37 327)	187 394	187 392	–	–	187 392	164 313	–	88,0	–
Northern Cape	193 174	–	(39 331)	153 843	157 397	–	–	157 397	119 566	–	–	–
North West	250 104	–	(49 639)	200 465	195 310	1 600	–	195 310	77 394	–	40,0	–
Western Cape	167 065	–	(31 891)	135 174	135 174	–	–	135 174	135 175	–	100,0	–
<b>Subtotal</b>	<b>2 153 424</b>	<b>–</b>	<b>(458 307)</b>	<b>1 695 117</b>	<b>1 688 499</b>	<b>6 615</b>	<b>–</b>	<b>1 688 499</b>	<b>1 444 379</b>	<b>–</b>		<b>–</b>



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Name of province / grant	Grant allocation				Transfer			Spent				2019/20
	Division of Revenue Act	Rollovers	Adjustments	Total available	Actual transfer	Funds withheld	Re-allocations by National Treasury or National Department	Amount received by department	Amount spent by department	Unspent funds	% of available funds spent by department	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000
<b>Summary by grant</b>												
Comprehensive Agricultural Support Programme (CASP)	1 522 190	–	(331 495)	1 190 695	1 190 692	–	–	1 190 692	985 499	–	83,0	–
Ilima/Letsema	548 815	–	(125 832)	422 983	422 983	–	–	422 983	390 513	–	92,0	–
Infrastructure Development and Poverty Relief (LandCare)	82 419	–	(980)	81 439	74 824	6 615	–	74 824	68 367	–	91,0	–
<b>Subtotal</b>	<b>2 153 424</b>	<b>–</b>	<b>(458 307)</b>	<b>1 695 117</b>	<b>1 688 499</b>	<b>6 615</b>	<b>–</b>	<b>1 688 499</b>	<b>1 444 379</b>	<b>–</b>	<b>–</b>	<b>–</b>



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Name of province / grant	Grant allocation				Transfer			Spent				2019/20
	Division of Revenue Act	Rollovers	Adjustments	Total available	Actual transfer	Funds withheld	Re-allocations by National Treasury or National Department	Amount received by department	Amount spent by department	Unspent funds	% of available funds spent by department	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000
<b>Comprehensive Agricultural Support Programme (CASP)</b>												
Eastern Cape	239 836	–	(62 000)	177 836	177 836	–	–	177 836	171 270	–	96,0	–
Free State	176 167	–	(34 422)	141 745	141 745	–	–	141 745	141 745	–	100,0	–
Gauteng	100 108	–	(18 373)	81 735	81 735	–	–	81 735	81 735	–	100,0	–
KwaZulu-Natal	206 447	–	(45 361)	161 086	161 086	–	–	161 086	161 086	–	100,0	–
Limpopo	233 557	–	(61 303)	172 254	172 254	–	–	172 254	118 332	–	69,0	–
Mpumalanga	157 303	–	(26 321)	130 982	130 980	–	–	130 980	108 188	–	83,0	–
Northern Cape	122 944	–	(23 804)	99 140	99 140	–	–	99 140	71 093	–	72,0	–
North West	174 272	–	(37 656)	136 616	136 615	–	–	136 615	42 748	–	31,0	–
Western Cape	111 556	–	(22 255)	89 301	89 301	–	–	89 301	89 302	–	100,0	–
<b>Subtotal</b>	<b>1 522 190</b>	<b>–</b>	<b>(331 495)</b>	<b>1 190 695</b>	<b>1 190 692</b>	<b>–</b>	<b>–</b>	<b>1 190 692</b>	<b>985 499</b>	<b>–</b>	<b>–</b>	<b>–</b>



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Name of province / grant	Grant allocation				Transfer			Spent				2019/20
	Division of Revenue Act	Rollovers	Adjustments	Total available	Actual transfer	Funds withheld	Re-allocations by National Treasury or National Department	Amount received by department	Amount spent by department	Unspent funds	% of available funds spent by department	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000
<b>Ilima/Letsema</b>												
Eastern Cape	67 956	–	(17 596)	50 360	50 360	–	–	50 360	49 756	–	99,0	–
Free State	68 442	–	(17 722)	50 720	50 720	–	–	50 720	50 720	–	100,0	–
Gauteng	30 927	–	(5 524)	25 403	25 403	–	–	25 403	25 403	–	100,0	–
KwaZulu-Natal	73 233	–	(18 960)	54 273	54 273	–	–	54 273	54 273	–	100,0	–
Limpopo	70 480	–	(18 249)	52 231	52 231	–	–	52 231	52 231	–	100,0	–
Mpumalanga	57 374	–	(10 887)	46 487	46 487	–	–	46 487	46 485	–	100,0	–
Northern Cape	62 615	–	(11 882)	50 733	50 733	–	–	50 733	40 949	–	–	–
North West	67 324	–	(15 436)	51 888	51 888	–	–	51 888	29 808	–	57,0	–
Western Cape	50 464	–	(9 576)	40 888	40 888	–	–	40 888	40 888	–	100,0	–
<b>Subtotal</b>	<b>548 815</b>	<b>–</b>	<b>(125 832)</b>	<b>422 983</b>	<b>422 983</b>	<b>–</b>	<b>–</b>	<b>422 983</b>	<b>390 513</b>	<b>–</b>	<b>–</b>	<b>–</b>



DEPARTMENT OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT  
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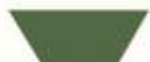
Name of province / grant	Grant allocation				Transfer			Spent				2019/20
	Division of Revenue Act	Rollovers	Adjustments	Total available	Actual transfer	Funds withheld	Re-allocations by National Treasury or National Department	Amount received by department	Amount spent by department	Unspent funds	% of available funds spent by department	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000
<b>Infrastructure Development and Poverty Relief (LandCare)</b>												
Eastern Cape	12 371	–	(147)	12 224	12 224	–	–	12 224	11 842	–	97,0	–
Free State	8 378	–	(100)	8 278	8 278	–	–	8 278	8 278	–	100,0	–
Gauteng	4 787	–	(57)	4 730	2 154	2 576	–	2 154	–	–	–	–
KwaZulu-Natal	12 701	–	(151)	12 550	12 550	–	–	12 550	12 550	–	100,0	–
Limpopo	12 970	–	(154)	12 816	10 377	2 439	–	10 377	8 710	–	84,0	–
Mpumalanga	10 044	–	(119)	9 925	9 925	–	–	9 925	9 640	–	97,0	–
Northern Cape	7 615	–	(91)	7 524	7 524	–	–	7 524	7 524	–	100,0	–
North West	8 508	–	(101)	8 407	6 807	1 600	–	6 807	4 838	–	71,0	–
Western Cape	5 045	–	(60)	4 985	4 985	–	–	4 985	4 985	–	100,0	–
<b>Subtotal</b>	<b>82 419</b>	<b>–</b>	<b>(980)</b>	<b>81 439</b>	<b>74 824</b>	<b>6 615</b>	<b>–</b>	<b>74 824</b>	<b>68 367</b>	<b>–</b>	<b>–</b>	<b>–</b>



NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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38. STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	2020/21								2019/20	
	GRANT ALLOCATION					TRANSFER			Division of Revenue Act	Actual transfer
	DoRA and other transfers	Roll overs	Adjustments	Fund shift	Total available	Actual transfer	Funds withheld	Re-allocations by National Treasury or National Department		
	R'000	R'000	R'000		R'000	R'000	R'000	%	R'000	R'000
<b>Municipality bank account/municipal rates and taxes</b>										
Amatole District Municipality Eastern Cape	–	–	111	-	111	111	–	–		
Eastern Cape: Whole Province	7 087	–	–	-	7 087	24 140	–	–		
Ehlanzeni District Municipality Mpumalanga	–	–	33 976	-	33 976	49 813	–	–		
Free State: Whole Province	1 087	–	(114)	-	973	25 460	–	–		
Gert Sibande District Municipality Mpumalanga	–	–	15 000	-	15 000	21 669	–	–		
Gauteng: Whole Province	572	–	–	-	572	413	–	–		
KwaZulu-Natal: Whole Province	3 352	–	1 076	-	4 428	4 371	–	–		
Limpopo: Whole Province	3 200	–	(250)	-	2 950	6 465	–	–		
Mpumalanga: Whole Province	59 115	–	(52 003)	-	7 112	130	–	–		
Northern Cape: Whole Province	3 138	–	–	-	3 138	7 598	–	–		
Nkangala District Municipality Mpumalanga	–	–	15 021	-	15 021	24 015	–	–		
North West: Whole Province	3 887	–	(2 120)	-	1 767	11 017	–	–		
City of Tshwane	–	–	3	-	3	2	–	–		
Uthungule District Municipality KwaZulu-Natal	–	–	16	-	16	16	–	–		
Western Cape: Whole Province	473	–	1 866	-	2 339	1 839	–	–		
<b>Subtotal</b>	<b>81 911</b>	<b>–</b>	<b>12 582</b>	<b>-</b>	<b>94 493</b>	<b>177 059</b>	<b>–</b>	<b>–</b>		



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NAME OF MUNICIPALITY	2020/21								2019/20	
	GRANT ALLOCATION					TRANSFER			Division of Revenue Act	Actual transfer
	DoRA and other transfers	Rollovers	Adjustments	Fund shift	Total available	Actual transfer	Funds withheld	Re-allocations by National Treasury or National Department		
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Municipal bank account/vehicle license municipality</b>										
Domestic Whole Country	132	–	81	–	213	237	–	–	–	–
Eastern Cape: Whole Province	6	–	1	–	7	6	–	–	–	–
Free State: Whole Province	26	–	–	–	26	–	–	–	–	–
Gauteng: Whole Province	51	–	–	–	51	7	–	–	–	–
Inxuba Yethemba	–	–	8	–	8	8	–	–	–	–
KwaZulu-Natal: Whole Province	77	–	(54)	–	23	6	–	–	–	–
Limpopo: Whole Province	4	–	(1)	–	3	6	–	–	–	–
Mpumalanga: Whole Province	–	–	–	–	–	6	–	–	–	–
Northern Cape: Whole Province	5	–	–	–	5	–	–	–	–	–
North West: Whole Province	47	–	(46)	–	1	–	–	–	–	–
City of Tshwane	395	–	–	–	395	526	–	–	–	–
Western Cape: Whole Province	34	–	–	–	34	24	–	–	–	–
<b>Subtotal</b>	<b>777</b>	–	<b>(11)</b>	–	<b>766</b>	<b>826</b>	–	–	–	–
<b>TOTAL</b>	<b>82 688</b>	–	<b>12 571</b>	–	<b>95 259</b>	<b>177 885</b>	–	–	–	–





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39. BROAD BASED BLACK ECONOMIC EMPOWERMENT PERFORMANCE

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

40. COVID 19 Response Expenditure

	<i>Note</i> <i>Annexure 11</i>	2020/21 R'000	2019/20 R'000
Compensation of employees			
Goods and services		19 742	
Transfers and subsidies			
Expenditure for capital assets			
Other			
<b>Total</b>		<u>19 742</u>	<u>          </u>

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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ANNEXURE 1A  
STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

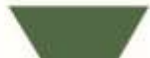
NAME OF MUNICIPALITY	GRANT ALLOCATION					TRANSFER			SPENT				2019/20	
	DoRA and other transfers	Roll-overs	Adjust-ments	Fund shift	Total available	Actual transfer	Funds withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act and other transfers	Actual transfer
	R'000	R'000	R'000		R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
<b>Mun B/Acc: Mun rates and taxes</b>														
Amatole District Municipality Eastern Cape	–	–	111	–	111	111	–	–	111	111	–	100,0	–	–
Eastern Cape: Whole Province	7 087	–	–	–	7 087	24 140	–	–	24 140	24 140	–	–	–	–
Ehlanzeni District Municipality Mpumalanga	–	–	33 976	–	33 976	49 813	–	–	49 813	49 813	–	–	–	–
Free State: Whole Province	1 087	–	(114)	–	973	25 460	–	–	25 460	25 460	–	–	–	–
Gert Sibande District Municipality Mpumalanga	–	–	15 000	–	15 000	21 669	–	–	21 669	21 669	–	–	–	–
Gauteng: Whole Province	572	–	–	–	572	413	–	–	413	413	–	100,0	–	–
KwaZulu-Natal: Whole Province	3 352	–	1 076	–	4 428	4 371	–	–	4 371	4 371	–	100,0	–	–
Limpopo: Whole Province	3 200	–	(250)	–	2 950	6 465	–	–	6 465	6 465	–	–	–	–
Mpumalanga: Whole Province	59 115	–	(52 003)	–	7 112	130	–	–	130	130	–	100,0	–	–
Northern Cape: Whole Province	3 138	–	–	–	3 138	7 598	–	–	7 598	7 598	–	–	–	–
Nkangala District Municipality Mpumalanga	–	–	15 021	–	15 021	24 015	–	–	24 015	24 015	–	–	–	–
North West: Whole Province	3 887	–	(2 120)	–	1 767	11 017	–	–	11 017	11 017	–	–	–	–
City of Tshwane	–	–	3	–	3	2	–	–	2	2	–	100,0	–	–



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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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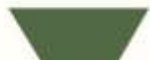
NAME OF MUNICIPALITY	GRANT ALLOCATION					TRANSFER			SPENT				2019/20	
	DoRA and other transfers	Roll-overs	Adjust-ments	Fund shift	Total available	Actual transfer	Funds withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act and other transfers	Actual transfer
	R'000	R'000	R'000		R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Uthungule District Municipality KwaZulu-Natal	–	–	16	–	16	16	–	–	16	16	–	100,0	–	–
Western Cape: Whole Province	473	–	1 866	–	2 339	1 839	–	–	1 839	1 839	–	100,0	–	–
<b>Subtotal</b>	<b>81 911</b>	<b>–</b>	<b>12 582</b>	<b>–</b>	<b>94 493</b>	<b>177 059</b>	<b>–</b>	<b>–</b>	<b>177 059</b>	<b>177 059</b>	<b>–</b>	<b>7</b>	<b>–</b>	<b>–</b>



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ANNEXURE 1A CONTINUED

NAME OF MUNICIPALITY	GRANT ALLOCATION					TRANSFER				SPENT				2019/20	
	DoRA and other transfers	Roll-overs	Adjust-ments	Fund shift	Total available	Actual transfer	Funds withheld	Re-allo-cations by National Treasury or National Depart-ment	Amount received by munici-pality	Amount spent by munici-pality	Unspent funds	% of available funds spent by munici-pality	Division of Revenue Act and other transfers	Actual transfer	
	R'000	R'000	R'000		R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000	
<b>Mun B/Acc: Vehicle License Mun</b>															
Domestic Whole Country	132	-	81	-	213	237	-	-	237	237	-	-	-	-	
Eastern Cape: Whole Province	6	-	1	-	7	6	-	-	6	6	-	100,0	-	-	
Free State: Whole Province	26	-	-	-	26	-	-	-	-	-	-	-	-	-	
Gauteng: Whole Province	51	-	-	-	51	7	-	-	7	7	-	100,0	-	-	
Inxuba Yethemba	-	-	8	-	8	8	-	-	8	8	-	100,0	-	-	
KwaZulu-Natal: Whole Province	77	-	(54)	-	23	6	-	-	6	6	-	100,0	-	-	
Limpopo: Whole Province	4	-	(1)	-	3	6	-	-	6	6	-	-	-	-	
Mpumalanga: Whole Province	-	-	-	-	-	6	-	-	6	6	-	-	-	-	
Northern Cape: Whole Province	5	-	-	-	5	-	-	-	-	-	-	-	-	-	
North West: Whole Province	47	-	(46)	-	1	-	-	-	-	-	-	-	-	-	
City of Tshwane	395	-	-	-	395	526	-	-	526	526	-	-	-	-	
Western Cape: Whole Province	34	-	-	-	34	24	-	-	24	24	-	100,0	-	-	
<b>Subtotal</b>	<b>777</b>	<b>-</b>	<b>(11)</b>	<b>-</b>	<b>766</b>	<b>826</b>	<b>-</b>	<b>-</b>	<b>826</b>	<b>826</b>	<b>-</b>	<b>5</b>	<b>-</b>	<b>-</b>	
<b>Total</b>	<b>82 688</b>	<b>-</b>	<b>12 571</b>	<b>-</b>	<b>95 259</b>	<b>177 885</b>	<b>-</b>	<b>-</b>	<b>177 885</b>	<b>177 885</b>	<b>-</b>	<b>12</b>	<b>-</b>	<b>-</b>	



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2021

ANNEXURE 1B  
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

Departmental agency account	Transfer allocation				Transfer		2019/20
	Adjusted appropriation	Rollovers	Adjustments	Total available	Actual transfer	% of available funds transferred	Final appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
Agri sector education and training authority	1 308	–	–	1 308	1 308	100,0	–
Agricultural Land Holdings	891 646	–	(443 606)	448 040	448 040	100,0	–
Agricultural Research Council	1 271 377	–	(21 457)	1 249 920	1 249 920	100,0	–
Ingonyama Trust Board	22 291	–	(99)	22 192	22 192	100,0	–
National Agricultural Marketing Council	47 422	–	–	47 422	47 422	100,0	–
Registration of Deeds Trade Account	1	–	358 033	358 034	358 033	100,0	–
Office of the Valuer General	144 531	–	(44 531)	100 000	100 000	100,0	–
SA Geomatics Council	4 333	–	–	4 333	4 191	97,0	–
Departmental Agency: Donations and gifts	242	–	–	242	242	100,0	–
COM: Licences	26	–	–	26	–	–	–
		–				–	
<b>Total</b>	<b>2 383 177</b>	<b>–</b>	<b>(151 660)</b>	<b>2 231 517</b>	<b>2 231 348</b>	<b>–</b>	<b>–</b>

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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ANNEXURE 1D  
STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

Name of public corporation/private enterprises	Transfer allocation				Expenditure				2019/20
	Adjusted appropriation Act	Rollovers	Adjustments	Total available	Actual transfer	% of available funds transferred	Capital	Current	Final appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
<b>Public Corporations</b>									
<b>Transfers</b>	<b>407 257</b>	<b>-</b>	<b>(393 256)</b>	<b>14 001</b>	<b>14 000</b>	<b>100,0</b>	<b>-</b>	<b>-</b>	<b>-</b>
Black Business Supplier Development Programme (BBSDP)	1	-	-	1	-	-	-	-	-
Land and Agri Develop Bank of SA	407 256	-	(393 256)	14 000	14 000	100,0	-	-	-
<b>Subtotal</b>	<b>407 257</b>	<b>-</b>	<b>(393 256)</b>	<b>14 001</b>	<b>14 000</b>	<b>100,0</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Private Enterprises</b>									
<b>Transfers</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Red Meat Industry Forum	1	-	-	1	-	-	-	-	-
<b>Subtotal</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>407 258</b>	<b>-</b>	<b>(393 256)</b>	<b>14 002</b>	<b>14 000</b>	<b>100,0</b>	<b>-</b>	<b>-</b>	<b>-</b>

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2021

ANNEXURE 1E  
STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS

Foreign government/international organisation	Transfer allocation					Expenditure		2019/20
	Adjusted appropriation Act	Rollovers	Adjustments	Fund shift	Total available	Actual transfer	% of available funds transferred	Final appropriation
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Transfers</b>								
Foreign Rates and Taxes (FIGO)	453	–	(213)	–	240	185	77,0	–
Sub fees: Con Group Inter Agr Res	–	–	9 000	–	9 000	–	–	–
Sub fees: CW Agric Bureau Inter	400	–	–	–	400	–	–	–
Sub fees: Food and Agric Org UN	35 244	–	(9 449)	–	25 795	20 236	78,0	–
Sub fees: Int Un Pre New VAR Plant	899	–	132	–	1 031	1 031	100,0	–
Sub fees: Inter Comm Agric Engine	21	–	–	–	21	–	–	–
Sub fees: Inter Cotton Adv Cncil	400	–	–	–	400	–	–	–
Sub fees: Inter Dairy Federation	50	–	–	–	50	50	100,0	–
Sub fees: Inter Grains Council	300	–	(50)	–	250	249	100,0	–
Sub fees: Inter Org Vine&Wine	1 000	–	205	–	1 205	1 204	100,0	–
Sub fees: Inter Seed Testing Assoc	200	–	13	–	213	212	100,0	–
Sub fees: Org Econ Coop& Developmt	410	–	242	–	652	651	100,0	–
Sub fees: Cen Mapping of Res Dev	1 949	–	60	–	2 009	2 906	145,0	–
Sub fees: World Org Animal Health	2 500	–	120	–	2 620	2 614	100,0	–
<b>Total</b>	<b>43 826</b>	<b>–</b>	<b>60</b>	<b>–</b>	<b>43 886</b>	<b>29 338</b>		<b>–</b>

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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ANNEXURE 1F  
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

Non-profit institutions	Transfer allocation				Expenditure		2019/20
	Adjusted appropriation Act	Rollovers	Adjustments	Total available	Actual transfer	% of available funds transferred	Final appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Transfers</b>							
SA Council for Planners	4 035	–	–	4 035	4 035	100,0	–
<b>Total</b>	<b>4 035</b>	<b>–</b>	<b>–</b>	<b>4 035</b>	<b>4 035</b>		<b>–</b>



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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ANNEXURE 1G  
STATEMENT OF TRANSFERS TO HOUSEHOLDS

Households	Transfer allocation					Expenditure		2019/20
	Adjusted appropriation Act	Rollovers	Adjustments	Fund shift	Total available	Actual transfer	% of available funds transferred	Final appropriation
	R'000	R'000	R'000		R'000	R'000	%	R'000
<b>Transfers</b>								
Claims against the State	6	–	–	2 729	2 735	2 735	100,0	–
Leave Gratuities	2 114	–	–	12 128	14 242	14 242	100,0	–
Bursaries for non-employees	56 468	–	–	12 536	69 004	69 003	100,0	–
Farmer Support (Agricultural Production)	–	–	–	27 522	27 522	27 522	100,0	–
Restitution Grants	2 309 035	–	–	(963 496)	1 345 539	1 345 539	100,0	–
Land Reform and Tenure Grant	196 503	–	–	(196 503)	–	–	–	–
Rural Graduates Skills Development and Training Stiper	90 300	–	–	(15 407)	74 893	74 893	100,0	–
Gifts and Donations	500	–	–	(500)	–	–	–	–
<b>Total</b>	<b>2 654 926</b>	<b>–</b>	<b>–</b>	<b>(1 120 991)</b>	<b>1 533 935</b>	<b>1 533 934</b>	<b>–</b>	<b>–</b>

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2021

ANNEXURE 1H  
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

Name of organisation	Nature of gift, donation or sponsorship	2020/21	2019/20
		R'000	R'000
<b>Received in cash</b>			
<i>Current financial year 2020/21</i>			
SADC Plant Genetic Resources Centre (SPGRC)	SPGRC data management workshop	7	–
United Nations Woman	Sixth session of the regional forum for sustainable development	15	–
<b>Subtotal</b>		<b>22</b>	<b>–</b>
<b>Received in kind</b>			
<i>Current financial year 2020/21</i>			
Food and Agriculture Organisation of the United Nation (FAO)	Survey equipment	205	–
Nestle	Gift	1	–
Japan International Cooperation Agency (JICA)	Computer equipment	475	–
The Technical Centre for Agriculture and Rural Cooperation (CTA)	Honorariums and expenses	83	–
<b>Subtotal</b>		<b>764</b>	<b>–</b>
<b>Total</b>		<b>786</b>	<b>–</b>

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2021

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 yearend if not 31 March)	% of shares held		Number of shares held		Cost of investment		Net asset value of investment		Profit/(loss) for the year		Losses guaranteed
		2020/21	2019/20	2020/21	2019/20	R'000		R'000		R'000		
						2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21
<b>National/Provincial Public Entity</b>												
Onderstepoort Biological Products (Pty) Ltd	Manufacturing of vaccines and related products	-	-	1	-	-	-	-	-	-	-	No
<b>Total</b>		-	-	1	-	-	-	-	-	-	-	

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2021

ANNEXURE 3A  
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2021 – LOCAL

Guarant or instituti on	Guarant ee in respect of	Original guarante ed capital amount	Openi ng balanc e 1 April 2020	Guarante es draw downs during the year	Guarantee s repaymen ts/ cancelled/ reduced during the year	Revaluati on due to foreign currency movemen ts	Closin g balan ce 31 March 2021	Revaluatio ns due to inflation rate movement s	Accrued guarante ed interest for year ended 31 March 2021
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
ABSA	Housing	–	110	–	40	–	70	–	–
Nedbank	Housing	–	18	–	18	–	–	–	–
Standard Bank	Housing	–	204	–	147	–	57	–	–
<b>Total</b>		<b>–</b>	<b>332</b>	<b>–</b>	<b>205</b>	<b>–</b>	<b>127</b>	<b>–</b>	<b>–</b>

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2021

ANNEXURE 3B  
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2021

Nature of Liability	Opening balance	Liabilities incurred during the year	Liabilities paid/cancelled/reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance
	1 April 2020				31 March 2021
	R'000	R'000	R'000	R'000	R'000
<b>Claims against the department</b>					
Breach of contract and compelling specific performance	–	1 696	1 696	–	–
Claim on demolished dwellings	–	1 600	1 600	–	–
Claim on interest 15,5%	–	7 971	7 971	–	–
Claim on property	–	31 101	242	–	30 859
Claimant dispute claim of just and equitable compensation	–	28 470	–	–	28 470
Commission disputes feasibility and claim for specific performance	–	15 678	–	–	15 678
Current owner wants to be paid more than the valuation amount on an approved S42D matt	–	4 500	–	–	4 500
Department dispute Alexcor claim of just and equitable compensation	–	164 896	–	–	164 896
Liquidator issued summons against commission matter is apposed breach contract	–	15 252	–	–	15 252
Matter for payment of interest for breach of contract	–	53	53	–	–
Mr Vermaas, claims compensation he received was not just and equitable	–	67 989	–	–	67 989
Restitution claim, for purchase price and interest of 15,5% and costs	–	1 006 427	1 006 427	–	–
The claim is for alleged under compensation	–	7 600	7 600	–	–
This is a direct access case for under compensation	–	5 377	–	–	5 377
Breach of contract	–	1 307	1 307	–	–
Breach of contract, specific performance	–	44	–	–	44

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2021

Nature of Liability	Opening balance	Liabilities incurred during the year	Liabilities paid/cancelled/reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance
	1 April 2020				31 March 2021
	R'000	R'000	R'000	R'000	R'000
Civil claim	–	60 000	60 000	–	–
Claim damages due to failure to comply with contractual obligations in the form of mora inte	–	6 522	–	–	6 522
Claim for compensation	–	427 276	–	–	427 276
Claim for losses incurred as a result of fire	–	373	373	–	–
Claim for services rendered	–	4 375	4 375	–	–
Claim under compensation on Ptns 5,7,8,28,30,31,49 & R/E of the Farm Avontuur 725 J	–	48 050	–	–	48 050
Claims Financial Compensation not received Mahlangu Family claim (Vanggatfontein 251)	–	2 732	–	–	2 732
Claims Financial Compensation - Tramways	–	1 500	–	–	1 500
Collision claim	–	249	46	–	203
Commission is disputing validity of the contract with applicant	–	3 491	–	–	3 491
Compensation	–	6 597	6 597	–	–
Compensation for damages	–	8 614	8 614	–	–
Compensation for loss of buffaloes	–	495 417	495 417	–	–
Compensation for loss of cattle's	–	287	–	–	287
Compensation for loss of income	–	39 384	14 353	–	25 031
Contractual claim	–	20 806	11 710	–	9 096
Damage motor vehicle	–	143	89	–	54
Farm fire	–	11 626	–	–	11 626
Fire losses claim	–	27 423	–	–	27 423
Goods sold delivered	–	161	–	–	161
Grants claim	–	1 000	1 000	–	–
Indemnification of fire losses claim	–	634	634	–	–

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2021

Nature of Liability	Opening balance	Liabilities incurred during the year	Liabilities paid/cancelled/reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance
	1 April 2020				31 March 2021
	R'000	R'000	R'000	R'000	R'000
Labour dispute	–	653	–	–	653
Labour matter	–	1 845	–	–	1 845
Malicious prosecution, unlawful arrest and detention	–	590	–	–	590
Negligence	–	662	–	–	662
Non-payment of employment benefits	–	8	–	–	8
Not issuing import permits	–	53 315	–	–	53 315
Offer to purchase	–	5 583	5 583	–	–
OSD	–	152 501	31 121	–	121 380
Payment due to services render	–	49 312	49 312	–	–
Prohibition of movement of animals	–	8 426	–	–	8 426
Services could not be confirmed	–	5 668	343	–	5 325
Vehicle accidents	–	903	227	–	676
Services rendered	–	107	107	–	–
<b>Subtotal</b>	<b>–</b>	<b>2 806 194</b>	<b>1 716 797</b>	<b>–</b>	<b>1 089 397</b>
<b>Other</b>					
QCC	–	1 924 440 304	1 924 440 304	–	–
<b>Subtotal</b>	<b>–</b>	<b>1 924 440 304</b>	<b>1 924 440 304</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>–</b>	<b>1 927 246 498</b>	<b>1 922 723 507</b>	<b>–</b>	<b>1 089 397</b>

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2021

ANNEXURE 4  
CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2021	31/03/2020	31/03/2021	31/03/2020	31/03/2021	31/03/2020
	R'000	R'000	R'000	R'000	R'000	R'000
<b>Department</b>						
<b>National Departments</b>						
Department of Environmental, Forestry and Fisheries	-	-	2 410	-	2 410	-
Department of Public Works	-	-	599	-	599	-
<b>Provincial Departments</b>						
Department of Agriculture and Agrarian Reform (Eastern Cape)	-	-	34	-	34	-
<b>Subtotal</b>	-	-	<b>3 043</b>	-	<b>3 043</b>	-
<b>Other Government Entities</b>						
Deeds Registration Trading Account	-	-	998	-	998	-
Land Commission	-	-	13 010	-	13 010	-
<b>Subtotal</b>	-	-	<b>14 008</b>	-	<b>14 008</b>	-
<b>Total</b>	-	-	<b>17 051</b>	-	<b>17 051</b>	-



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2021

ANNEXURE 5  
INTER-GOVERNMENT PAYABLES

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2021	31/03/2020	31/03/2021	31/03/2020	31/03/2021	31/03/2020
	R'000	R'000	R'000	R'000	R'000	R'000
<b>Other government entity</b>						
<b>Current</b>						
Department of Public Works (Property Management Trading Entity)	2 619	–	408 830	–	411 449	–
Telkom SA	1 248	–	–	–	1 248	–
Eastern Cape Rural Development Agency	–	–	22 205	–	22 205	–
Agricultural Research Council	144	–	–	–	144	–
<b>Subtotal</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>4 011</b>	<b>–</b>	<b>431 035</b>	<b>–</b>	<b>435 046</b>	<b>–</b>

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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ANNEXURE 6  
INVENTORIES

Inventories for the year ended 31 March 2021	Clothing Materials & Accessories	Farming Supplies	Food and Food Supplies	Fuel, Oil and Gas	Materials and Supplies	Medical Supplies	Medicine	Machinery and equipment	Other Supplies	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance										
Add: Additions/Purchases – Cash	1 965	358 289	1 403	1 865	4 009	1 950	9 764	48 007	887 816	1 315 068
Add: Additions - Non-cash										
(Less): Disposals										
(Less): Issues	(1 965)	(358 289)	(1 403)	(1 865)	(4 009)	(1 950)	(9 764)	(48 007)	(887 816)	(1 315 068)
Add/(Less): Received current, not paid (paid current year, received prior year)										
Add/(Less): Adjustments										
<b>Closing balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2021

ANNEXURE 7  
MOVEMENT IN CAPITAL WORK IN PROGRESS

Movement in capital work in progress for the year ended 31 March 2021	Opening balance R'000	Current year capital WIP R'000	Ready for use (Asset register) / Contract terminated R'000	Closing balance R'000
<b>Machinery and equipment</b>		<b>26 854</b>		<b>26 854</b>
Transport assets		26 854		26 854
<b>Buildings and other fixed structures</b>		<b>1 990 835</b>	<b>384 205</b>	<b>1 606 630</b>
Dwellings		306 653		306 653
Non-residential buildings		497 773		497 773
Other fixed structures		1 186 409	384 205	802 204
<b>Land and subsoil assets</b>		<b>83 840</b>	<b>68 913</b>	<b>14 927</b>
Land		83 840	68 913	14 927
<b>Computer software</b>		<b>9 358</b>	<b>851</b>	<b>8 507</b>
Software		9 358	851	8 507
<b>Total</b>		<b>2 110 887</b>	<b>453 969</b>	<b>1 656 918</b>

Transport assets represent seven Mercedes mobile clinics.

Computer Software represents the self-developed in-house systems. The EmailFile Transfer System is deployed and ready for use.

Other fixed structures represent different capital projects as per the attached spreadsheet.

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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ANNEXURE 8A  
INTER-ENTITY ADVANCES PAID (note 14)

Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2021	31/03/2020	31/03/2021	31/03/2020	31/03/2021	31/03/2020
	R'000	R'000	R'000	R'000	R'000	R'000
<b>National Departments</b>						
Government Communications (GCIS)	1 021		3 731		4 752	
<b>Subtotal</b>	<b>1 021</b>		<b>3 731</b>		<b>4 752</b>	
<b>Other institutions</b>						
Private enterprises			56 176		56 176	
<b>Subtotal</b>			<b>56 176</b>		<b>56 176</b>	
<b>Total</b>	<b>1 021</b>	<b>-</b>	<b>59 907</b>		<b>60 928</b>	<b>-</b>

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

Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2021	31/03/2020	31/03/2021	31/03/2020	31/03/2021	31/03/2020
	R'000	R'000	R'000	R'000	R'000	R'000
<b>National Departments</b>						
<b>Current</b>						
<b>Other institutions</b>						
<b>Current</b>						
PPECB			253		253	
Citrus Growers Association	58				58	
<b>Total current</b>	<b>58</b>		<b>253</b>		<b>311</b>	

An advance of R14,091 million was received from Department of Higher Education and Training for the DAFF's Development of Young Producers, Enterprise and Skill Development programme to optimize the Job Opportunities and the Improve Livelihoods project. An amount of R15,842 million was set-off against the advance during the 2020/21 financial year. The advance is administered under the Agency Services: NSF: Growth & Strat Dev Expenditure.



**ANNEXURE 9  
ADDITIONAL INFORMATION ON IMMOVABLE ASSETS**

In addition to the detail for note 34.5 the department should address the information regarding.

**1. Surveyed unregistered land parcels**

There are 1,586 land parcels that are surveyed, but not yet registered at the Deeds Office.

**2. State land held in Trust**

There are 802 land parcels that are held in Trust for communities.

**3. Deemed Vested Properties**

There are 2,545 land parcels that must still be vested.

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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**ANNEXURE 11**  
**COVID 19 RESPONSE EXPENDITURE**  
Per quarter and in total

Expenditure per economic classification	2020/21				2019/20
	Q1	Q2	Q3	Q4	Total
	R'000	R'000	R'000	R'000	R'000

**Compensation of employees**

**Goods and services**

Communication

Cons Supplies

Cons: STA, Print & Off sup

Contractors

Inv: Other Sup

Property payments

Rental & Hiring

**TOTAL COVID 19 RESPONSE EXPENDITURE**

3	-	1		4	
5 032	7 518	555	1 409	14 514	
1	-	-	-	1	
-	43	-	-	43	
-	49	-	-	49	
510	2 316	1 290	909	5 025	
-	17	59	30	106	
<b>5 546</b>	<b>9 943</b>	<b>1 905</b>	<b>2 348</b>	<b>19 742</b>	

# Agricultural Land Holdings Account

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# Report of the auditor-general to Parliament on Agricultural Land Holdings Account

## Report on the audit of the financial statements

### Qualified opinion

1. I have audited the financial statements of the Agricultural Land Holdings Account set out on pages 389 to 428, which comprise the statement of financial position as at 31 March 2021, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the effects of the matter described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Agricultural Land Holdings Account as at 31 March 2021, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

### Basis for qualified opinion

#### Trade and other receivables from non-exchange transactions

3. I was unable to obtain sufficient appropriate audit evidence for trade and other receivables from non-exchange transactions and the related provision for impairment, if any, as the trading account did not adequately assess the recapitalisation and development grants to determine the grants that had to be repaid and recognised as receivables. I could not confirm the amount of the trade and other receivables from non-exchange transactions and the resultant impact on the prior period error disclosure by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to trade and other receivables from non-exchange transactions stated at R620 300 000 (2019-20: R413 549 000) and the prior period error disclosure for the recapitalisation and development grants in notes 7 and 25 of the financial statements, respectively.

#### Context for the opinion

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

#### Emphasis of matter

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

#### Impairment of trade receivables from exchange

8. As disclosed in note 6 to the financial statement, the trading account had receivables from exchange transaction totalling R514 400 000, with an impairment provision for doubtful debts of R507 584 000 as at 31 March 2021. The receivables relate to operating leases on farms leased out to beneficiaries.

#### Restatement of corresponding figures

9. As disclosed in note 25 to the financial statements, the corresponding figures for 31 March 2020 were restated as a result of an error in the financial statements of the trading account at, and for the year ended, 31 March 2021.





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

10. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with GRAP and the requirements of the PFMA, 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.
11. In preparing the financial statements, the accounting officer is responsible for assessing the trading account's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the trading account or to cease operations, or has no realistic alternative but to do so.

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

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

### **Report on the audit of the annual performance report**

14. Section 40(3)(a) of the PFMA requires the trading account to prepare an annual performance report. The trading account's performance information was reported in the annual performance report of Department of Agriculture, Land Reform and Rural Development. The usefulness and reliability of the reported performance information was tested as part of the audit of the Department of Agriculture, Land Reform and Rural Development and any audit findings are included in the management and auditor's reports of Department of Agriculture, Land Reform and Rural Development.

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

#### **Introduction and scope**

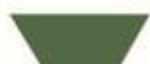
15. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the trading account's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.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

#### **Annual financial statements**

17. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework as required by section 40(1) (b) of the PFMA. Material misstatements of trade and other receivables from non-exchange transactions identified by the auditors in the submitted financial statements were not corrected resulting in the financial statements receiving a qualified opinion.

#### **Expenditure management**

18. Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R13 867 000, as disclosed in note 23 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The irregular expenditure disclosed in the financial statements resulted from non-compliance with supply chain management processes. Irregular expenditure of R13 867 000 was incurred on land development support projects.
19. Payments were not made within 30 days or an agreed period after receipt of an invoice, as required by treasury regulation 8.2.3.



## Other information

20. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, which includes the audit committee's report. The other information does not include the financial statements and the auditor's report.
21. My opinion on the financial statements and findings on compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
22. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
23. The other information I obtained prior to the date of this auditor's report is the accounting officer's report and the audit committee report. The other information to be included in the annual report is expected to be made available to us after 06 August 2021.
24. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

## Internal control deficiencies

25. I considered internal control relevant to my audit of the financial statements, and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion and the findings on compliance with legislation included in this report.
26. There was no proper review and monitoring of compliance with legislation, resulting in financial statements that were not prepared in accordance with the prescribed reporting framework of the entity.
27. There was no adequate monitoring and oversight to ensure compliance with legislation, to prevent irregular expenditure from being incurred by the trading account and to ensure that payments are made within 30 days from the date of receipt of invoice.
28. Management did not effectively exercise oversight responsibility over financial reporting, compliance and related controls, as evidenced by the material misstatements in the financial statements.

*Auditor-General*

Pretoria  
06 August 2021



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

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

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and on the trading account’s compliance with respect to the selected subject matters.

### Financial statements

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

### Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

## Agricultural Land Holdings Account

Annual Financial Statements for the year ended 31 March 2021

### General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Land Acquisition and Management
Business address	No 184 Jeff Masemola Street Pretoria 0001
Postal address	Private Bag X 833 Pretoria 0001
Bankers	ABSA
Auditors	Auditor General of South Africa

## Agricultural Land Holdings Account

Annual Financial Statements for the year ended 31 March 2021

The reports and statements set out below comprise the annual financial statements presented to the parliament:

Audit Committee Report  
Statement of Financial Position  
Statement of Financial Performance  
Statement of Changes in Net Assets  
Cash Flow Statement  
Statement of Comparison of Budget and Actual Amounts  
Accounting Policies  
Notes to the Annual Financial Statements



MM Mokono  
Chief Director



B Zulu  
Acting Deputy Director-General



R Sadiki  
Chief Financial Officer



M Ramasodi  
Acting Director-General

## **Agricultural Land Holdings Account**

Annual Financial Statements for the year ended 31 March 2021

### **Audit committee members**

Dr NZ Qunta (Chairperson)  
Mr A Wakaba  
Ms AMM Badimo  
Ms MK Mbonambi

### **Audit committee responsibility**

The audit committee reports that it has complied with its responsibilities arising from section 38(10)(1) of the PFMA and Treasury Regulation 3.1.

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

## Agricultural Land Holdings Account

Annual Financial Statements for the year ended 31 March 2021

### Statement of Financial Position as at 31 March 2021

		2021	2020
	Note(s)	R'000	Restated* R'000
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5	375 506	1 472 973
Trade and other receivables from exchange transactions	6	100 132	84 270
Trade and other receivables from non-exchange transactions	7	620 300	413 549
Prepayments	9	9 729	12 921
		<b>1 105 667</b>	<b>1 983 713</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	3	13 987 817	13 853 421
Other financial assets	4	-	347 217
		<b>13 987 817</b>	<b>14 200 638</b>
<b>Total Assets</b>		<b>15 093 484</b>	<b>16 184 351</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables from exchange transactions	8	54 642	155 395
Other Provisions	10	624 707	591 435
		<b>679 349</b>	<b>746 830</b>
<b>Total Liabilities</b>		<b>679 349</b>	<b>746 830</b>
<b>Net Assets</b>		<b>14 414 135</b>	<b>15 437 521</b>
<b>Accumulated surplus</b>		<b>14 414 135</b>	<b>15 437 521</b>

## Agricultural Land Holdings Account

Annual Financial Statements for the year ended 31 March 2021

### Statement of Financial Performance

	Note(s)	2021 R'000	2020 Restated" R'000
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Rental income on lease receivable	11	71 947	51 108
Rental income on servitude	11	-	64
Interest on lease receivable	11	21 672	22 687
Interest on servitude	11	1	3
Other income	11	3	5
Interest income	11	31 761	107 836
<b>Total revenue from exchange transactions</b>		<b>125 384</b>	<b>181 703</b>
<b>Revenue from non-exchange transactions</b>			
<b>Transfer revenue</b>			
Grant income – non-exchange	11	448 040	1 682 947
Donation received	11	5 836	13 736
<b>Total revenue from non-exchange transactions</b>		<b>453 876</b>	<b>1 696 683</b>
<b>Total revenue</b>	11	<b>579 260</b>	<b>1 878 386</b>
<b>Expenditure</b>			
Depreciation and amortisation		(79 295)	(69 205)
Impairment	14	(97 994)	(105 309)
Interest expense		(394)	(1 727)
Bad debts written off		-	(10 689)
Grant expense farmers	13	(851 736)	(73 238)
General Expenses	12	(214 683)	(201 044)
<b>Total expenditure</b>		<b>(1 244 102)</b>	<b>(461 212)</b>
Operating (deficit) surplus		(664 842)	1 417 174
Loss on disposal of assets		(4 249)	(32 185)
<b>(Deficit) surplus for the year</b>		<b>(669 091)</b>	<b>1 384 989</b>

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<sup>1</sup> See Note 25



## Agricultural Land Holdings Account

Annual Financial Statements for the year ended 31 March 2021

### Statement of Changes in Net Assets

	Accumulated Surplus R'000	Total net assets R'000
<b>Opening balance as previously reported</b>	<b>14 237 925</b>	<b>14 237 925</b>
Prior year adjustments - Note 25	12 298	12 298
<b>Balance at 01 April 2019 as restated<sup>^</sup></b>	<b>14 250 223</b>	<b>14 250 223</b>
Changes in net asset	(197 691)	(197 691)
Net income (losses) recognised directly in net assets	(197 691)	(197 691)
Surplus for the year	1 384 989	1 384 989
<b>Total recognised income and expenses for the year</b>	<b>1 187 298</b>	<b>1 187 298</b>
<b>Total changes</b>	<b>1 187 298</b>	<b>1 187 298</b>
<b>Restated* Balance at 01 April 2020</b>	<b>15 437 519</b>	<b>15 437 519</b>
Gains/(Losses) from transfer of function under common control - Ref Note 27	(354 295)	(354 295)
<b>Net income (losses) recognised directly in net assets</b>	<b>(354 295)</b>	<b>(354 295)</b>
Surplus/ (deficit) for the year	(669 091)	(669 091)
<b>Total recognised income and expenses for the year</b>	<b>(1 023 386)</b>	<b>(1 023 386)</b>
<b>Total changes</b>	<b>(1 023 386)</b>	<b>(1 023 386)</b>
<b>Balance at 31 March 2021</b>	<b>14 414 133</b>	<b>14 414 133</b>

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<sup>2</sup> See Note 25

## Agricultural Land Holdings Account

Annual Financial Statements for the year ended 31 March 2021

### Cash Flow Statement

		2021 R'000	2020 Restated* R'000
	Note(s)		
<b>Cash flows from operating activities</b>			
<b>Cash receipts</b>			
Sale of goods and services		16 126	14 717
Grant income		448 040	1 682 947
Interest Income		20 262	78 859
Other operating revenue		-	-
		<b>484 428</b>	<b>1 776 523</b>
<b>Cash paid to suppliers and employees</b>			
Suppliers and other payables		(1 340 199)	(809 305)
<b>Net cash flows from operating activities</b>	15	<b>(855 771)</b>	<b>967 218</b>
<b>Cash floor from investing activities</b>			
Purchase of property, plant and equipment	3	(241 696)	(764 003)
<b>Net cash flows from investing activities</b>		<b>(241 696)</b>	<b>(784 003)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(1 097 467)</b>	<b>203 215</b>
Cash and cash equivalents at the beginning of the year		1 472 973	1 269 758
<b>Cash and cash equivalents at the end of the year</b>	5	<b>375 506</b>	<b>1 472 973</b>

## Agricultural Land Holdings Account

Annual Financial Statements for the year ended 31 March 2021

### Statement of Comparison of Budget and Actual Amounts

#### Budget on Accrual Basis

	Approved budget	Adjustments	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
	R'000	R'000	R'000	R'000	R'000	
<b>Statement of Financial Performance</b>						
<b>Revenue</b>						
<b>Revenue from exchange transactions</b>						
Rental income on lease receivable	36 622	18 436	55 058	71 947	16 889	31% - 1
Interest (outstanding debtors)	39 582	(14 470)	25 112	21 672	(3 440)	(14%) - 2
Interest on servitude	-	-	-	1	1	100% - 3
Other income	-	-	-	3	3	100% - 4
Interest received	42 466	4 889	47 355	31 761	(15 594)	(33%) - 5
<b>Total revenue from exchange transactions</b>	<b>118 670</b>	<b>8 855</b>	<b>127 525</b>	<b>125 384</b>	<b>(2 141)</b>	
<b>Revenue from non-exchange transactions</b>						
<b>Transfer revenue</b>						
Government grants & subsidies	448 040	-	448 040	448 040	-	0%
Donations received	15 009	(8 874)	6 135	5 836	(299)	(5%) - 6
<b>Total revenue from non-exchange transactions</b>	<b>463 049</b>	<b>(8 874)</b>	<b>454 175</b>	<b>453 876</b>	<b>(299)</b>	
<b>Total revenue</b>	<b>581 719</b>	<b>(19)</b>	<b>581 700</b>	<b>579 260</b>	<b>(2 440)</b>	

## Agricultural Land Holdings Account

Annual Financial Statements for the year ended 31 March 2021

### Statement of Comparison of Budget and Actual Amounts

#### Budget on Accrual Basis

	Approved budget	Adjustments	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
	R'000	R'000	R'000	R'000	R'000	
<b>Expenditure</b>						
Depreciation and amortization	(51 780)	(25 768)	(77 548)	(79 295)	(1 747)	2% - 7
Impairment	(96 699)	80 856	(15 843)	(97 994)	(82 151)	(519%) - 8
Interest expense	-	-	-	(394)	(394)	100% - 9
Bad debts written off	(38 067)	24 929	(13 147)	-	13 147	100% - 10
Grant expense farmers	(314 169)	(676 977)	(991 146)	(851 736)	139 410	14% - 11
General expense	(63 989)	(40 894)	(104 883)	(214 683)	(109 800)	(105%) - 12
<b>Total expenditure</b>	<b>(564 713)</b>	<b>(637 854)</b>	<b>(1 202 567)</b>	<b>(1 244 102)</b>	<b>(41 535)</b>	
<b>Operating deficit</b>	<b>17 006</b>	<b>(637 873)</b>	<b>(620 867)</b>	<b>(664 842)</b>	<b>(43 975)</b>	
<b>Loss on disposal of assets</b>	<b>(80 535)</b>	<b>75 535</b>	<b>(5 000)</b>	<b>(4 249)</b>	<b>751</b>	<b>(15%) - 13</b>
<b>Deficit before taxation</b>	<b>(63 529)</b>	<b>(562 338)</b>	<b>(625 867)</b>	<b>(669 091)</b>	<b>(43 224)</b>	
<b>Actual amount on comparable basis as presented in the Budget and Actual Comparative Statement</b>	<b>(63 529)</b>	<b>(562 338)</b>	<b>(625 867)</b>	<b>(669 091)</b>	<b>(43 224)</b>	

## Agricultural Land Holdings Account

Annual Financial Statements for the year ended 31 March 2021

### Statement of Comparison of Budget and Actual Amounts

#### Budget on Accrual Basis

	Approved budget	Adjustments	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
	R'000	R'000	R'000	R'000	R'000	

- Rental income on lease receivable -31%** variance is as a result of over performance due to finalization of lease agreements, therefore more billing for the contracts was done.
- Interest on Outstanding lease debt — (14%)** variance is as a result of interest that has been charged for the current financial year.
- Interest on servitude – 1%** variance is as a result interest charged on servitude that was not budget for.
- Other income - (100%)** The variance relates to budget other income for the current financial year.
- Interest received - (33%)** variance is as a result of a decline in cash and cash equivalent.
- Donation received - (5%)** variance is as a result of some Strategic Land Acquisition transactions falling off which directly impacts the direct donations to be received from sellers.
- Depreciation & amortisation - 2%** variance is as a result of depreciation charged in the current financial year.
- Impairment – 5193%** variance is due to impairment for PPE, and lease debtor's impairment for the current financial year compared to budget that was later adjusted.
- Interest expense - (100%)** variance is due to interest expense on rates and taxes that was not anticipated for.
- Bad debts written off — (100%)** variance is as a result of the bad debts write off that was budgeted for. At the end of the financial year there were no write offs that were implemented or identified.
- Grant expense farmers – 14%** variance relates to underperformance on COVID-19 vouchers not yet redeemed.
- General expense - (105%)** variance relates to increase in the provision contribution on Rates and Taxes during the current financial year against budget.
- Loss on disposal of assets – (15%)** variance is as a result of the balance remaining from the estimated budget against actual asset disposed at nominal value.

## Agricultural Land Holdings Account

Annual Financial Statements for the year ended 31 March 2021

### Statement of Comparison of Budget and Actual Amounts

#### Budget on Accrual Basis

	Approved budget	Adjustments	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
	R'000	R'000	R'000	R'000	R'000	
<b>Statement of Financial Position</b>						
<b>Assets</b>						
<b>Current Assets</b>						
Trade and other receivables from exchange transactions	61 622	77 253	138 775	100 132	(38 743)	(28%) - 14
Trade and other receivables from non-exchange transactions	86 786	626 290	713 076	620 300	(92 776)	(13%) - 15
Prepayments	-	-	-	9 729	9 729	100% - 16
Cash and cash equivalents	45 094	401 325	446 419	375 506	(70 913)	(16%) - 17
	<b>193 502</b>	<b>1 104 868</b>	<b>1 298 370</b>	<b>1 105 667</b>	<b>(192 703)</b>	
<b>Non-Current Assets</b>						
Property, plant and equipment	15 000 646	(1 175 429)	13 826 217	13 987 817	162 600	1% - 18
Other financial assets	349 900	(158 871)	191 029	-	(191 029)	100% - 19
	<b>15 350 546</b>	<b>(1 334 300)</b>	<b>14 016 246</b>	<b>13 987 817</b>	<b>(28 429)</b>	
<b>Total Assets</b>	<b>15 544 048</b>	<b>(229 432)</b>	<b>15 314 616</b>	<b>15 093 484</b>	<b>(221 132)</b>	

## Agricultural Land Holdings Account

Annual Financial Statements for the year ended 31 March 2021

### Statement of Comparison of Budget and Actual Amounts

#### Budget on Accrual Basis

	Approved budget	Adjustments	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
	R'000	R'000	R'000	R'000	R'000	
<b>Liabilities</b>						
<b>Current liabilities</b>						
Trade and other payables from exchange transactions	24 845	-	24 845	54 642	29 797	120% - 20
Other Provisions	-	-	-	624 707	624 707	100% - 21
<b>Total Liabilities</b>	<b>24 845</b>	<b>-</b>	<b>24 845</b>	<b>679 349</b>	<b>654 504</b>	
<b>Net Assets</b>	<b>24 845</b>	<b>-</b>	<b>24 845</b>	<b>679 349</b>	<b>654 504</b>	
<b>Net Assets</b>	<b>15 519 203</b>	<b>(229 432)</b>	<b>15 289 771</b>	<b>14 414 135</b>	<b>(875 636)</b>	
<b>Net Assets Attributable to Owners of Controlling Entity</b>						
<b>Reserves</b>						
Accumulated surplus	15 519 203	(229 432)	15 289 771	14 414 135	(875 636)	
Additional text						

14. **Trade and other receivables from exchange transactions - (28%)** the variance is as a result of an increase in the provision for doubtful debts due to low payment of rental income.
15. **Trade and other receivables from non-exchange transactions - (13%)** the variance is as a result of underperformance on Unspent Grant Land Development Support due to the slow start to the implementation of land development support as a result of change in implementation model during the year.
16. **Prepayments – 100%** variance is as a result of prepayments that were not budgeted for due to planned prepayments during the current financial year.
17. **Cash and cash equivalent - (16%)** the variance relates to initial budget that assumed that the 2019/20 cash and cash equivalent would be low, however the expenditure in 2019/20 was significantly low which resulted into 2019/20 bank balance being high. Also, the payments processed during the current financial year. The budget was increased significantly during the AENE budget process.
18. **Property, plant and equipment – 1%** the variance is as a result net carrying value on PPE after depreciation and impairment loss.
19. **Other financial asset - (100%)** the variance is as result of the transfer of function of Blended Finance Programme and Emerging Farmer Facility that was done during the current financial year to the Department of Agriculture Land Reform and Rural Development as compared to the budget that was provided for the current financial year.
20. **Trade and other payables from exchanges transactions – 120%** the variance is as a result of an anticipation of conclusion of rate and taxes accounts balances as well as anticipated

## Agricultural Land Holdings Account

Annual Financial Statements for the year ended 31 March 2021

movement on rental received in advance not realized.

21. **Other Provision – 100%** the variance relates to the other provision for rates and taxes that was initially not budgeted for.



# Agricultural Land Holdings Account

Annual Financial Statements for the year ended 31 March 2021

## Accounting Policies

### 1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise.

In that absence of an issued and effective Standard of GRAP, accounting policies for material transactions, events or conditions were developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 as read with Directive 5.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

#### 1.1 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the entity.

#### 1.2 Rounding

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

#### 1.3 Prior year comparatives

When that presentation or classification of items in the interim financial statements is amended, prior period comparative amounts are also reclassified and restated, unless such comparative reclassification is not required by a Standard of GRAP. The nature and reasons for such reclassification and restatement are also disclosed.

Where material accounting error, which relate to prior periods have been identified in the current year, the correction is made retrospectively as far as practicable and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly.

Presentation and classification of Items in the current year are consistent with prior periods.

#### 1.4 Budget

Budget information has been provided in a separate disclosure note in accordance with GRAP 1 and 24. GRAP 24 is applicable to all entities preparing their financial statements on accrual basis of accounting and is also applicable to all entities that are required or elect to make their approved budget publicly available.

ALHA budget does not meet the scope of GRAP 24 because its budget is not approved by parliament. The Trading Entity has elected to make their approved budget available. ALHA has presented separate statement of comparison of budget annual interim financial statements are presented using accrual basis of accounting while the budget information is presented using cash

## Agricultural Land Holdings Account

Annual Financial Statements for the year ended 31 March 2021

basis of accounting.

### 1.5 Significant judgements and estimates

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

#### Impairment of trade receivable

The entity assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the trading entity makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Appropriate allowances for estimated irrecoverable amounts are recognised in surplus or deficit when there is objective evidence that the asset is impaired.

Debtors are assessed on an individual basis; however, groups of debtors could be affected by the same evident circumstances which warrants a specific sub-grouping to be justifiable. Those debtors are classified according to those underlying circumstances for the purpose of compilation of an allowance for doubtful debts.

The following are some of the factors that should be considered, but the list is not exhaustive.

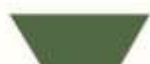
Category	% Impairment
Debt acknowledged /Valid ID / Limited Operation	100 %
Debt acknowledged / Valid ID / Recapitalisation/Land development support	100 %
Debt acknowledged / Business Reg / No Operation / Not Categorised	100 %
Debt acknowledged / Business Reg / Recapitalisation/Land development support	100 %
Debt acknowledged / Business Reg / Limited Operation	97 %
Debt acknowledged /Valid ID / No Operation / Not Categorised	80 %
Debt acknowledged / Business Reg / Commercial	100 %
Debt not acknowledged/Business Reg/Commercial	96 %
Debt not acknowledged/Valid ID/No Operation/not categorised	98 %
Refusal to pay	100 %
Debt not acknowledged	100 %

#### Impairment of non-financial assets

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the entity for similar financial instruments.

#### Value in use of non-cash generating assets

The Trading Entity reviews and test the carrying value of the assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. If there are indicators that impairment may have occurred, the remaining service potential of the asset is determined. This estimate is based on the availability of information to determine the remaining service potential of the asset.



#### 1.5 Significant judgements and estimates (continued)

##### Remaining useful lives of property, plant and equipment

The Trading Entity's management determines the estimated remaining useful lives and related depreciated charges for property, plant and equipment. This estimate is based on management's judgement, farming activities and operational factors. These estimates are based on the pattern in which an asset's future economic benefits or service potential is expected to be consumed by the Trading Entity.

##### Depreciation

Depreciation is recognised on property, plant and equipment and is determined with reference to the useful lives of the underlying items. The useful lives of the assets are based on management's estimation of the assets condition at the end of the period of use, its current use and expected future use.

##### Replacements costs

Replacement costs is calculated using the average price asset purchased within ALHA, since a willing buyer willing seller market is used for acquisition of ALHA property, plant and equipment.

##### Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included for rates and taxes where average of payment was made for properties owned. An average over 5 years was made.

##### Budget information

Variances between budget and actual amounts are regarded as material when a 5% variance exists. All material differences are explained in the notes to the annual financial statements.

##### Impairment of other financial asset

The impairment loss on financial asset measured at amortised cost is calculated as the difference between the asset net carrying amount and the present value of the estimated future cash flow discounted at the financial asset original interest rate.

The present value of the future cash flows is determined based on the budgeted percentage performance achieved by entities that have been advanced concessionary loans.

#### 1.6 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in

## Agricultural Land Holdings Account

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arriving at the cost. The cost also includes the estimated cost of dismantling the asset and restoring the site on which it's operated.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

Where the Trading Entity replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component.

Subsequent expenditure including major spare parts and servicing equipment qualify as property, plant and equipment if the recognition criteria is met.

Property, plant and equipment are depreciated on the straight-line basis over their expected useful lives. Components of assets that are significant in relation to the whole assets and that have different useful lives are depreciated separately. The Trading Entity maintains and acquires assets to provide a social service to the community, with no intention to dispose of the assets for any economic gain.

The assets residual values, useful lives and depreciation methods are reviewed at each financial year end and adjusted prospectively, if appropriate.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.



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The annual depreciation of items of property, plant and equipment have been assessed and based on the estimated asset useful lives as follows:

Item	Depreciation method	Average useful life
Agricultural land	Straight line	Unlimited
Infrastructure - Production facility - e.g. Broilers	Straight line	40 - 50
Infrastructure - Production infrastructure - e.g. kraal	Straight line	30 - 50
Buildings - Farm dwellings/buildings	Straight line	5 - 10
Agricultural Equipment - No Moving parts e.g. Ploughs	Straight line	20 - 30
Agricultural Equipment - High intensity moving parts e.g. Chain Saws	Straight line	5 - 7
Agricultural Equipment - Mechanical e.g. Tractors	Straight line	10 - 15
Agricultural Equipment - Water low intensity non-electrical	Straight line	30
Agricultural Equipment - Water low intensity - electrical	Straight line	15 - 20
Electrical	Straight line	15
Office equipment	Straight line	5 - 10
Motor vehicles	Straight line	5 - 10

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the entity. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The entity assesses at each reporting date whether there is any indication that the entity expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the entity revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in trading entity or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in trading entity or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

### 1.7 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.



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Annual Financial Statements for the year ended 31 March 2021

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- It is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity; and
- the cost or fair value of the asset can be measured reliably.

The entity assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an Intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result, the asset is tested for impairment and the remaining carrying amount is amortised over its useful life. Where the carrying amount of an item of an intangible asset is greater than the estimated recoverable amount (or recoverable service amount), is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charge to the Statement of Financial Performance.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

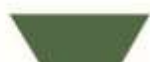
Item	Depreciation method	Average useful life
Share packaging rights	Straight line	Indefinite

The entity discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note).

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of an intangible assets is included in trading entity or deficit when the asset is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback) and is recognised in the Statement of Financial Performance.



### 1.8 Revenue

#### Revenue from non-exchange transactions:

Revenue from non-exchange transactions refers to transactions where the trading entity received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Revenue from non-exchange transactions is measured at the amount of the increase in net assets recognised by the Trading Entity.

#### Revenue from exchange transactions:

Revenue from exchange transactions is measured at the fair value of the consideration received or receivable taking into account the amount of any discount allowed by the Trading Entity, for goods and services provided in the normal course of business.

Revenue from the sale of farms is recognised when all the following conditions have been satisfied:

- The entity has transferred to the purchaser that significant risks and rewards of ownership of the property;
- The entity retains neither continuing managerial involvement to the degree usually associated with ownership nor elective control over the property sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits or service potential associated with the transaction will flow to the Trading Entity and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest is recognised in surplus or deficit using the effective interest rate method.

Rental revenue arising from operating leases is accounted for on a straight-line basis over the lease terms.

### 1.9 Investments in controlled entities

The transfer from the Department of Rural Development and Land Reform is recognised when it is appropriated and probable that future economic benefits will flow to the Trading Entity and the amount can be measured reliably. A transfer is recognised as revenue to the extent that there is no corresponding liability arising from the receipt of the transfer payment.

Where conditions are attached to the transfer that gives rise to a corresponding liability, the corresponding amount is recognised as non-exchange revenue as and when the related liability is discharged.

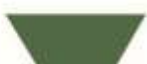
### 1.10 Interest in joint ventures

#### The Trading Entity as a lessor

##### Classification

A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. An operating lease is a lease other than a finance lease.

The Trading Entity classifies its leases as operating leases. The classification of the leases is based on the extent that the Trading Entity does not transfer substantially all the risk and rewards incidental to ownership of the assets to the lease.



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## Measurement

- Lease income from operating leases is recognised in income on a straight-line basis over the lease term;
- Lease income is disclosed in the Statement of Financial Performance;
- Any contingent rental income is recognised as surplus or deficit in the period in which it is receivable.

## 1.11 Financial Instruments

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other type of contracts that would be expected to have a similar response to changes in market factors.
- It is settled at a future date.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that as an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transitions'), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instruments (or group of financial instruments).

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

A financial asset is:

- cash;
- a residual interest of another entity; or
- a contractual right to:
  - receive cash or another financial asset from another entity; or
  - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.



#### 1.11 Financial Instruments continued

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

A residual interest is any contract that manifests an interest in the assets of an entity after deducting all of its liabilities. A residual interest includes contribution from owners, which may be shown as:

- equity instruments or similar form of unitised capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an entity's net asset, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the entity designates at fair value at initial recognition; or
- are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
  - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
  - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
  - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and

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- financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

### Classification

The Trading Entity classifies its financial instruments at amortised cost i.e. non -derivative financial assets or non-derivative financial liabilities that have a fixed or determined payments, excluding instruments that:

- The Trading Entity designates at fair value at initial recognition; or
- Are held for Trading.

The classification depends on the purpose for which the financial instruments were obtained or incurred and takes place at initial recognition. Classification is reassessed on an annual basis.

### Initial recognition

Financial instruments are recognised initially when the Trading Entity becomes a party to the contractual provisions of the instruments.

The Trading Entity classifies financial instruments, or their component parts on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and to the extent that the instrument satisfies the definition of a financial liability, a financial asset or a residual interest.

### Initial measurement

Financial instruments are measured initially at fair value except for equity investments for which a fair value is not determined, which are measured at cost.

For financial instruments which are not at fair value, transaction costs are included in the initial measurement of the instrument.

### Subsequent measurement

All financial assets at amortised cost are subsequently measured at amortised cost using the effective interest rate method, less accumulated impairment losses.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest rate method.

### Impairment of financial assets

The entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

For amounts due to the Trading Entity, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default on payments are all considered indications of impairment.

If there is objective evidence that an impairment loss on financial assets measured at amortised costs have been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of the future cash flows discounted at the financial asset's original effective interest rate.

The carrying amount of the loss is reduced through the use of an allowance amount. The amount of the loss is recognised in surplus or deficit.

Impairment deficits are reversed when an increase in the financial asset's recoverable amount can

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be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the Impairment is reversed shall not exceed what the carrying amount would have been had not the impairment been recognised.

Where financial assets are impaired through use of an allowance account, the amount of the deficit is recognised in surplus or deficit within operating expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

### **Trade and other receivables**

The Trade receivables are initially recognised at fair value and are subsequently stated at amortised costs less provision for impairment.

### **Trade and other payables**

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and are subject to an insignificant risk of changes in value. These are classified as financial assets at amortised cost.

### **Other financial assets**

Other financial asset represents financial guarantees to land bank. Concessionary loan made to farmers by National Empowerment Fund are classified as other financial assets at amortised cost.

## **1.12 Services in kind**

The Trading Entity does not recognise services in kind as revenue. Services in kind are disclosed under related parties.

## **1.13 Commitments**

No provision is made for projects approved for Grant farmers at year end, unless the service in terms of the contract has been delivered or the contract is of an onerous nature. Where a project has been approved and the contract has been awarded at reporting date, but no expenditure has accrued it is disclosed as commitment in the notes of the annual financial statements.

## **1.14 Irregular, fruitless and wasteful expenditure**

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

## **1.15 Irregular expenditure**

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including:

- (a) this Act; or
- (b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms

## Agricultural Land Holdings Account

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- of the Act or
- (c) any provincial legislation providing for procurement procedures in that provincial government.

National Treasury practice note no. 4 of 2008/2009 which was issued in terms of sections 76(1) to 76(4) of the PFMA requires the following (effective from 1 April 2008):

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalization of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required except for updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statement must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

### 1.16 Related parties

The Trading Entity has controls in place to aid in the identification of the related parties. The Trading Entity provides information on transactions with related parties in its financial statements. Disclosure of transactions with other government entities is only provided to the extent that the transaction was not on normal terms (not at arm's length).

### 1.17 Accounting by principals are agents

#### Identification

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf. and for the benefit of, another entity (the principal).

#### Recognition

The entity, as a principal, recognises revenue and expenses that arise from transactions with

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third parties in a principal-agent arrangement in accordance with the requirements of the relevant Standards of GRAP.

The entity, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

The entity recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

### 1.18 Going concern assumption

These annual financial statements have been prepared based on the expectation that the entity will continue to operate as a going concern for at least the next 12 months.

### 1.19

#### 1.19.1 Unspent Grant Farmers

Trade and other non-exchange receivables arising from the trading entity unconditional right to the return of the funds from the beneficiaries in cases of default, breach and or termination of the contractual arrangement. Any contractual party that determines a default, breach and or termination must communicate through a written notice to the party that is in default. The legal remedies available in a situation of default, breach and or termination, as well as, subsequent recovery of the funds will be dictated by various agreements signed by all parties.

All contractual agreements are assessed to determine the unconditional right for the return of the funds at initial recognition and subsequent measurement. In case of subsequent measurement whereby a receivable is recognised, the receivable will be dealt with in line with policy on other debtors.

#### 1.19.2 Trade and Other Receivables from other debtors

Trade and other receivables are categorised as financial assets and are initially recognised at fair value and subsequently carried at amortised cost. Amortised cost refers to initial carrying amount plus interest less repayment and impairments.

Assessment of impairment of non-exchange receivable shall be done in line with policy of impairment of receivable non exchange par 1.5.

### 1.20 Contingent Asset

A contingent asset is disclosed by the Trading Entity where there is a possible asset that arises from past events, and whose existence will be confirmed only by the occurrence or non - occurrence of one or more uncertain future event not wholly within the control of the Trading Entity.

### 1.21 Contingent Liability

A contingent liability is disclosed by the Trading Entity where there is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non - occurrence of one or more uncertain future events not wholly within control of ALHA; OR where there is a present obligation arising from past events but is not recognised because it is not probable that an out flow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

### 1.22 Prepayments

Prepaid expenses are amounts paid for by the Trading Entity representing costs incurred from which services or benefits are expected to be derived in the future.



## Agricultural Land Holdings Account

Annual Financial Statements for the year ended 31 March 2021

The future write off period of the incurred cost will normally be determined by the period of benefit covered by the prepayment. When the period arrives to which a prepaid cost relates the costs will be treated as a period cost for the period in question. Normally such prepaid costs will be written off based on the elapse of time.

Prepaid expenses should be classified as current assets unless a portion of the prepayment covers a period longer than 12 months. If there are prepayment costs with a benefit beyond 12 months, they should be classified as deferred charges in the Statement of Financial Position.

Prepaid expenses will be measured at the value of the services or goods to be received/receivable in the future.

### 1.23 Leasehold improvements

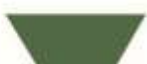
A leasehold improvement is an improvement made to a leased building by a department that has the right to use this leasehold improvement over the term of the lease. This improvement will revert to the lessor. In the event that the lease is terminated as a consequence of actions and omissions of the lessee.

### 1.24 Adoption of new GRAP standard

In the current year the trading entity has adopted all new and revised standards and interpretations issued by the ASB that are relevant to its operations and are effective.

The trading entity has early adopted the standard of GRAP 105 for the first time when the minister of finance sets the effective dates for the trading entity as 01 April 2019.

The adoption of the standard has not had a material impact on the result of the trading entity that has resulted. In more disclosures that would have provided in the interim financial statements.



# Agricultural Land Holdings Account

Annual Financial Statements for the year ended 31 March 2021

## Notes to the Annual Financial Statements

	2021 R'000	2020 R'000
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### 2. New standards and interpretations

#### 2.1 Standards and interpretations not yet effective or relevant

The following standards and interpretations have been approved but not yet effective and have not been adopted by the Entity:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
<ul style="list-style-type: none"><li>• GRAP 34: Separate Financial Statements</li><li>• GRAP 35: Consolidated Financial Statements</li><li>• GRAP 36: Investment in Associates and Joint Ventures</li><li>• GRAP 37: Joint Arrangements</li><li>• GRAP 104: Financial Instruments</li><li>• GRAP 110: Living and Non-Living Resources</li><li>• GRAP 38: Disclosure of Interests in Other Entities</li></ul>		

## Agricultural Land Holdings Account

Annual Financial Statements for the year ended 31 March 2021

### Notes to the Annual Financial Statements

#### Figures in Rand

#### Property, plant and equipment

	2021			2020		
	Cost/ Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost/ Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Agricultural land	11 833 273	-	11 833 273	11 647 054	-	11 647 054
Buildings	1 511 794	(310 791)	1 201 003	1 486 735	(259 292)	1 227 443
Motor vehicles	16 130	(13 139)	2 991	14 160	(12 170)	1 990
Infrastructure	848 486	(208 996)	637 490	835 202	(179 128)	656 074
Work in progress	104 408	-	104 408	101 424	-	101 424
Agricultural equipment	346 299	(137 647)	208 652	330 721	(111 285)	219 436
<b>Total</b>	<b>14 658 390</b>	<b>(670 573)</b>	<b>13 987 817</b>	<b>14 410 296</b>	<b>(561 875)</b>	<b>13 853 421</b>

#### Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Additions through donations	Disposals	WIP movement	Depreciation	Impairment loss	Total
Agricultural land	11 647 054	186 219	-	-	-	-	-	11 833 273
Buildings	1 227 443	23 559	1 500	-	-	(32 833)	(18 666)	1 201 003
Motor vehicles	1 990	1 969	-	-	-	(792)	(176)	2 991
Infrastructure	656 074	8 170	3 114	-	-	(21 903)	(7 965)	637 490
Work in progress	101 424	-	-	-	2 984	-	-	104 408
Agricultural equipment	219 436	18 794	1 222	(4 249)	-	(23 767)	(2 784)	208 652
<b>Total</b>	<b>13 853 421</b>	<b>238 711</b>	<b>5 836</b>	<b>(4 249)</b>	<b>2 984</b>	<b>(79 295)</b>	<b>(29 591)</b>	<b>13 987 817</b>



## Agricultural Land Holdings Account

Annual Financial Statements for the year ended 31 March 2021

### Notes to the Annual Financial Statements

#### 3. Property, plant and equipment (continued)

Figures in Rand

##### Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Additions through donations	Disposals	WIP movement	Depreciation	Impairment loss	Total
Agricultural land	11 207 144	464 681	-	(24 771)	-	-	-	11 647 054
Buildings	1 195 540	68 760	4 203	(1 881)	-	(28 668)	(10 511)	1 227 443
Motor vehicles	2 588	189	-	(52)	-	(735)	-	1 990
Infrastructure	617 853	61 903	7 162	(319)	-	(18 615)	(11 910)	656 074
Work in progress	26 092	79 703	-	-	(4 371)	-	-	101 424
Agricultural equipment	150 949	93 137	2 369	(5 163)	-	(21 186)	(670)	219 436
	<b>13 200 166</b>	<b>768 373</b>	<b>13 734</b>	<b>(32 186)</b>	<b>(4 371)</b>	<b>(69 204)</b>	<b>(23 091)</b>	<b>13 853 421</b>

#### Additional information

##### 3.1. Property, Plant and Equipment

Property, plant and equipment is carried at cost less accumulated depreciation and impairment losses.

Net carrying value for PPE amounts to R13,988billion (2020: R13,853billion) after depreciation of R79,295million and impairment of R29,591million.

##### 3.2. Loss on disposal of assets

Total disposal for the year amount to R4,249million which relates to the transfer of land development support machinery and equipment under LDS programme.

# Agricultural Land Holdings Account

Annual Financial Statements for the year ended 31 March 2021

## Notes to the Annual Financial Statements

	2021 R'000	2020 R'000
<b>4. Other financial assets</b>	-	347 217
Other Financial Assets relates to funds held by Land Bank: The closing balance for Other Financial Asset amount to R0 relates to the following:		
<b>4.1 Blended finance</b>		
A total amount of R163,484million was recognised in the previous financial year for the blended finance function has merged through one account of which the transfer of the balance will be concluded once approval is made. During the current financial year an approval for the transfer of function of Blended to the Department of Agriculture, Land Reform and Rural Development and therefore the full R163,484million was therefore transferred, Ref to note 27.		
<b>4.2 Emerging farmer support fund</b>		
During the current financial year an approval for transfer of function for the Emerging Famer Support Fund to the Department of Agriculture, Land Reform and Rural Development. Therefore, a total amount of R190,811million was transferred relating to the opening balance of R183,733million and R7,078million for current financial interest receivable, Ref to note 27.		
No assets were held as collaterals and no portion of the financial assistance has passed the due date therefore the were no impairment indicators.		
	-	-
	-	347 217
<b>5. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Cash at bank	375 506	1 472 973
The reduction in cash and cash equivalent are held with a registered banking institution which is subject to insignificant credit risk. The maximum exposure to credit risk at reporting date is the fair value of cash and cash equivalents mentioned above.		
<b>6. Trade and other receivables from exchange transactions</b>		
Deferred lease assets	93 153	82 937
Operating lease rentals	6 689	-
Accrued interest – from bank	163	1 206
Operating lease receivables: servitude	127	127
	<b>100 132</b>	<b>84 270</b>



# Agricultural Land Holdings Account

Annual Financial Statements for the year ended 31 March 2021

## Notes to the Annual Financial Statements

### 6. Trade and other receivables from exchange transactions (continued)

#### Credit quality of trade and other receivables

##### 6.1 Operating lease receivable

The carrying value for operating lease receivable and servitude of R6,816million (2020: R127thousand) respectively after impairments.

The ageing of amounts impaired is as follows:

#### Reconciliation of the provision for doubtful debts

Balance at the beginning of the year  
Contribution to provision

	2021 R'000	2020 R'000
	440 127	353 207
	67 457	86 920
	<b>507 584</b>	<b>440 127</b>

#### Trade and other receivables past due but not impaired

The ageing amounts past due but not impaired is as follows:

Less than 3 months	315	-
3 to 6 months	338	-
6 to 12 months	675	-
Over 12 months	5 488	127
	<b>6 816</b>	<b>127</b>

#### Trade and other receivables before impairment

Trade and other receivables of R514,400million (2020: R440,254million).

#### The ageing of the impairment loss is as follows:

Current to 6 months	36 111	33 145
6 to 12 months	48 236	36 495
Over 12 months	430 053	370 614
	<b>514 400</b>	<b>440 254</b>

### 7. Trade and other receivables from non-exchange transactions

Unspent conditional grant farmers - LDS  
Other debtors  
Inter - departmental debtors (DALRRD)

	539 640	337 525
	77 999	76 024
	2 661	-
	<b>620 300</b>	<b>413 549</b>

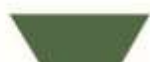
#### 7.1. Unspent conditional grant farmers - Land Development Support

Conditional grants given to farmers of which the farmers bank accounts are controlled by the department and participating financial institutions. The balance relates to transfers made to individual beneficiaries Grant bank accounts and payments made from beneficiaries Grant Holding bank accounts.

#### 7.2. Other debtors

Total amount of R77,999million for the current financial year on other debtors relates to the following:

Other debtors relates to debtors other than leases. The major debt relates to the claim amounting to R76,584million payable to the department after the termination of an agent agreement with National Empowerment Fund.



# Agricultural Land Holdings Account

Annual Financial Statements for the year ended 31 March 2021

## Notes to the Annual Financial Statements

	2021 R'000	2020 R'000
<b>8. Trade and other payables from exchange transactions</b>		
Trade payables	42 930	144 909
Rental received in advanced	11 712	10 486
	<b>54 642</b>	<b>155 395</b>

Trade payables relate to Rates and Taxes invoices from municipalities, valuations, professional fees and other expenditure that was due to be paid at the end of the reporting date.

### 9. Prepayments

Prepayments amounting to R9,729million (2021) and R12,921million (2020) relates to the following:

R591thousand on acquisition at Property, R3,106million for Rates and Taxes, Recapitalisation infrastructure R99thousand and Land Development Support amounting to R5,933million for assets procured and paid but not yet delivered.

### 10. Other provisions

#### Reconciliation of other provisions - 2021

	Opening balance	Additions	Utilised during the year	Total
Other provisions	591 435	141 623	(108 351)	624 707

#### Reconciliation of other provisions - 2020

	Opening balance	Additions	Total
Other provisions	493 178	98 257	591 435

Provision for rates and taxes has been provided as a result of an entity having a legal obligation to pay rates and taxes of properties owned. A reliable estimate for the provision was calculated for a period of five years using available historical data per municipalities.

No reliable estimate could be calculated for payment of rates and taxes between the period of 2007/08 to 2013/14 as a result of initial government properties initially being paid at Department of Public Works and Infrastructure.

### 11. Revenue

Rental income on lease receivable	71 947	51 108
Rental income on servitude	-	64
Interest on lease receivable	21 672	22 687
Interest on servitude	1	3
Other income	3	5
Interest received	31 761	107 836
Grant income – non-exchange	448 040	1 682 947
Donation received – non-exchange	5 836	13 736
	<b>579 260</b>	<b>1 878 386</b>

# Agricultural Land Holdings Account

Annual Financial Statements for the year ended 31 March 2021

## Notes to the Annual Financial Statements

	2021 R'000	2020 R'000
<b>12. General expenses</b>		
Advertising	14	177
Bank charges	69	48
Feasibility Study	945	235
Subsistence and travelling	-	2 086
Valuation	1 068	2 546
Professional fees	5 562	32 843
Water and electricity	1 387	709
Consumables	909	46
Tools and kit	114	2
Levies	595	1 064
License fees	340	354
Rates and taxes	175 899	155 748
Security expenses	5 275	1 669
Business planning	26	52
Legal fees	95	-
Covid consumable supplies medical supplies	15 200	-
Covid consumable house supplies toiletries	4 660	-
Management fees	2 525	3 465
	<b>214 683</b>	<b>201 044</b>

### 13. Grant expense farmers

Covid consumable: Seeds/Feeds/Medicine/Fertiliser/Livestock	548 849	-
Grant Strengthening of relative rights programme	-	14 501
Biological assets	12 269	35 981
Land development support programme	285 733	6 091
Recapitalisation and development support programme	4 885	16 665
	<b>851 736</b>	<b>73 238</b>

#### 13.1. Grant on Strengthening of Relative Rights programme

The Strengthening of Relative Rights programme (50/50) was a redistribution model that sort to secure the rights on farm dwellers working the land as well as advancing 50% shareholding of new companies registered with previous owners. The programme has been stopped by the department.

#### 13.2. Land development support

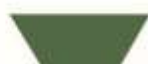
Land Development Support programme is a programme where farmers are assisted with the development of the land as well as production inputs for the purposes of assisting the famers into being Commercial Institutions. The implementation of the programme started towards the end of 2018/19 financial year.

#### 13.3. Recapitalisation and development expenditure

The movement results Recapitalisation programme expenditure for the current financial year.

#### 13.4 COVID-19 Relief Fund

As a result of the impact on COVID-19 pandemic on food security amongst vulnerable farmers the department approved farmers under COVID-19 Relief Programme implemented within the Trading Entity, the program provided famers meeting COVID-19 relief program criteria with vouchers for production inputs.



# Agricultural Land Holdings Account

Annual Financial Statements for the year ended 31 March 2021

## Notes to the Annual Financial Statements

	2021 R'000	2020 R'000
<b>14. Impairment</b>		
Impairments		
Property, plant and equipment	29 591	23 092
Lease debtors	67 457	86 921
Reversal of Impairment - Other financial asset	946	(4 704)
	<b>97 994</b>	<b>105 309</b>

## 15. Cash generated from operations

(Deficit) surplus	(669 091)	1 384 989
<b>Adjustments for:</b>		
Depreciation and amortisation	79 295	69 205
Interest - Land Bank	-	-
Loss on disposal of asset	4 249	32 185
Adjust for Donations received	(5 836)	(13 736)
Impairment of assets	29 591	23 092
Additions in provisions	141 623	-
Interest receivable	(7 078)	(22 275)
<b>Changes in working capital:</b>		
Trade and other receivables from exchange transactions	(15 863)	26 192
Surrender surplus	-	(197 691)
Trade and receivables from non-exchange transactions	(206 751)	(344 143)
Prepayments	3 192	1 598
Movement in provisions	(108 350)	98 257
Trade and other payables from exchange transactions	(100 752)	(90 455)
	<b>(855 771)</b>	<b>967 218</b>

## 16. Financial instruments disclosure

### Categories of financial instruments

#### 2021

#### Financial asset by category

	At amortised cost	Total
Trade and other receivables from exchange transactions	6 816	6 816
Cash and cash equivalents	375 506	375 506
	<b>382 322</b>	<b>382 322</b>

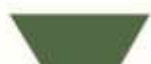
#### Financial liability by category

	At amortised cost	Total
Trade and other payables from exchange transactions	42 930	42 930

#### 2020

#### Financial asset by category

	At amortised cost	Total
Other financial assets	347 217	347 217
Trade and other receivables from exchange transactions	127	127
Cash and cash equivalents	1 472 973	1 472 973
	<b>1 820 317</b>	<b>1 820 317</b>



# Agricultural Land Holdings Account

Annual Financial Statements for the year ended 31 March 2021

## Notes to the Annual Financial Statements

	2021 R'000	2020 R'000
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### 16. Financial instruments disclosure (continued)

#### Financial liabilities by category

	At amortised cost	Total
Trade and other payables from exchange transactions	144 909	144 909

### 17. Related parties

#### Related party balances

##### Inter - departmental receivable

Department: Agriculture, Land Reform and Rural Development: Receivable	2 661	-
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#### Related party transactions

Department: Agriculture, Land Reform and Rural Development: Grant received	448 040	1 682 947
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No executive emoluments are paid by the Trading Entity as they are remunerated by the Department of Agriculture, Land Reform and Rural Development.

The Department of Agriculture, Land Reform and Rural Development also provides administrative services to the Trading Entity at no cost. These are not accounted for but disclosed as services in kind, refer to note 19.

### 18. Risk management

#### Financial risk management

The Trading Entity's activities expose it to a variety of financial risks including credit risk and liquidity risk.

The Trading Entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Trading Entity's performance. Risk management is carried out by management committee of the Department under the risk management framework approved by the Audit Committee.

#### Liquidity risk

At 31 March 2021	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
Trade and other payables from exchange transactions	31 198	11 732	-	42 930

At 31 March 2020	Less than 1 year R'000	Between 1 and 2 years R'000	Between 2 and 5 years R'000	Total
Trade and other payables from exchange transactions	110 871	34 038	-	144 909

The table above analyses the Trading Entity's financial liabilities into relevant maturity groups based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are contractual undiscounted cash flows.

# Agricultural Land Holdings Account

Annual Financial Statements for the year ended 31 March 2021

## Notes to the Annual Financial Statements

	2021 R'000	2020 R'000
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### 18. Risk management (continued)

#### Credit Risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The entity only deposits cash with major banks with high quality credit standing and limits exposure to any one counterparty.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2021	2020
Cash and cash equivalents	375 506	1 472 973
Trade and other receivables from exchange transactions	6 816	127
Other financial assets	-	347 217

#### Interest rate risk

As the Trading entity has no significant interest-bearing assets, the entity's income and operating cash flows are substantially independent of changes in market interest rates.

### 19. Services in kind

The Trading Entity falls under the Administration of the Department of Agriculture, Land Reform and Rural Development (DALRRD). The Executives, Provincial, District and National officials of the DALRRD spent some of their time on the affairs of the Trading Entity. Furthermore, the DALRRD provides the services of internal audit function, information technology, staff training, salaries, accommodation, furniture and equipment. There is no cost charged by the DALRRD in this regard.

### 20. Fruitless and wasteful expenditure

Fruitless and wasteful expenditure	95 675	98 429
Less: Condoned	-	(2 837)
Add: Fruitless and wasteful expenditure - current year	7	83
	<u>95 682</u>	<u>95 675</u>

#### 20.1 SRR projects

Fruitless and wasteful expenditure on SRR projects relates to the transfers of development funds on non-viable entities acquired. Grants amounting to R94,838million was provided to rescue the project. An investigation by Forensic Investigation Unit (FIU) was conducted on Strengthening Relative Rights (SRR). The recommendations of the full audit have been finalised towards the end of financial year and therefore irregular will be disclosed accordingly.

#### 20.2 One Hectare One Household (1H1H)

Payment of professional fees amounting to R754thousand relates to the Accountant and Sita Management fees that were paid to the Farmers for services not rendered and where the quality of the services rendered that was deficient was paid that were paid to accountants before they had fulfilled the obligation of the contract.





# Agricultural Land Holdings Account

Annual Financial Statements for the year ended 31 March 2021

## Notes to the Annual Financial Statements

	2021 R'000	2020 R'000
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### 20.3 Rates and Taxes

A total amount of R90 thousand relates to Interest paid on late payment of rates and taxes during the current year.

### 21. Future minimum lease receivable

4 251 501	3 744 921
-	-
<b>4 251 501</b>	<b>3 744 921</b>

The Trading entity leases farms to famers for short to long term periods. The total lease payments for short term is based on 5% of the projected net income calculated using the approved business plan per financial year and long term is based on 2% of the land price escalated using CPIX price. Farmers that are assisted by the trading entity through recapitalisation and development are exempted from paying rental for a period lesser than 5 years in which they are being assisted. All old lease contracts are not billable due to the implementation of the State land and lease disposal policy.

Medium to large – scale commercial farmers who have already been farming commercially at various scales are allocated long term leases with the option to purchase after five years from the effective date of the lease. In the event of the option to purchase being exercised within the lease period, the value of the Leasehold improvement done by the lessee shall be deducted from the sale price.

### 22. Commitments

#### Already contracted for but not provided for

• Contracted recapitalisation projects – Grant farmers	-	3 858
• Guarantees land acquisition	4	146 436
• One hectare One household – Grant farmers	27 926	28 257
• Open orders	2 135	2 828
• Project management	2 187	2 187
• Land Development Support – Grant farmers	215 401	716 909
	<b>247 653</b>	<b>900 475</b>

Opening balances for Grant Farmers and Land Development Support have been restated.

### 23. Irregular expenditure

Opening balance	304 006	136 740
Add: Irregular Expenditure - current year	13 867	167 266
	<b>317 873</b>	<b>304 006</b>

# Agricultural Land Holdings Account

Annual Financial Statements for the year ended 31 March 2021

## Notes to the Annual Financial Statements

	2021 R'000	2020 R'000
<b>23.1 <u>Irregular expenditure was incurred as a result of contravention of Supply Chain Policy Regulations Policy</u></b>		

### **Management fee – SRR**

SRR management fees amount to R41,805million, an appointment of business practitioner amounting to R1,120million and grant expenditure amounting to R37,508million.

SRR forensic investigation was completed and further determination for facts relating to the recovery is in progress.

### **Land Development Support (LDS)**

Land Development Support program implementing agents procured goods and services of R226,441million (inclusive of previous financial years) without following Supply Chain Management prescripts. The current financial year irregular amounts to R13,867million as a result of the finalization of work in progress and procurement commitments already issued to third parties.

Land Development Support a recommendation for forensic investigation to establish facts whether the transgression related to fraud, corrupt and other criminal conduct.

### **Recapitalisation and Development – Drought**

Expenditure amounting to R11,000million was incurred during 2016/17 financial year through emergency deviation but work has not yet been completed.

A forensic investigation has been concluded and further determination for facts relating to the recovery of the amount from identified people is to be done in the 2021/22 financial year.

## **24. Contingent asset and liabilities**

### **24.1 Contingent Asset**

#### **24.1.1 Unlawful removal of departmental asset**

The Trading Entity in the previous financial years recognised that a farmer had unlawfully removed movable assets to the value of R1,596million from the farm. As a result, the Trading Entity took legal action against the farmer to recover the loss of assets. The matter is still in the court of Law.

#### **24.1.2 Claim against recapitalisation and development beneficiary**

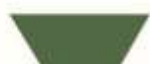
The department has instituted a claim amounting to R998thousand against a beneficiary that misused RADP funds.

#### **24.1.3 Leasehold Improvements**

The department has entered into a lease agreement which allowed the lessee to effect leasehold improvements. The contract indicates that the lessee shall forfeit compensation for his/her improvements on the property in the case where the farmer of the agreement is terminated.

Certain lessee have breached the agreement and the process of finalising whether the breach will result in the nomination of the state land and disposal policy indicates once the agreement is terminated then the farmer losses his future economic benefit and will instead flow to be state (Agricultural Land Holdings Account Trading Entity).

In the event the lease is terminated as a consequence of the actions or omissions of the lessee, the improvement shall become the property of the department and no compensation shall be paid to the lessee for such improvements. Lessees that have breached the contract are being taken through legal eviction process.



# Agricultural Land Holdings Account

Annual Financial Statements for the year ended 31 March 2021

It is not practical for the Trading Entity to estimate the value of the improvements since the lessees were not able to keep proper supporting documents and in such cases a detail valuation of property will be conducted upon the cases being settled.

## Notes to the Annual Financial Statements

	2021 R'000	2020 R'000
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### 24.2 Contingent Liability

#### 24.2.1 Rates and Taxes

Subsequent to the rates and taxes assessment and communication with municipalities, the Trading Entity has at the end of the current financial year not received invoices for some accounts. The extent of the liability unknown relates to the period of 2007 to 2014 period as the municipalities are required to submit invoices together with statements for proper reconciliation, therefore the amount and the timing is uncertain but it is probable that the proceedings will result in cash outflows to the municipalities.

#### 24.2.2 Other contingent liabilities

Other litigation in process against the department relates to fire losses claim against properties held under the Trading Entity. The total claim instituted amounts R10,319million.

### 25. Disclosure of prior period errors

The Trading Entity identified the following prior period errors during the 2020/21 financial year and all the corrections have been done from the beginning of 2018/19 financial year accordingly as follows:

#### 25.1 Property Plant and Equipment (PPE)

In the current financial year property, plant and equipment has been adjusted with recognition and derecognition of assets that were not previously recorded in the asset register which resulted in an increase on the net carrying value amounting to R10,062million. The adjustment is as a result of disposal and donation of assets, reversal and recognition of write off, adjustment due to unbundling and bundling of assets, recognition of asset infrastructure that was paid for but not yet constructed and assets that were erroneously recognised in previous financial years.

#### 25.2 Operating Leases errors:

##### 25.2.1 Trade and other receivable – Exchange

In the current financial lease contracts, which were not billed in the previous financial year were received and a total amount of R1,903million on revenue rental was adjusted for billing that was not recognised during the previous financial year. An adjustment has been done retrospectively.

##### 25.2.2 Provision for Doubtful Debt

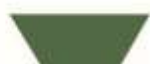
The total amount of R3,284million relates to the lease contracts of the previous financial year that were not recognised. An adjustment has been done retrospectively with an increase on provision for doubtful debt and impairment on lease debt.

##### 25.2.3 Deferred lease asset

The total amount of R1,574million on deferred lease asset relates to lease contracts of the previous financial year where the lease smoothing was not recognised. An adjustment has been done retrospectively with an increase on the deferred lease asset.

##### 25.2.4 Future minimum lease

Future minimum lease debt has been adjusted during the current financial year with lease contracts that were not recognised in the previous financial year. The adjustment resulted into an increase in the future minimum lease that was reported last year by R73,374million.



# Agricultural Land Holdings Account

Annual Financial Statements for the year ended 31 March 2021

## Notes to the Annual Financial Statements

	2021 R'000	2020 R'000
--	---------------	---------------

### 25. Disclosure of prior period errors (continued)

#### 25.3 Trade and other payable - Exchange

Total amount of R2,271 million relates general expenses and grant farmer expenditure of previous financial invoices that were received during the current financial year relating to water rights, professional fees, management fees, and licenses, etc. The recognition adjustment of the expenditure has been done in the correct financial year.

#### 25.4 Other financial assets

##### 25.4.1 Strengthening of Relative Rights (50/50)

In the previous financial year, a transfer of R6,999million to farmers for working capital was done in a form of a loan disbursed by National Empowerment Fund (NEF). A concessionary loan and impairment was therefore incorrectly recognised. The full impact of the loan was adjusted as grant farmer expense and a reversal of provision was done.

##### 25.5. Unspent conditional grant - SRR

In the current financial a reclassification of the amount owed to the department was done and the total amount of R71,312million that was reported in the previous financial year has now been reclassified to Other Debtors.

##### 25.6. Contracted recapitalisation programme commitment - Grant Farmers

During the current financial year, the department concluded a recapitalisation and development programme (RADP) assessment report to determine a contractual right to pay commitment balance. In terms of the recapitalisation and development programme (RADP) grant agreement, it stipulates that no payment shall be made/transferred after the expiry/termination of the RADP agreements to the grant recipient unless a new agreement is signed. All recapitalisation and development programme (RADP) grants agreements have expired, therefore a prior period error resulted into a correction of contracted recapitalisation projects - grant farmers commitment disclosure to R3,858million (2020).

##### 25.7 Land development support - Grant Farmers

An error of miscalculation in the business plan of a project was revised in the previous financial year and a correction of R81thousand was done in 2019/20 financial year.

#### 25.8 Other debtors

In the current financial it was realised that a debtor was not raised for beneficiaries under RADP in the previous financial years. An adjustment of R4,612million was done correctly with an impact of an increase on Other debtors and interest.

The correction of the error(s) results in adjustments as follows.

#### Statement of financial position

Property, plant and equipment	(10 062)
Trade and other receivable exchange	(1 903)
Provision for doubtful debt - lease debtors	3 284
Deferred lease asset	(1 574)
Trade and other payables exchange	2 271
Other Financial Asset	6 999
Provision for doubtful debt – SRR	(6 999)
Other debtors	(4 612)
Accumulated surplus	12 297
	<hr/>
	<b>299</b>

# Agricultural Land Holdings Account

Annual Financial Statements for the year ended 31 March 2021

## Notes to the Annual Financial Statements

	2021 R'000	2020 R'000
<b>Statement of financial performance</b>		
Depreciation and Impairment		(1 970)
Revenue Rental		3 133
General expenses		(2 123)
Grant expense farmers		4 283
Disposal		(7)
Impairment		(3 283)
Interest received		266
		<b>(299)</b>

From the beginning of 2018/19 financial year, the effect on retained earnings has been restated by R12,298million.

### 26. Change in accounting estimate

The annual review of useful life of assets resulted in a decrease of R612thousand in the depreciation charge to the Statement of financial performance.

### 27. Transfer of functions between entities under common control

#### Transfer of functions between entities under common control occurring during the current reporting period

Entities involved in the transfer of functions were:

The entities involved are the Agricultural Land Holdings (ALHA), as the Trading Entity established and the Department of Agriculture Land Reform and Rural Development (DALRRD).

Brief description of the function transferred and the reasons for the transfer.

#### **Blended Finance Programme**

The former Department of Rural Development and Rural Development and Department of Agriculture and Forestry implemented Blended Finance in their respective Departments. Upon the merger a transfer of the Blended Finance Programme under the Entity is transferred to the Department of Agriculture Land Reform and Rural Development (DALRRD) for the full implementation of the programme.

#### **Emerging Famer Support Facility**

The Agricultural Land Holdings Trading Entity (ALHA) has transferred an Emerging Farmer Support Facility that is managed by Land Bank as a developmental programme in the event that the emerging farmers owe Land Bank for production loans as curator guarantee. A total amount of R190, 811million was transferred inclusive of the interest receivable for the current financial year amounting to R7,078million.

The transfer of function took place during the 2020/21 financial year.

The transfer was finalised on 31 March 2021.



# Agricultural Land Holdings Account

Annual Financial Statements for the year ended 31 March 2021

## Notes to the Annual Financial Statements

	2021 R'000	2020 R'000
<b>Value of assets</b>		
<b>Assets transferred</b>		
Blended Finance Programme	163 484	-
Emerging Farmer Support Facility	190 811	-
	<b>354 295</b>	-
Difference between the carrying amounts of the assets transferred, the liabilities relinquished and adjustments required to the basis of accounting	354 295	-
<b>Difference between net assets and the consideration paid</b>	<b>354 295</b>	-

### 28. Accounting by Agent and Principal

In 2018/19 financial year a service level agreement was entered with National Emergent Red Meat Producer (NERPO) and Grain Farmers Development Association (GFDA) commodity organisation whose responsibility was to procure goods and services for farmers under the Land Development Support Programme under the Department of Agriculture, Land Reform and Rural Development (DALRRD). The procurement arrangement with National Emergent Red Meat Producer (NERPO) has since been stopped up until the procurement commitments have fulfilled.

The relationship with Grain Farmers Development Association (GFDA) was terminated during the period under review.

A total of R13,960million was remitted to National Emergent Red Meat Producers (NERPO) in relation to management fees and third-party payments for LDS interim disbursement model. All the funds were paid to third parties and no resources remained at year end.

A total amount of R687thousand paid to Grain Farmers Development Association (GFDA) for management fees.

Significant risk that arose in the financial year related to compliance with Supply Chain management prescripts as well as communication with affected farmers concerned. The risk has been mitigated through cancellation of the procurement of services by National Emergent Red Meat Producers NERPO and only agreeing in providing technical agricultural services to farmers.

### 29. Other important disclosure

#### 29.1. Lease rental discounts

During 2017/18 financial year State Land and Lease Disposal policy was amended to include an incentive in a form of a discount to lessees the full impact of the discount has not yet been effected as a result of the outstanding approval processes as per National Treasury Regulations. The full impact of the discount amounts to R39,760million from 2017/18 to 2019/20 and R66,895million 2020/21 respectively will be effected upon conclusion.

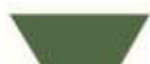
#### 29.2. Forensic and litigation for unaccounted fund under - recapitalisation and development programme (RADP)

The department has approved forensic investigations and/or legal assessment for the projects funded with grants under the recapitalisation and development programme as a result of beneficiaries' breach in submission of valid reconciliations and financial records to assess if funds were used for the intended purpose and if balances, after the production cycle were realised, as indicated in signed grant agreements.

An assessment report was concluded after project management process was undertaken by the department. Each case of breach is assessed at its merits, each merit has resulted in cases being at different stages on recovery process. Stages of recovery includes forensic investigations where allegations of misappropriation or irregularities are found, pre-litigation includes a process of claiming for specific performance and issuing letters of demand and litigation process for claiming for damages/losses and recovery of funds are done.

#### 29.3. Approval of land transfers

An approval of land transfers in title amounting to R109,050million to farm dwellers, labourers, tenants and communities is awaiting approval process as per National Treasury regulations.



## Deeds Registration Trading Entity

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# Report of the auditor general to Parliament on the Deeds Registration Trading Entity

## Report on the audit of the financial statements

### Opinion

1. I have audited the financial statements of the Deeds Registration Trading Entity set out on pages 436 to 491, which comprise the statement of financial position as at 31 March 2021, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Deeds Registration Trading Entity as at 31 March 2021, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

### Basis for opinion

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

### Emphasis of matter

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

### Restatement of corresponding figures

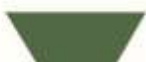
7. As disclosed in note 27 to the financial statements, the corresponding figures for 31 March 2020 were restated as a result of an error in the financial statements of the trading entity at, and for the year ended, 31 March 2021.

### Significant uncertainties

8. As disclosed in note 25 to the financial statements, litigation processes against the trading entity relating to disputes around the registration of property are under way. The total litigation before the courts was R305, 558 million (2020: R86, 957million) and the remainder of the litigation could not be quantitatively measured for financial impact.

### Responsibilities of accounting officer for the financial statements

9. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the GRAP and the requirements of the PFMA, 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.





10. In preparing the financial statements, the accounting officer is responsible for assessing the trading entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the trading entity or to cease operations, or has no realistic alternative but to do so.

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

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

### **Report on the audit of the annual performance report**

13. In terms of section 40(3)(a) of the PFMA, the trading entity is required to prepare an annual performance report. The performance information of the trading entity was reported in the annual performance report of the Department of Agriculture, Land Reform and Rural Development. The usefulness and reliability of the reported performance information was tested as part of the audit of the Department of Agriculture, Land Reform and Rural Development and any audit findings are included in the management and auditor's report of the Department of Agriculture, Land Reform and Rural Development.

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

#### **Introduction and scope**

14. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the trading entity's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
15. The material finding on compliance with specific matters in key legislations is as follows:

#### **Annual financial statements**

16. Financial statements were not submitted for auditing within two months after the end of financial year, as required by section 40(1)(c)(i) of the PFMA. The financial statements were submitted for audit purposes on 1 June 2021.

### **Other information**

17. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements and the auditor's report.

18. My opinion on the financial statements and findings on compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
19. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained during the audit or otherwise appears to be materially misstated.
20. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

### Internal control deficiencies

21. I considered internal control relevant to my audit of the financial statements and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the finding on compliance with legislation included in this report.
22. There was no proper and regular review and monitoring of compliance with legislation, resulting in financial statements not submitted within the legislated deadline.

### Other reports

23. I draw attention to the following engagement conducted by various parties that have or could potentially have an impact on the trading entity's financial statements and compliance with applicable legislation and other related matters. The report noted does not form part of my opinion on the financial statements or compliance with legislation.
24. The Special Investigation Unit's investigation into the e-cadastre project has been finalised, and findings and recommendations were made.

*Auditor-General*

Pretoria  
31 July 2021



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## Annexure - Auditor-general's responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on the trading entity's compliance with respect to the selected subject matters.

### Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

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

### Communication with those charged with governance

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

## Deeds Registration Trading Entity

Annual Financial Statements for the year ended 31 March 2021

### General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Registration of Deeds
Business address	219 Bosman Street Rentmeester Building Pretoria 0001
Bankers	Standard Bank
Auditors	Auditor General of South Africa



## Deeds Registration Trading Entity

Annual Financial Statements for the year ended 31 March 2021

### Index

The reports and statements set out below comprise the audited annual financial statements presented to the parliament:

Statement of Financial Position  
Statement of Financial Performance  
Statement of Changes in Net Assets  
Cash Flow Statement  
Statement of Comparison of Budget and Actual Amounts  
Accounting Policies  
Notes to the Audited Annual Financial Statements

The audited annual financial statements set out on pages 439 to 494, which have been prepared on the going concern basis, were approved by the accounting authority on 31 July 2021 and were signed on its behalf by:



CC Swart  
Director: Financial Management and Accounting



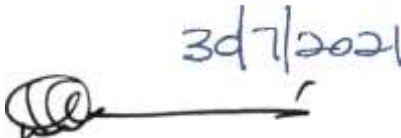
MF Mogoba  
Senior Financial Officer



CCE Knoesen  
Chief Registrar of Deeds



R. Sadiki  
Chief Financial Officer



M Ramasodi  
Acting Director General



# Deeds Registration Trading Entity

Annual Financial Statements for the year ended 31 March 2021

## Statement of Financial Position as at 31 March 2021

	Note(s)	2021 R'000	2020 Restated* R'000
<b>Assets</b>			
<b>Current Assets</b>			
Inventories	2	3 329	3 294
Prepayments	3	2 472	2 392
Statutory receivables from exchange transactions	4	87 839	64 897
Other receivables from exchange transactions	5	4 336	2 447
Cash and cash equivalents	6	388 991	192 558
		<b>486 967</b>	<b>265 588</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	7	64 201	70 133
Intangible assets	8	52 078	52 355
		<b>116 279</b>	<b>122 488</b>
<b>Total Assets</b>		<b>603 246</b>	<b>388 076</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Finance lease obligation	9	902	662
Payables from exchange transactions	10	71 543	52 766
Grant liability - Unspent conditional grants and receipts	13	73 586	-
Provisions	12	736	2 117
OVG appropriation liability	11	-	109 931
		<b>146 767</b>	<b>165 476</b>
<b>Non-Current Liabilities</b>			
Finance lease obligation	9	1 097	514
Grant liability - Unspent conditional grants and receipts	13	142 276	-
Provisions	12	10 918	13 283
		<b>154 291</b>	<b>13 797</b>
<b>Total Liabilities</b>		<b>301 058</b>	<b>179 273</b>
<b>Net Assets</b>		<b>302 188</b>	<b>208 803</b>
Accumulated surplus		302 188	208 803
<b>Total Net Assets</b>		<b>302 188</b>	<b>208 803</b>

# Deeds Registration Trading Entity

Annual Financial Statements for the year ended 31 March 2021

## Statement of Financial Performance

	Note(s)	2021 R'000	2020 Restated* R'000
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Registration of Deeds and Sale of Information		651 898	685 563
Management fees earned		-	9 543
Other income		1 986	463
Interest received	16	3 773	6 997
<b>Total revenue from exchange transactions</b>		<b>657 657</b>	<b>702 566</b>
<b>Revenue from non-exchange transactions</b>			
<b>Transfer revenue</b>			
Government grants & subsidies		138 000	
<b>Total revenue</b>	15	<b>795 657</b>	<b>702 566</b>
<b>Expenditure</b>			
Employee related costs	19	(551 862)	(595 389)
Depreciation and amortisation		(12 246)	(34 332)
Impairment loss/ Reversal of impairments		(966)	(1 637)
Finance costs	17	(124)	(148)
Loss on disposal of assets		(233)	(284)
General expenses	21	(136 873)	(154 731)
<b>Total expenditure</b>		<b>(702 304)</b>	<b>(786 521)</b>
Surplus /(deficit)		93 353	(83 955)

## Deeds Registration Trading Entity

Annual Financial Statements for the year ended 31 March 2021

### Statement of Changes in Net Assets

	Accumulated surplus R '000	Total net assets R '000
<b>Restated *Balance at 01 April 2019 as restated*</b>	<b>292 758</b>	<b>292 758</b>
Changes in net assets Surplus/(Deficit) for the year	(83 955)	(83 955)
Total changes	(83 955)	(83 955)
Opening balance as previously reported	212 326	212 326
Adjustments		
Correction of error	(3 492)	(3 492)
<b>Restated* Balance at 01 April 2020 as restated*</b>	<b>208 834</b>	<b>208 834</b>
Changes in net assets Surplus/(Deficit) for the year	93 354	93 354
Total changes	93 354	93 354
<b>Balance at 31 March 2021</b>	<b>302 188</b>	<b>302 188</b>



# Deeds Registration Trading Entity

Annual Financial Statements for the year ended 31 March 2021

## Cash Flow Statement

	Note(s)	2021 R '000	2020 Restated' R '000
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Registration of deeds and sale of information		649 180	679 650
Grants received - OVG		-	142 127
Grants received - Deeds		358 033	-
Interest income		3 538	12 683
Other Receipts		346	27
		<b>1 011 097</b>	<b>834 487</b>
<b>Payments</b>			
Cash Paid for Employee Costs		(567 451)	(606 424)
Cash Paid to Suppliers		(137 805)	(182 309)
Funds surrendered to National Treasury - Deeds		-	(14 300)
Funds surrendered to National Treasury - OVG		-	(123 100)
Transfer of appropriation funds		(104 776)	-
		<b>(810 032)</b>	<b>(926 133)</b>
<b>Net cash flows from operating activities</b>	24	<b>201 065</b>	<b>(91 646)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(2 265)	(20 290)
Proceeds from sale of property, plant and equipment		-	2
Purchase of intangible assets	8	(1 050)	(709)
<b>Net cash flows from investing activities</b>		<b>(3 315)</b>	<b>(20 997)</b>
<b>Cash flows from financing activities</b>			
Finance lease payments		(1 317)	(1 870)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>196 433</b>	<b>(114 513)</b>
Cash and cash equivalents at the beginning of the year		192 558	307 071
<b>Cash and cash equivalents at the end of the year</b>	6	<b>388 991</b>	<b>192 558</b>

# Deeds Registration Trading Entity

Annual Financial Statements for the year ended 31 March 2021

## Statement of Comparison of Budget and Actual Amounts

### Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
	R '000	R '000	R '000	R '000	R '000	

### Statement of Financial Performance

#### Revenue

#### Revenue from exchange transactions

Registration of deeds and sale of information	538 466	16 550	555 016	651 898	96 882	1.
Other income	-	-	-	1 986	1 986	2.
Interest received - investment	5 160	(2 500)	2 660	3 773	1 113	3.
<b>Total revenue from exchange transactions</b>	<b>543 626</b>	<b>14 050</b>	<b>557 676</b>	<b>657 657</b>	<b>99 981</b>	

#### Revenue from non-exchange transactions

#### Transfer revenue

Government grants & subsidies	394 803	(36 769)	358 034	138 000	(220 034)	4.
<b>Total revenue</b>	<b>938 429</b>	<b>(22 719)</b>	<b>915 710</b>	<b>795 657</b>	<b>(120 053)</b>	

#### Expenditure

Personnel	(656 748)	-	(656 748)	(551 862)	104 886	5.
Depreciation and amortisation	(21 272)	-	(21 272)	(12 246)	9 026	6.
Impairment loss/ Reversal of impairments	-	-	-	(966)	(966)	7.
Finance costs	-	-	-	(124)	(124)	8.
General Expenses	(260 409)	22 719	(237 690)	(136 872)	100 818	9.
<b>Total expenditure</b>	<b>(938 429)</b>	<b>22 719</b>	<b>(915 710)</b>	<b>(702 070)</b>	<b>213 640</b>	
<b>Operating surplus</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>93 587</b>	<b>93 587</b>	
Loss on disposal of assets and liabilities	-	-	-	(233)	(233)	10.
<b>Surplus for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>93 354</b>	<b>93 354</b>	
<b>Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>93 354</b>	<b>93 354</b>	

# Deeds Registration Trading Entity

Annual Financial Statements for the year ended 31 March 2021

## Statement of Comparison of Budget and Actual Amounts

### Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
	R '000	R '000	R '000	R '000	R '000	

### Statement of Financial Position

#### Assets

##### Current Assets

Inventories		3 300	3 300	3 329	29	11.
Other receivables from exchange transactions		120	120	4 336	4 216	12.
Prepayments				2 472	2 472	13.
Statutory receivables from exchange transactions		60 500	60 500	87 839	27 339	14.
Cash and cash equivalents		100 034	100 034	388 991	288 957	15.
		<b>163 954</b>	<b>163 954</b>	<b>486 967</b>	<b>323 013</b>	

##### Non-Current Assets

Property, plant and equipment		43 000	43 000	64 200	21 200	16.
Intangible assets		53 000	53 000	52 078	(922)	17.
		<b>96 000</b>	<b>96 000</b>	<b>116 278</b>	<b>20 278</b>	

#### Total Assets

**259 954      259 954      603 245      343 291**

#### Liabilities

##### Current Liabilities

Finance lease obligation		700	700	902	202	18.
Payables from exchange transactions		41 010	41 010	71 543	30 533	19.
Grant liability - Unspent conditional grants and receipts			-	73 586	73 586	23.
Provisions		2 000	2 000	736	(1 264)	20.
		<b>43 710</b>	<b>43 710</b>	<b>146 767</b>	<b>103 057</b>	

##### Non-Current Liabilities

Finance lease obligation		400	400	1 097	697	21
Grant liability - Unspent conditional grants and receipts				142 276	142 276	4.
Provisions		13 000	13 000	10 918	(2 082)	22.
		<b>13 400</b>	<b>13 400</b>	<b>154 291</b>	<b>140 891</b>	

#### Total Liabilities

**57 110      -      57 110      301 058      243 948**

#### Net Assets

**202 844      202 844      302 187      99 343**

#### Net Assets

##### Net Assets Attributable to Owners of Controlling Entity

##### Reserves

Accumulated surplus		202 844	202 844	302 187	99 343	23.
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### Statement of Comparison of Budget and Actual Amounts

#### Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
	R '000	R '000	R '000	R '000	R '000	

#### Reasons for difference between Final and Actual Amounts

1. Registration of deeds revenue estimates was projected based on the COVID-19 pandemic and National lockdown regulations that has adversely affected economic growth and sales of property. The positive variance is due to improvement of revenue generated during the alert level one of National lockdown where all sectors of the economy were opened.
2. The actual amount relates to revenue commission insurance and impairment reversal—statutory receivables. This amount is not budgeted for.
3. The favourable bank interest received was due to grant receipts in the current year. The transfer grants of R150 million and R208 million received respectively from the Department of Agriculture, Land Reform and Rural Development in 2020/21 financial year contributed to an increased bank balance and this improved interest earning.
4. The entity received total Grants of R358 million in the current year for operational costs. During the year R208 million was reclassified as a conditional grant for implementation of e-DRS in the next 2-3 years. The R12 million of the amount has been allocated for departmental activities that deeds is required to pay for from time to time.

#### Reconciliation:

Adjustment Budget	358 034
Grants Received	358 034
EDRS	208 034
Operational	138 000
DALRRD	12 000

5. The variance is due to moratorium on filling of posts in the public sector. The R60,154 million worth of posts were planned to be filled and were not. In addition a salary increase of 8% is budgeted for in the current year however DPISA has not approved and therefore could not be implemented. The amount of R60,154 million together with the salary increase of R46,710 million amounts to a total of R106 million and that explains the variance.
6. The variance between depreciation budget and actual is attributed to the re-assessment of Deeds and E-cadastre assets, and because of the extended useful life of assets, it affected monthly calculation of depreciation.
7. Debtors default results as an adjustment in the carrying amounts of debtors as an impairment. These defaults cannot be planned for, therefore the figure for impairment is not budgeted for.
8. Finance costs are related to interest rate implicitly in the lease and are not budgeted for.
9. Underspending of general expenses is attributed mainly to the delays of implementing the following projects:
  - Project Management Office by Deloitte Consulting budgeted amount of R12,5 million.
  - ICT Operational resources budgeted amount of R14,5 million.
  - Migration project budgeted amount of R15,5 million.
  - E-DRS project budget amount of R36 million.
  - Enterprise Architecture project budgeted amount of R6 million.
  - The variance budget amount of the following transactions was due to COVID-19 pandemic and regulations.
    - Travelling and Subsistence amount of R5,1 million.
    - External Training amount of R1,6 million.
    - Conference and Venues amount of R1,3 million.
    - Printing amount of R2,8 million.

### Statement of Comparison of Budget and Actual Amounts

#### Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
	R '000	R '000	R '000	R '000	R '000	
-						The variance amount of R1,7 million on bursaries was as the result of bursaries approved after the registration closing date.
-						The variance amount of R2,8 million on Legal Fees was over-budgeted.
10.						Loss on disposal of assets relates to assets disposed during the year for various reasons including damages and obsolescence.
11.						The expense is only recognised when store items are issued. The items are budgeted for separately under the specific expenditure items.
12.						The amount relates to debtors net of impairment and sundry debtors, the actual amount is more than budget due to debt claims made to OVG for expenditures incurred under OCRD on their behalf, R3,1 million is attributed to OVG, R1,1 million is attributed to Staff debts and leave days owed by officials as at 31 March 2021.
13.						Prepayments are not budgeted for and are due to over-lap on expenditure across financial years for prepaid services to be rendered in the future e.g. Oracle licenses and maintenance of hardware support.
14.						The amount relates to statutory receivables generated from registration and sale of information, the actual amount is more than the budget due to increase in revenue generated in the last quarter of the financial year due to work back plans executed on backlogs.
15.						An increase in cash and cash equivalents is due to the transfer grants received of R150 million on the 15 <sup>th</sup> June 2020 and R208 million on the 10 <sup>th</sup> February 2021 respectively from the Department of Agriculture, Land Reform and Rural Development in 2020/21 financial year.
16.						The actual amount of R69 million is the carrying value of property, plant, and equipment since the inception of the Deeds Registration Trading Entity, therefore the variance is as a result of a comparison of additions amounting to R4,9 million and reclassification of Work in Progress of Biometrics system into leasehold Improvement amounting to R15,9 million.
17.						The actual amount of R50,7 million is the carrying value of Intangible Asset including additions. The variance is due to extension of financial system licenses which were renewed due to delays in the procurement of the ERP.
18.						The variance is due to an amount of new finance lease contracts for copy machines that was entered into for period of three (3) years.
19.						The variance between actual and budget is due to sundry accruals of R11,2 million, accrued bonus of R15,8 million, trade payables creditors of R7,8 million and accrued leave pay of R32,4 million not taken by employees as at 31 March 2021 due to National lockdown regulations as a result of COVID-19 pandemic.
20.						The provision relates to Special Investigation Unit (SIU) invoices for investigations done.
21.						This amount relates to finance lease liabilities that are due to be settled between 2 to 5 years.
22.						The actual amount of R10,9 million on provision relates to Capped Leave, which is attributable to either retirements or deaths. Introduction of early retirement was expected to see more employees opting for early retirement but delays in the approval for the retirement of these employees affected the actual figure of the provision.
23.						The amount relates to retained surpluses and is accumulated over the years and cannot be budgeted for.

### Accounting Policies

#### 1. Presentation of Audited Annual Financial Statements

The audited annual financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999).

The audited annual financial statements have been prepared on an accrual basis of accounting and incorporated the historical cost conventions as the basis of measurement, except where specified otherwise. All amounts have been presented in the currency of the South African Rand (R), which is also the functional currency of the entity. Unless otherwise stated, all financial figures have been rounded to the nearest One Thousand Rand (R'000). Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a standard of GRAP.

##### 1.1 Going concern assumption

These audited annual financial statements have been prepared based on the expectation that the entity will continue to operate as a going concern for at least the next 12 months.

##### 1.2 Materiality

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

##### 1.3 Comparative Figures

Where material accounting errors, which relate to prior periods have been identified in the current year, the correction is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly.

The nature and reasons for the reclassification and restatement are disclosed in note 27 (Prior period errors) to the Annual Financial Statements.

##### 1.4 Significant judgements and sources of estimation uncertainty

In preparing the audited annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the audited annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the audited annual financial statements. Significant judgements include:

###### Statutory and other receivables

The entity assesses its statutory and other receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in the surplus or deficit, the entity makes judgment as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for statutory and other receivables is calculated on amounts that are overdue by 90 days or more. Assessment for the impairment has been made on individual debtors based on specific probability of recovery. Consideration is also given with regard to payment received from long outstanding debtors after year end, as well as information obtained from any debt collector used by the Trading Entity. The fair value includes the initial recognition of the debts. Interest is levied on dates when debt is due and payable but outstanding.

### Accounting Policies

#### 1.4 Significant judgements and sources of estimation uncertainty (continued)

##### Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 12 - Provisions.

##### Management Fees Received/ Receivable

Management fees to be paid into the entity were determined by management based on the monthly balance of the funds held by the entity on behalf of the principal. The calculation of the balance involved assumptions on the distribution and expensing of services rendered by the entity to its principal.

##### Depreciation and amortisation

Depreciation recognised on property, plant and equipment is determined with reference to the useful lives and residual values of the underlying items. The useful lives and residual values of assets are based on management's estimation of the asset's condition, expected condition at the end of the period of use, its current use, expected future use and the entity's expectations about the availability of finance to replace the asset at the end of its useful life. In evaluating how the condition and use of the asset informs the useful life and residual value, management considers the impact of technology and minimum service requirements of the assets.

Management determines fair value using available information to determine fair value of PPE acquired through non-exchange transactions.

##### Impairment of non-financial assets

In testing for and determining the value-in-use of non-financial assets, management is required to rely on the use of estimates about the asset's ability to continue to generate cash flows (in the case of cash-generating assets).

#### 1.5 Property, plant and equipment

Property, plant and equipment are tangible non-current assets that are held for use in the supply of goods or services, or for administrative purposes and are expected to be used in more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits or service potential associated with the item will flow to the entity; and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition, which is recognised as the deemed cost thereof.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value.

Subsequent to initial recognition, items of property, plant and equipment are carried at cost less accumulated depreciation and any impairment losses.

Depreciation is calculated on the depreciable amount using the straight-line method over the estimated useful life of the asset. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The depreciable amount is determined after taking into account an asset residual value, where applicable.

### Accounting Policies

#### 1.5 Property, plant and equipment (continued)

The asset residual values, useful lives and depreciation methods are reviewed at each financial year-end and adjusted prospectively, in accordance with GRAP 3 if appropriate.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	15 – 30 years
Office equipment	Straight line	3 - 10 years
IT equipment	Straight line	3 - 10 years
Leasehold equipment	Straight line	5 - 13 years
Photographic and technical equipment	Straight line	13 years
Leased Capital Works	Straight line	25 years

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The entity assesses at each reporting date whether there is any indication that the entity expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the entity revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Assets which the entity holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

The entity separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 20 - Repairs and maintenance).

The entity discloses relevant information relating to assets under construction or development, in the notes to the financial statements.

#### 1.6 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.





### Accounting Policies

#### 1.6 Intangible assets (continued)

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity; and
- the cost or fair value of the asset can be measured reliably.

The entity assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for, for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight-line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result, the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

Item	Depreciation method	Useful life
Licenses and franchises	Straight line	1-year
Computer software - Adobe reader	Straight line	Indefinite
Computer software - Oracle	Straight line	Indefinite

#### Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest rate method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or amounts not collectable.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

### Accounting Policies

#### 1.7 Financial instruments (continued)

A financial asset is:

- cash;
- a residual interest of another entity; or
- a contractual right to:
  - receive cash or another financial asset from another entity; or
  - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

#### Initial recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

The entity recognises financial assets using trade date accounting.

#### Initial measurement of financial assets and financial liabilities

The entity measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The entity first assesses whether the substance of a concessionary loan is in fact a loan. On initial recognition, the entity analyses a concessionary loan into its component parts and accounts for each component separately. The entity accounts for that part of a concessionary loan that is:

- a social benefit in accordance with the Framework for the Preparation and Presentation of Financial Statements, where it is the issuer of the loan; or
- non-exchange revenue, in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers), where it is the recipient of the loan.

#### Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at amortised cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

#### Impairment and uncollectability of financial assets

The entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets are impaired.

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced directly. The amount of the loss is recognised in the surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly or by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in the surplus or deficit.

### Accounting Policies

#### 1.7 Financial instruments (continued)

##### Derecognition

###### Financial assets

The entity derecognises financial assets using trade date accounting. The entity derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
  - derecognises the asset; and
  - recognises separately any rights and obligations created or retained in the transfer.

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

###### Financial liabilities

The entity removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

##### Presentation

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Losses and gains relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

##### Statutory receivables

###### Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

Carrying amount is the amount at which an asset is recognised in the statement of financial position.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.



### Accounting Policies

#### 1.8 Statutory receivables (continued)

Nominal interest rate is the interest rate and/ or basis specified in legislation, supporting regulations or similar means.

The transaction amount (for purposes of this Standard) for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

#### Recognition

The entity recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (Taxes and transfers); or
- if the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

#### Initial measurement

The entity initially measures statutory receivables at their transaction amount.

#### Subsequent measurement

The entity measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

#### Accrued interest

Where the entity levies interest on the outstanding balance of statutory receivables, it adjusts the transaction amount after initial recognition to reflect any accrued interest. Accrued interest is calculated using the nominal interest rate.

Interest on statutory receivables is recognised as revenue in accordance with the policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (Taxes and transfers), whichever is applicable.

#### Impairment losses

The entity assesses at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired.

In assessing whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired, the entity considers, as a minimum, the following indicators:

- Significant financial difficulty of the debtor, which may be evidenced by an application for debt counselling, business rescue or an equivalent.
- It is probable that the debtor will enter sequestration, liquidation or other financial re-organisation.
- A breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied).
- Adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns.

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the entity measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, is reduced, either directly or through the use of an allowance account. The amount of the losses are recognised in surplus or deficit.

### Accounting Policies

#### 1.8 Statutory receivables (continued)

In estimating the future cash flows, an entity considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the entity discounts the estimated future cash flows using a rate that reflects the current risk free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

Any previously recognised impairment loss is adjusted either directly or by adjusting the allowance account. The adjustment does not result in the carrying amount of the statutory receivable or group of statutory receivables exceeding what the carrying amount of the receivable(s) would have been had the impairment loss not been recognised at the date the impairment is revised. The amount of any adjustment is recognised in surplus or deficit.

#### Derecognition

The entity derecognises a statutory receivable, or a part thereof, when:

- the rights to the cash flows from the receivable are settled, expire or are waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
- the entity, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
  - derecognise the receivable; and
  - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The entity considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

#### 1.9 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

#### Finance leases - lessee

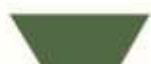
Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of return on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

#### Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.



### Accounting Policies

#### 1.10 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Inventories consisting of consumable stores are subsequently measured at the lower of cost and current replacement cost. The basis of determining cost is the weighted-average method.

Differences arising on the valuation of inventory are recognised in the statement of financial performance in the year in which they arose. The amount of any reversal of any write-off of inventories arising from an increase in current replacement cost is recognised as a reduction of inventories recognised as an expense in the period in which the reversal occurs.

If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs.

#### 1.11 Impairment of cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation/ (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation/ (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the entity; or
- the number of production or similar units expected to be obtained from the asset by the entity.

Judgements made by management in applying the criteria to designate assets as cash-generating assets or non-cash generating assets, are as follows:

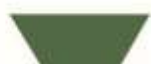
##### Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The entity assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the entity estimates the recoverable amount of the asset.

##### Reversal of impairment loss

The entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.



### Accounting Policies

#### 1.11 Impairment of cash-generating assets (continued)

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

#### 1.12 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for services rendered by employees.

Termination benefits are employee benefits payable as a result of either:

- an entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

##### Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related services.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cell phones) for current employees.
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

##### Post-employment benefits: Defined contribution plans

Defined contribution plans are post-employment benefit plans under which an entity pays fixed or determinable contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee services in the current and prior periods.

When an employee has rendered services to the entity during a reporting period, the entity recognises the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for the service before the reporting date, an entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

#### 1.13 Provisions and contingencies

##### Provisions are recognised when:

- the entity has a present obligation as a result of a past event;
- 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 can be made of the obligation.

### Accounting Policies

#### 1.13 Provisions and contingencies (continued)

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating surplus (deficit).

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

#### **Contingent Liabilities:**

Contingent liabilities is a possible obligation that arises from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly in the control of the entity; or a present obligation that arises from past events that is not recognised because;

- it is not probable that an outflow of resources and embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.
- the contingent liability is recognised awaiting the outcome of legal action or dispute between two parties.

#### **Contingent Assets:**

A contingent asset is a possible asset that arises from past events, and whose existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

An entity shall not recognise a contingent asset.

Where an inflow of economic benefits or service potential is probable, an entity shall disclose a brief description of the nature of contingent asset at the reporting date, and, where practicable, an estimate of their financial effect measured using the principles set out for provisions.

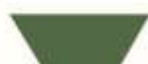
#### 1.14 Impairment of non-cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.





### Accounting Policies

#### 1.14 Impairment of non-cash-generating assets (continued)

A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Judgements made by management in applying the criteria to designate assets as non-cash-generating assets or cash generating assets, are as follows:

##### Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The entity assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the entity estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the entity also tests a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

#### 1.15 Revenue from exchange transactions

Revenue consists of fees charged for property registration and for provision or sale of registration information to customers in accordance with the tariffs provided for in the Schedule of Fees prescribed by Regulation 84 of the Deeds Registries Act (Act 47 of 1937) and approved by the Minister of. Revenue is recognised on registration of deeds as well as on sale of the data that has been requested.

##### Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

##### Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the entity has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity and;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

### Accounting Policies

#### 1.15 Revenue from exchange transactions (continued)

##### Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight-line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much *more* significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable. Revenue from deeds registration is recognised once the property has been registered.

##### Interest income

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

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

Interest is recognised, in the surplus or deficit, using the effective interest rate method.

#### 1.16 Revenue from non-exchange transactions

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange or gives value to another entity without directly receiving approximately equal value in exchange.

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the entity has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

##### Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

##### Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the entity.

When, as a result of a non-exchange transaction, the entity recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

### Accounting Policies

#### 1.16 Revenue from non-exchange transactions (continued)

##### Services in-kind

The disclosure of the nature and type of services in kind is disclosed by way of note to the financial statements in line with GRAP 1 in order to achieve fair presentation of financial statements. These services may include:

- Administration Services
- Accommodation Services
- Information Technology and
- Staff Training

All other services that are provided on behalf of the entity and are charged to the entity and are classified normally as expenses in terms of the approved Standard Chart of Accounts (SCOA).

#### 1.17 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

#### 1.18 Irregular Expenditure

##### Definition

Irregular expenditure as defined in section 1 of the PFMA means expenditure, other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including-

- (a) this Act; or
- (b) the State Tender Board Act, 1968 (Act No.86 of 1968), or any regulations made in terms of that Act; or
- (c) any provincial legislation providing for procurement procedures in that provincial government;

##### Recognition

Irregular expenditure is incurred when the resulting transaction is recognized in the financial records of a department, constitutional institution or public entity in accordance with the relevant Accounting Framework.

##### Assessment

Upon detection of alleged irregular expenditure, the accounting officer must conduct an assessment to identify possible irregularities in transactions that have been processed and to confirm whether irregular expenditure has been incurred or whether the incident was the result of non-compliance with laws and regulations that did not relate to the incurrence of a financial transactions.

##### Confirmation of Irregular Expenditure

If a transaction has been processed in contravention of the legislation or internal policies and the same transaction has a financial implication (payment was made or a liability was recognized in the books), the details of the irregular expenditure must be recorded in either the lead schedule if confirmed or in the checklist if alleged and the note to the financial statements is to be updated accordingly.



### Accounting Policies

#### 1.18 Irregular Expenditure (continued)

##### Recovery

Irregular expenditure emanating from fraudulent, corrupt or criminal acts that result in an entity incurring a loss, this prompts the Financial Compliance Committee function to inform the accounting officer in writing to institute a civil claim for the recovery of the loss.

##### Qualifying and raising a debt

The amount of debt recoverable from the responsible employees may equate to:

- (a) the value of the debt incurred as a consequence of his or her action(s) that led to incurrance of the irregular expenditure; or
- (b) a lesser amount determined by the accounting officer in accordance with the debt management policy of the entity.

A debt must be identified, reported and recorded in the books of the entity where such a debt arose from losses incurred as a result of irregular expenditure.

##### Irrecoverable debt

If the amount of a debt is irrecoverable from a responsible employee, the accounting officer may write off the debt in terms of Treasury Regulations 11.4.

#### 1.19 Prepaid Expenses

Prepaid expenses are cash paid amounts that represent costs incurred from which a service or benefit is expected to be derived in the future.

The future write-off period of the incurred cost will normally be determined by the period of benefit covered by the prepayment. When the period arrives to which a prepaid cost relates the costs will be treated as a period cost for the period in question. Normally such prepaid costs will be written off based on the lapse of time and receipt of services rendered/goods received.

Prepaid expenses should be classified as current assets unless a portion of the prepayment covers a period longer than 12 months. If they are prepayment costs with a benefit beyond 12-months, they should be classified as non-current in the Statement of Financial Position.

Prepaid expenses will be measured at the value of services or goods to be received/ receivable in the future.

#### 1.20 Cash and cash equivalents

Cash for reporting purposes will include cash in the bank and any petty cash.

Cash equivalents to be included on the cash line in the financial statements will consist primarily of term deposits, and all other highly liquid investments with a maturity of twelve months or less. Cash equivalents are stated at cost.

The following should be excluded from the cash and cash equivalents line in the financial statements reported in current assets:

- a) Cash subject to restrictions that prevent its use within the next year; and
- b) Cash appropriated for other than its current purposes unless such cash offsets a current liability.

Cash is measured at fair value.



### Accounting Policies

#### 1.21 Expense recognition

The entity reports its expenses on the accrual basis, meaning when the expenses are incurred, not when they are paid. Expenses are incurred when goods are received and services are rendered, whether or not an invoice has been received or payment has been made.

The policy exists to ensure adherence with GRAP, to promote consistent accounting treatment across the entity, and to ensure the operating results of the entity are not misstated as a result of expenses unrecorded or recorded improperly.

#### 1.22 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control. As a minimum, the following are regarded as related parties of the reporting entity:

- (a) A person or a close member of that person's family is related to the reporting entity if that person:
  - (i) has a control or joint control over the reporting entity;
  - (ii) has significant influence over the reporting entity; or
  - (iii) is a member of the management of the entity or its controlling entity;
- (b) An entity is related to the reporting entity if any of the following conditions apply:
  - (i) the entity is a member of the same economic entity (which means that each controlling entity, controlled entity and fellow controlled entity is related to the others);
  - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of an economic entity of which the other entity is a member);
  - (iii) both entities are joint ventures of the same third party;
  - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) the entity is a post-employment benefit plan for the benefit of employees of either the entity or an entity related to the entity. If the reporting entity is itself such a plan, the sponsoring employers are related to the entity;
  - (vi) the entity is controlled or jointly controlled by a person identified in (a); and
  - (vii) a person identified in (a)(i) has significant influence over that entity or is a member of the management of that entity (or its controlling entity).

An entity controls another entity when the entity is exposed, or has rights, to variable benefits from its involvement with the other entity and has the ability to affect the nature or amount of those benefits through its power over the other entity.

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity but does not have control over those policies.

Management comprises those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are those family members who may be expected to influence or be influenced by that person in their dealings with the entity. As a minimum, a person is considered to be a close member of the family of another person if they:

- (a) are married or live together in a relationship similar to a marriage;
- (b) are separated by no more than two degrees of natural or legal consanguinity or affinity.

### Accounting Policies

#### 1.22 Related parties (continued)

Related party relationships where control exists are disclosed, irrespective of whether there have been transactions between the related parties. The entity discloses the name of its controlling party and if different, the ultimate controlling party.

The entity discloses the nature of the related party relationship as well as information about those transactions and outstanding balances, including commitments, necessary for users to understand the potential effect of the relationship on the financial statements. At a minimum, disclosures include:

- (a) the amount of the transactions;
- (b) the amount of outstanding balances, including commitments; and
  - (i) their terms and conditions, including whether they are secured, and the nature of the consideration to be provided in settlement; and
  - (ii) details of any guarantees given or received;
- (c) provisions for doubtful debts related to the amount of outstanding balances; and
- (d) the expense recognised during the period in respect of bad or doubtful debts due from related parties.

The reporting entity is exempt from all the disclosure requirements above in relation to related party transactions if that transaction occurs within:

- (a) normal supplier and or client/ recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the entity to have adopted if dealings with that individual entity or person in the same circumstances; and
- (b) terms and condition within the normal operating parameters established by that reporting entity's legal mandate.

#### 1.23 Prior period errors and changes in accounting estimates

##### Prior period errors

Prior period errors are omissions from, and misstatements in, the entity's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that;

- was available when financial statements for those periods were authorised for issue; and
- could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.

Such errors may include the effects of mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretation of facts, and fraud.

##### Material prior period errors are retrospectively corrected by:

- restating the comparative amounts for the prior period presented in which the error occurred; or
- if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented.

##### Changes in accounting estimates

As a result of uncertainties inherent in delivering services, conducting trading or other activities, many items in financial statements cannot be measured with precision but can only be estimated. The use of reasonable estimates is an essential part of the preparation of financial statements and does not undermine their reliability. An estimate may need revision if changes occur in the circumstances on which the estimates was based or as a result on new information or more experience. By its nature, the revision of a estimates does not relate to prior periods and is not a correction of an error.

### Accounting Policies

#### 1.23 Prior period errors and changes in accounting estimates (continued)

The effect of a change in accounting estimates shall be recognised prospectively by including it in surplus or deficit in:

- the period of the change, if the change affects that period only; or
- the period of the change and future periods, if the change affects both.

#### 1.24 Segment reporting

**A segment is an activity of an entity:**

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

If the above criteria are all met for a specific activity, the activity is classified as a segment and is reported in the financial statements.

#### Aggregation Criteria

Segments are combined if the segments have similar economic characteristics and share a majority of the aggregation criteria or are individually insignificant.

Two or more segments may be aggregated into a single segment if the segments have similar economic characteristics, and the segments share a majority of the following:

- the nature of the goods and/or services delivered;
- the type or class of customer, or consumer to which goods and services are delivered;
- the method used to distribute the goods or provide the service; or
- if applicable, the nature of the regulatory environment that applies to the segment.

#### Measurement

The amount of each segment item reported shall be the measure reported by management for the purposes of making decisions about allocating resources to the segment and assessing its performance.

#### 1.25 Payables from exchange transactions

A liability is a present obligation of the entity arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits or service potential.

Liabilities from exchange transactions will be recognised if:

- it is probable that any future economic benefit or service potential associated with the item will flow from the entity; and
- the item has a cost or value that can be measured reliably.

As part of the process of maintaining the accounting records in conformity with GRAP, once a transaction or obligating event has taken place, the liability shall be recorded in the accounting records. This will normally occur upon the earlier of receipt of the invoice or delivery of services/ goods.

#### 1.26 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

### Accounting Policies

#### 1.26 Commitments (continued)

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity — therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

Additional disclosure is made for unrecognised contractual commitments for routine, steady state business of the entity. These are aggregated to the commitments above except for commitments relating to salary commitments.

#### 1.27 Accounting by principals and agents Identification

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf of, and for the benefit of, another entity (the principal).

#### Recognition

The entity, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirements of the relevant Standards of GRAP.

The entity, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

The entity recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

#### 1.28 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The entity will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event has occurred.

The entity will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

#### 1.29 Budget information

Entity are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which are given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by entity shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on an accrual basis and presented by economic classification linked to performance outcome objectives.



### Accounting Policies

#### 1.29 Budget information (continued)

The approved budget covers the fiscal period from 01/04/2020 to 31/03/2021.

The audited annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

#### 1.30 GRAP Standards approved and not yet effective

The following standards have been approved but not yet effective and have not been adopted by the entity:

GRAP 34 - Separate Financial Statements

GRAP 35 - Consolidated Financial Statements

GRAP 36 - Investment in Associates and Joint Ventures GRAP 37 - Joint Arrangements

GRAP 38 - Disclosure of Interest in Other Entities GRAP 110 - Living and Non-living Resource

All the GRAP standards above have no impact on the entities' financial statements in the period of initial application.

# Deeds Registration Trading Entity

Annual Financial Statements for the year ended 31 March 2021

## Notes to the Annual Financial Statements

	2021 R '000	2020 R '000
<b>2. Inventories</b>		
Stationary and Consumable material on hand	3 329	3 294

None of the entity's inventory is carried at current replacement cost. Accordingly, the balance as presented, represents the cost of inventories on hand. Inventories consist mainly of stationery and consumable material.

Inventory to the value of R2,441 million (2020: R4,056 million) was recognised as an expense during the year. The inventories are recognised as an expense as and when consumed within the entity and the related expense.

The basis of determining cost is the weighted-average method.

### 3. Prepayments

Opening balance	2 392	2 670
Add: prepayments during current period	25 323	26 291
Less: expensed during current period	(25 242)	(26 567)
Less: non-current prepaid expenditure	-	(2)
	<b>2 473</b>	<b>2 392</b>

The amount of R0 from (2020: R1 646) is prepaid to PBSA Batsumi Enterprise for maintenance of franking machines.

The amount of R869 (2020: R1 020) is prepaid to the South African Broadcasting Corporation for television licenses for some of the Deeds Registries.

The amount of R14 639 (2020: R18 044) is prepaid to the Post Office for post box renewals for some of the Deeds Registries.

An amount of R2,450 million (2020: R2,355 million) is prepaid to Oracle Corporation (Pty) Ltd for software update license and support.

An amount of R0 (2020: R1 961) is prepaid to Hasler Business System for maintenance and support of franking machines.

The amount of R3 118 (2020: R3 119) is prepaid to South African Institute of Chartered Accountants for annual membership.

The amount of R735 (2020: R1 374) is prepaid to SASFIN Commercial Solution (Pty) Ltd for maintenance and support of franking machines.

The amount of R2 585 (2020: R1 115) is prepaid to FRAMA (Pty) Ltd for maintenance and support of franking machines.

The amount of R0 (2020: R7 520) is prepaid to CIPS Southern Africa (Pty) Ltd for membership.

### 4. Statutory receivables from exchange transactions

The statutory receivables arise from transactions outlined in the Deeds Registries Act 47 of 1937 and includes transactions relating to:

- Sale of information and copies;
- Sale of Bulk information;
- Registration of property transfers;
- Registration of Bonds and other documents;
- Bond cancellations and;

## Deeds Registration Trading Entity

Annual Financial Statements for the year ended 31 March 2021

### Notes to the Annual Financial Statements

	2021 R '000	2020 R '000
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#### 4. Statutory receivables from exchange transactions (continued)

- Other annual fees such as subscription and cancellation fees;

The transactions amounts are determined by the Deeds Regulation Board after consideration of charges in the Deeds environment. The fees are approved and gazetted by the Minister. The current year fees have been gazetted in terms of Gazette no. 42262, notice no. R.283.

Interest is charged on debts that have not been settled within the prescribed time from statement date. The interest rate applied to these debts is determined by the Minister of Finance by notice in the national Government Gazette in accordance with section 80(2) of the Public Finance Management Act, 1999 (Act No.1 of 1999). Other charges refer to re-connection fees for clients who have been disconnected due to non-payment and are determined as stated above in line with the Gazette by the Minister.

The entity assesses at each reporting date whether there is any indication of impairment on statutory receivables. This assessment is based on the ageing of statutory receivables as historical experience indicates that the more mature the receivable the more likely the occurrence of default. Other factors are also considered when known and could also be the basis of assessment for indication of impairment, such as:

- Debtors financial difficulty evidenced by application for debt counselling, business rescue or an equivalent;
- It is probable that the debtor will enter sequestration, liquidity or enter financial re-organisation;
- A breach of terms of the transactions such as default or delinquent;
- Adverse changes in economic conditions.

Due to the fact that all debts relating to statutory receivables are due be settled within 30 days from date of transaction, effect of the time value of money are often immaterial.

The gross statutory receivables of R91,007 million (2020: R68,959) is stated before a provision for impairment of statutory receivables of R3,107 million (2020: R4, 123 million). The impairment of statutory receivables is determined from the age analysis of statutory receivables that are overdue for 90 days or longer. The prospects of recovery are assessed per individual account.



## Deeds Registration Trading Entity

Annual Financial Statements for the year ended 31 March 2021

### Notes to the Annual Financial Statements

	2021 R '000	2020 R '000
<b>4. Statutory receivables from exchange transactions (continued)</b>		
<b>Statutory receivables carrying amount</b>		
Statutory receivables	91 007	68 959
Impairments of statutory receivables	(3 107)	(4 123)
	<b>87 900</b>	<b>64 836</b>
<b>Impairment of statutory receivables - age analysis</b>		
3 to 6 months	(3 107)	(4 123)
<b>Statutory receivables age analysis</b>		
Current	84 685	61 594
30 days	5 081	4 057
60 days	(97)	82
90 days	(41)	20
Over 90 days	1 379	3 206
	<b>91 007</b>	<b>68 959</b>
<b>Reconciliation of impairment of statutory receivables</b>		
Opening balance	(4 123)	(3 581)
Increase in impairments	(613)	(1 344)
Amount written off as uncollectible	6	131
Impairment reversal	1 576	383
Interest accrued on impaired receivables	(134)	(217)
Subsequent payments	181	505
	<b>(3 107)</b>	<b>(4 123)</b>
<p>The current change in impairment of statutory and other receivables has been included in operating expenses in the statement of financial performance, under the account "Impairment loss/ Reversal of impairment". Amounts charged to impairment of statutory receivables are generally written off when there is no expectation of recovery. The maximum exposure to credit risk at reporting date is the carrying value of each class of receivables recognised above. Deeds Registration Trading Entity does not hold any collateral as security.</p>		
<b>5. Other receivables from exchange transactions</b>		
Other receivables	5 059	3 090
Impairment of other receivables	(723)	(644)
	<b>4 336</b>	<b>2 446</b>
<b>Other receivables age analysis</b>		
Current	3 025	2 145
30 days	9	22
60 days	(1)	-
90 days	1	1
Over 90 days	909	922
	<b>3 943</b>	<b>3 090</b>
<b>Impairment of other receivables - age analysis</b>		
3 to 6 months	724	(644)



## Deeds Registration Trading Entity

Annual Financial Statements for the year ended 31 March 2021

### Notes to the Annual Financial Statements

	2021 R '000	2020 R '000
<b>5. Other receivables from exchange transactions (continued)</b>		
<b>Reconciliation of impairment of other receivables</b>		
Opening balance	(644)	(668)
Provision for impairment	(118)	(18)
Amounts written off as uncollectible	42	49
Interest accrued on impairment of other receivables	(4)	-
Unwinding of discount	-	(7)
	<b>(724)</b>	<b>(644)</b>

The current impairment of other receivables has been included in operating expenses in the statement of financial performance, under the account "Impairment loss\ reversal of impairment". Amounts charged to impairment of other receivables are generally written off when there is no expectation of recovery. The maximum exposure to credit risk at reporting date is the carrying value of each class of other receivables recognised above. Deeds Registration Trading Entity does not hold any collateral as security.

#### 6. Cash and cash equivalents

Cash on hand (Petty Cash)	35	35
Bank	388 956	192 523
	<b>388 991</b>	<b>192 558</b>

Cash and deposits are held with a registered banking institution. Cash on hand at reporting date is R388, 991 million (2020: R192, 558 million). None of the cash and cash equivalents of the entity are subject to restricted availability as these balances are not encumbered.

#### 7. Property, plant and equipment

	2021			2020		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Furniture and fixtures	48 066	(27 437)	20 629	46 648	(25 376)	21 272
Office equipment	3 319	(1 411)	1 908	3 378	(2 308)	1 070
IT equipment	192 972	(175 578)	17 394	194 101	(171 258)	22 843
Leasehold improvements	33 028	(11 818)	21 210	31 840	(10 455)	21 385
Photographic equipment	9 925	(6 865)	3 060	9 980	(6 417)	3 563
<b>Total</b>	<b>287 310</b>	<b>(223 109)</b>	<b>64 201</b>	<b>285 947</b>	<b>(215 814)</b>	<b>70 133</b>

#### Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	21 272	2 025	(114)	(2 554)	20 629
Office equipment	1 071	1 681	-	(844)	1 908
IT equipment	22 843	941	(118)	(6 272)	17 394
Leasehold improvements	21 386	1 186	-	(1 364)	21 210
Photographic equipment	3 563	-	-	(503)	3 060
	<b>70 135</b>	<b>5 835</b>	<b>(232)</b>	<b>(11 537)</b>	<b>64 201</b>



## Deeds Registration Trading Entity

Annual Financial Statements for the year ended 31 March 2021

### Notes to the Annual Financial Statements

	2021 R '000	2020 R '000
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#### 7. Property, plant and equipment (continued)

##### Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Furniture and fixtures	21 551	2 507	(191)		(2 595)	21 272
Office equipment	1 292	909			(1 130)	1 071
IT equipment	45 879	4 364	(107)		(27 293)	22 843
Leasehold improvements	10 745	776		11 959	(2 094)	21 386
Leasehold improvements - WIP	15 150			(15 150)		
Photographic equipment	4 108	9	(8)		(546)	3 563
<b>Total</b>	<b>98 725</b>	<b>8 565</b>	<b>(306)</b>	<b>(3 191)</b>	<b>(33 658)</b>	<b>70 135</b>

The Department of Public Works provides office accommodation for all Deeds Registries. The category of Leasehold Improvements represents costs incurred by the Deeds Registration Trading Entity to improve the buildings that are owned/ leased on behalf of Deeds Registries by the Department of Public Works. The lease improvements are depreciated over the lease period or useful life, whichever is regarded as a shorter period.

Office equipment comprises of photocopy machines which are leased in term of finance lease agreements. The period of the lease agreements is between 2 - 5 years and the carrying value is R1,908 million (2020: R1, 070 million). Refer to note.9 - Finance lease obligation where the finance lease obligation is disclosed.

Work-in-Progress amounting to R0 (2020: R15,150 million) for the biometrics system is taking a significantly longer period of time to complete than is expected. This is as a result of delays by the service provider in implementing the required changes by SITA after which testing by SITA will be concluded. The contract started from 07 February 2017 and was anticipated to be completed by the 18th of May 2017.

#### 8. Intangible assets

	2021			2020		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Licenses	710	(170)	540	709	(170)	539
Computer software	52 115	(1 917)	50 198	52 115	(1 917)	50 198
Intangible assets	1 618	(278)	1 340	1 618		1 618
<b>Total</b>	<b>54 443</b>	<b>(2 365)</b>	<b>52 078</b>	<b>54 442</b>	<b>(2 087)</b>	<b>52 355</b>



## Deeds Registration Trading Entity

Annual Financial Statements for the year ended 31 March 2021

### Notes to the Annual Financial Statements

	2021 R '000	2020 R '000			
<b>8. Intangible assets (continued)</b>					
<b>Reconciliation of intangible assets - 2021</b>					
	<b>Opening balance</b>	<b>Additions</b>	<b>Amortisation</b>	<b>Impairment loss</b>	<b>Total</b>
Licenses	539	710	(709)	-	540
Computer software	50 199	-	-	-	50 199
Computer Software - WIP	1 618	-	-	(279)	1 339
	<b>52 356</b>	<b>710</b>	<b>(709)</b>	<b>(279)</b>	<b>52 078</b>

#### Reconciliation of intangible assets - 2020

	Opening balance	Additions	Amortisation	Total
Licenses	504	709	(674)	539
Computer software	51 157	-	(958)	50 199
Computer Software - WIP		1 618	-	1 618
	<b>51 661</b>	<b>2 327</b>	<b>(1 632)</b>	<b>52 356</b>

The entity is required to test an intangible asset with an indefinite useful life or an intangible asset not yet available for use for impairment by comparing its recoverable amount and recoverable service amount, as appropriate, with the carrying amount annually.

The entity has tested the intangible asset disclosed in this note for impairment. An amount of R277 829 has been recognised as impairment loss in the 2020/21 financial year.



## Deeds Registration Trading Entity

Annual Financial Statements for the year ended 31 March 2021

### Notes to the Annual Financial Statements

	2021 R '000	2020 R '000
<b>9. Finance lease obligation</b>		
<b>Minimum lease payments due</b>		
- within one year	1 023	746
- in second to fifth year inclusive	1 161	552
	2 184	1 298
less: future finance charges	(185)	(122)
<b>Present value of minimum lease payments</b>	<b>1 999</b>	<b>1 176</b>
<b>Present value of minimum lease payments due</b>		
- within one year	902	662
- in second to fifth year inclusive	1 097	514
	<b>1 999</b>	<b>1 176</b>
Non-current liabilities	1 097	514
Current liabilities	902	662
	<b>1 999</b>	<b>1 176</b>

The average lease term ranges between 2 and 5 years for office equipment, with an average interest rate of 7% applied to the leases. The finance leases are secured by the assets leased in terms of the agreement. Refer to note 7 - Property plant and equipment where the assets held under the finance leases are disclosed as part of office equipment.

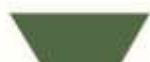
Contingent rent recognised as an expense in the period amounted to R522 472 (2020: R479 654). The contingent rents relate to copy charges per copy machine.

All copy machines under finance leases have an option to renew for an average of a further 2 years.

#### 10. Payables from exchange transactions

Trade payables	3 775	861
Unallocated cash	97	141
Accrued leave pay	32 402	21 069
Accrued bonus	15 791	16 429
Sundry accruals	15 304	12 090
Other payables	4 174	2 176
	<b>71 543</b>	<b>52 766</b>

Unallocated cash represents money deposited at the bank but not yet identified and allocated to Statutory Receivables at the end of the financial year.





## Deeds Registration Trading Entity

Annual Financial Statements for the year ended 31 March 2021

### Notes to the Annual Financial Statements

	2021 R '000	2020 R '000
<b>11. OVG appropriation liability</b>		
The Office of the Valuer General appropriation liability amount to Rnil million (2020: R109,931 million) relates to an amount transferred from the National Department of Agriculture, Land Reform and Rural Development for the operations of the Office of the Valuer General. The closing balance is the balance of grants received minus all expenditure incurred by the Office of the Valuer General and funds surrendered to the National Treasury.		
Refer to note 28 for Agent and Principal for GRAP 109 disclosure.		
<b>Reconciliation of unspent portion of OVG funds</b>		
Opening balance	109 931	127 065
Appropriation funds received on behalf of OVG	-	142 127
Transfer of appropriation funds	(104 776)	-
Expenditure incurred during the financial year	(23 660)	(36 161)
Reimbursements of expenditure incurred	15 453	-
Appropriation funds surrendered to National Treasury	-	(123 100)
	<b>(3 052)</b>	<b>109 931</b>

The closing balance of R3,052 million is as a result of transactions paid for on behalf the OVG and has been recognised as a sundry debtor in the current financial year.

### 12. Provisions

#### Reconciliation of provisions - 2021

	Opening Balance	Additions	Utilised during the year	Total
Provision - Other	2 117	736	(2 117)	736
Provision - Capped Leave	13 283	-	(2 365)	10 918
	<b>15 400</b>	<b>736</b>	<b>(4 482)</b>	<b>11 654</b>

#### Reconciliation of provisions - 2020

	Opening Balance	Additions	Utilised during the year	Total
Provision - Other	1 145	2 117	(1 145)	2 117
Provision - Capped Leave	12 795	669	(181)	13 283
	<b>13 940</b>	<b>2 786</b>	<b>(1 326)</b>	<b>15 400</b>

Non-current liabilities	10 918	13 283
Current liabilities	736	2 117
	<b>11 654</b>	<b>15 400</b>

The leave pay provision relates to long term/ capped leave that accrued to employees. It is not possible to anticipate the timing of the cash-out of this balance. Accordingly, the uncertainty related to the balance is limited to the timing of realisation. A review of the trends has however evidenced that it is unlikely that the full balance will be realised within the short term. Accordingly, the balance is classified as non-current.

The value of the provision is determined with reference to the capped leave days that have accrued to employees and the basic salaries of the employees. This represents the weighted average probable economic outflow that may be required to settle the capped leave balance.



## Deeds Registration Trading Entity

Annual Financial Statements for the year ended 31 March 2021

### Notes to the Annual Financial Statements

	2021 R '000	2020 R '000
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Other provisions relate to services rendered for which either the timing or amount is uncertain and is measured on the best available estimate.

#### 13. Grant liability - Unspent conditional grants and receipts

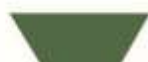
Funds received from the Department of Agriculture, Land Reform and Rural Development during adjustment estimate period of R208,032 million was approved for utilization for the purposes of development of the Electronic Deeds Registration System (eDRS) and its related projects. Over and above the mentioned condition the following are stipulated conditions for the grant:

- The grant shall be applied in accordance with the project timelines as approved and,
- The grantor reserves the right to approve other uses (reprioritisation) and may recall the funds if the conditions for spending are not satisfied.

#### Unspent conditional grants and receipts comprises of:

##### Unspent conditional grants and receipts

Operational Grant Received - June 2020	150 000	-
Unconditional Grant Received- March 2021	208 032	-
Grant Realised in Revenue	(138 000)	-
Operational Grant Utilized (DALRRD)	(4 170)	-
	<b>215 862</b>	<b>-</b>
Deferred Conditional Grant- eDRS	208 032	-
Grant Liability - DALRRD	7 830	-
	<b>215 862</b>	<b>-</b>
<b>Current Non-Current Classification</b>		
Current Portion	73 587	-
Non-Current Portion	142 275	-
	<b>215 862</b>	<b>-</b>

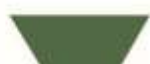


# Deeds Registration Trading Entity

Annual Financial Statements for the year ended 31 March 2021

## Notes to the Annual Financial Statements

	2021 R '000	2020 R '000
<b>14. Financial instruments disclosure</b>		
<b>Categories of financial instruments</b>		
<b>2021</b>		
Financial assets		
	<b>At amortised cost</b>	<b>Total</b>
Other receivables from non-exchange transactions	1 493	1 493
Cash and cash equivalents	388 991	388 991
	<b>390 484</b>	<b>390 484</b>
<b>Financial liabilities</b>		
	<b>At amortised cost</b>	<b>Total</b>
Trade and other payables from exchange transactions	50 868	50 868
<b>2020</b>		
<b>Financial assets</b>		
	<b>At amortised cost</b>	<b>Total</b>
Other receivables from non-exchange transactions	1 723	1 723
Cash and cash equivalents	192 558	192 558
	<b>194 281</b>	<b>194 281</b>
<b>Financial liabilities</b>		
	<b>At amortised cost</b>	<b>Total</b>
Trade and other payables from exchange transactions	46 694	46 694
Refer to note 5 for details of impairments other receivables from exchange transaction (financial assets).		
<b>15. Revenue from exchange transactions</b>		
Registration of deeds and sale of information	651 898	685 563
Management fees earned	-	9 543
Other income	1 986	463
Interest received	3 773	6 997
	<b>657 657</b>	<b>702 566</b>
<b>Revenue from non-exchange transactions</b>		
<b>Transfer revenue</b>		
Government grants	138 000	-



## Deeds Registration Trading Entity

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### Notes to the Annual Financial Statements

	2021 R '000	2020 R '000
<b>16. Investment revenue</b>		
<b>Interest revenue</b>		
Interest received – bank	3 498	6 666
Interest received - statutory receivables	257	289
Interest received - staff debtors	18	42
	<b>3 773</b>	<b>6 997</b>

The amount included in investment revenue is arising from interest received from favourable bank balance and interest from outstanding debtor balances.

#### 17. Finance costs

Finance leases	124	148
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#### 18. Auditors' remuneration

Audit fees	3 037	3 915
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External audit fees (Auditor General) amounted to R3,037 million (2020: R3,915 million).

#### 19. Employee related costs

Basic Salary	387 014	394 026
Service Bonuses	30 338	32 125
Performance Bonuses	5 694	6 095
Medical aid - Employer Contributions	30 365	28 225
Pension Contributions	48 153	49 046
Overtime Payments	13 035	59 019
Car Allowance	2 133	2 008
Housing Benefits and Allowances	20 902	19 780
Employer Contribution: Bargaining Council	115	110
Leave: Accumulated Short Term	14 118	4 286
Leave: Accumulated Capped	(6)	669
	<b>551 861</b>	<b>595 389</b>

Employee related costs include all expenses related to employee services.

#### 20. Repairs and maintenance

Machinery and equipment	16 937	16 323
Telephone system	510	418
Building and other material	1 208	371
	<b>18 655</b>	<b>17 112</b>

Of the total repairs and maintenance disclosed above R16 937 million (2020: R16,694 million) relates to repairs and maintenance for Property, Plant and Equipment.



## Deeds Registration Trading Entity

Annual Financial Statements for the year ended 31 March 2021

### Notes to the Annual Financial Statements

	2021 R '000	2020 R '000
<b>21. General expenses</b>		
Advertising	6	30
Auditors remuneration	3 037	3 915
Bad debts written off	1	14
Bank charges	181	285
Cleaning	9 284	8 351
Consulting and professional fees	14 102	17 458
Consumables	2 993	1 288
Entertainment	33	477
IT expenses	42 876	41 401
Operating leases	22 471	16 360
Thefts, losses and damages	10	1 939
Printing and stationery	3 159	5 565
Repairs and Maintenance	17 803	17 870
Security services	11 479	9 683
Staff welfare	-	343
Subscriptions and membership fees	119	168
Telephone and fax	3 415	3 700
Training	2 122	4 010
Transport and freight	1 382	10 535
Travel - local	2 399	11 340
	<b>136 872</b>	<b>154 732</b>

#### 22. Operating lease

The following amounts are due in future financial years due to contractual obligations. Operating leases relate to service level agreements for the leasing of parking bays for officials, digital scanners, water dispensers and telephone management systems.

##### Minimum lease payments due:

Due within 1 year	18 439	18 610
Due within 2 - 5 years	10 437	20 519
	<b>28 876</b>	<b>39 129</b>

For operating lease payments recognised in the Statement of Financial Performance refer to note 21 - General expenses.

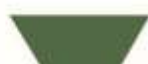


## Deeds Registration Trading Entity

Annual Financial Statements for the year ended 31 March 2021

### Notes to the Annual Financial Statements

	2021 R '000	2020 R '000
<b>23. Commitments</b>		
<b>Authorised capital expenditure</b>		
Already contracted for but not provided for		
• Due within 1 year	1 264	1 480
<b>Total capital commitments</b>	1 264	1 480
Already contracted for but not provided for		
<b>Authorised operational expenditure</b>		
Already contracted for but not provided for		
• Due within 1 year	52 286	14 299
• Due within 2 - 5 years	16 870	22 051
	<b>69 156</b>	<b>36 350</b>
<b>Total operational commitments</b>		
Already contracted for but not provided for	70 420	<b>37 830</b>
Commitments relate to operating and capital contracts due in future years. The future commitments detailed above are either non-cancellable or are only cancellable at a significant cost and relate to something other than the routine, steady, state business of the entity. Below are the total commitments including those that are routine, steady, state business of the entity.		
Operational commitments due within 1 year	73 910	44 727
Operational commitments due between 2 - 5 years	35 165	29 286
Capital commitments due within 1 year	1 870	16 744
	<b>110 945</b>	<b>90 757</b>
<b>24. Cash generated from operations</b>	93 354	(83 955)
Surplus (deficit)		
<b>Adjustments for:</b>		
Depreciation and amortisation	12 246	34 332
Loss on disposal of assets	233	284
Finance costs - Finance leases	124	148
Impairment loss	966	1 637
Movements in provisions	(3 747)	1 461
Interest non-cash items	(726)	(330)
Other non-cash items	(1 145)	6 265
<b>Changes in working capital:</b>		
Inventories	(35)	339
Other receivables from exchange transactions	(1 889)	(320)
Prepayments	(80)	279
Statutory receivables from exchange transactions	(22 942)	(6 084)
Payables from exchange transactions	18 775	(14 268)
Grant liability - Unspent conditional grants and receipts	215 862	-
Grant liability - OVG	(109 931)	(17 134)
Surrender of surplus	-	(14 300)
	<b>201 065</b>	<b>(91 646)</b>



# Deeds Registration Trading Entity

Annual Financial Statements for the year ended 31 March 2021

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### 25. Contingent liabilities

Litigation is in process against the Deeds Registration Trading Entity relating to disputes around registration of property and other legal matters. The total litigation before the courts is R305, 558 million (2020: R86,957 million) and the remainder of the litigation could not be quantitatively measured for financial impact.

There are labour disputes with officials which are currently in arbitration amounting to R8, 274 million (2020: R364 339) which have not been settled and the outcome could result in settlement in cash.

The accumulated surplus of R93,353 million (2020: R0 million) has been classified as a contingent liability at 31 March 2021 as there is no approval received as yet from National Treasury to retain the surplus funds. In terms of Treasury Regulations 19.7.1 the relevant treasury may apply such surplus to reduce any proposed allocation to the trading account, or that all or part of it be deposited in the Exchequer bank account. The Deeds Registration Trading Entity is obliged to repay National Treasury any amount of the surplus for which approval is not granted for retention.

#### Contingent assets

Litigation is in process for the Deeds Registration Trading Entity relating to disputes. The total litigation claims before the court is R422, 695 million (2020: R398, 968 million).

Parking deposit of R124 187 (2020: R124 187) is held by Advance on Point Solutions. The deposit shall be retained by Advance on Point Solutions until termination of the agreement, whereupon it will be applied to any amount owing in terms of this agreement. The balance remaining shall be returned to the entity.

Theft and losses amounting to R556 201 (2020: R512 201) are under investigation for the entity's assets lost or damaged by officials, liability depends on the outcome of theft and loss committee.

### 26. Related parties

#### Relationships

#### DEPARTMENT OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT (DALRRD)

The Deeds Registration Trading Entity is a trading entity under the Department of Agriculture, Land Reform and Rural Development as such certain services between the DRDLR and Deeds are rendered in kind and are not at arm's length, these have been disclosed below:

#### OFFICE OF THE VALUER GENERAL (OVG)

The Office of the Valuer General is a schedule 3A entity of the Department of Agriculture, Land Reform and Rural Development. A Memorandum of Agreement entered into between Deeds and the OVG for rendering of support services. The transactions that are not at arm's length are disclosed below:

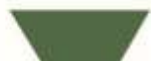


## Deeds Registration Trading Entity

Annual Financial Statements for the year ended 31 March 2021

### Notes to the Annual Financial Statements

	2021 R'000	2020 R'000
The remainder of the transactions and balances resulting from the Principal Agent arrangement between Deeds and OVG have been disclosed in note.28 - Accounting by Principal Agent.		
<b>Related party balances:</b>		
Management fees receivables from OVG		439
<b>Related party transactions:</b>		
<b>Rendering of services to DALRRD (by Deeds)</b>		
Information search and copies	(6 417)	(137 066)
<b>Amounts paid on behalf of Deeds (DALRRD)</b>		
Office accommodation and municipal services	67 537	74 598
Government Garage vehicles (G-fleet management)	1 702	1 073





## Deeds Registration Trading Entity

Annual Financial Statements for the year ended 31 March 2021

### Notes to the Annual Financial Statements

Figures in Rand thousand

#### Management remuneration

2021

#### Senior Managers on level 14 and above

Names	Basic salary	Bonuses and performance related payments	Other short-term employee benefits	Post-employment benefits	Other benefits received	Total
Knoesen CCE - Chief Registrar	1 034		433	124	-	1 591
Gubuza P - Chief Director: Delivery Coordination	876	62	367	105	-	1 410
Hlatswayo HJ - Chief Director: ICT	902	95	269	117		1 383
Tsotetsi GON - Registrar	916		383	110		1 409
Mogoba MF - SFO	833	179	447	108		1 567
Gwangwa AF - Registrar	929		389	111		1 429
Ntuli M - Registrar	821	63	441	107		1 432
Lemme MT - Registrar	916		405	110	22	1 453
Mukhakhululi RO - Registrar	1 036	101	206	124		1 467
Mantanga NW - Registrar	81	104	24	994		1 203
Pillay K - Registrar	915	65	383	110		1 473
Frazenburg UJ - Registrar	888	63	372	107		1 430
Moshodi PP - Registrar	788		366	98		1 252
Mngcolwani MD - Registrar	863		361	104		1 328
	<b>11 798</b>	<b>732</b>	<b>4 846</b>	<b>2 429</b>	<b>22</b>	<b>19 827</b>



## Deeds Registration Trading Entity

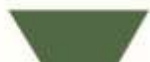
Annual Financial Statements for the year ended 31 March 2021

### Notes to the Annual Financial Statements

Figures in Rand thousand

#### Senior Managers on level 13

Names	Basic salary	Bonuses and performance related payments	Other short-term employee benefits	Post-employment benefits	Other benefits received	Total
Reynolds A - Deputy Registrar	903		179		108	1 190
Matthys R - Deputy Registrar	762	108	319		92	1 281
Ratema SJ - Director: SCM	785	112	329		94	1 320
Swart CC - Director: Financial Management	774	110	324		93	1 301
Gwangwa PJH - Deputy Registrar	714		383		93	1 190
Mesefo PE - Deputy Registrar	783		329		94	1 206
Zwartland P - Deputy Registrar	863	74	172		104	1 213
Mothlasedi MN - Deputy Registrar	687		288		82	1 057
Maphosa ES - Deputy Registrar	864	74	172		104	1 214
Ndlovu F - Deputy Registrar	774		324		93	1 191
Maphomolo PJ - Deputy Registrar	821	76	245		107	1 249
Van Der Ross A - Deputy Registrar	774		324		93	1 191
Gabara TG - Deputy Registrar	889	76	177		107	1 249
Duma SE - Deputy Registrar	889		177		107	1 173
Mdunge BR - Deputy Registrar	889		177		107	- 1 173
Monnanyana TD - Deputy Registrar	890		177		107	- 1 174
Fatyela DS - Deputy Registrar	889	76	224		107	- 1 296
Mketshane M - Deputy Registrar	889		208		107	1 204
Dreyer JP - Deputy Registrar	890	76	177		107	- 1 250
Ngapo GWM - Deputy Registrar	826		164		99	1 089
Hoko ND - Deputy Registrar	826	70	164		99	1 159
Shawe TE - Deputy Registrar	802		159		96	1 057
Davids I - Deputy Registrar	802		159		96	1 057
Phali TS - Deputy Registrar	826		253		99	1 178
Swarts D - Deputy Registrar	740		221		96	1 057
Shoko T - Director: ICT	945		188		113	1 246
Masilela TP - Director: Human & Auxiliary Service	766		159		96	1 021
	<b>22 262</b>	<b>852</b>	<b>6 172</b>	<b>2 700</b>	<b>-</b>	<b>31 986</b>



## Deeds Registration Trading Entity

Annual Financial Statements for the year ended 31 March 2021

### Notes to the Annual Financial Statements

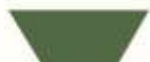
Figures in Rand thousand

#### Middle Managers acting on senior positions

Names	Basic salary	Bonuses and performance related payments	Other short-term employee benefits	Post-employment benefits	Other benefits received	Total
Mereko RJ - Acting Deputy Registrar	458		70	53	192	773
Nitsky GO - Acting Deputy Registrar	304		38	33	106	481
Keetse MS - Acting Deputy Registrar	498	38	100	59	242	937
	<b>1 260</b>	<b>38</b>	<b>208</b>	<b>145</b>	<b>540</b>	<b>2 191</b>

The officials below are relatives of Senior Management at the entity which qualifies as related party in accordance with GRAP 20.

Names of management officials	Relatives	Positions of relatives	Relation to management official
Van der Ross A	Y Mustafa	Clerk	Spouse
Mothlasedi MN	Mothlasedi M	Snr Reg Officer	Brother
Hoko ND	Hoko AS	Chief Aux Officer	Brother
Davids I	Brinkhuis IRC	Jnr Examiner	Spouse
Ntuli M	Ntuli M	Snr Reg Officer	Brother
Duma S	Duma S	Assistant Registrar	Brother
Ndlovu F	Ndlovu E	Assistant Registrar	Spouse
Gwangwa PJH	Gwangwa MY	Jnr Examiner	Spouse



## Deeds Registration Trading Entity

Annual Financial Statements for the year ended 31 March 2021

### Notes to the Annual Financial Statements

Figures in Rand thousand

#### Management remuneration

2020

#### Senior Managers on level 14 and above

Names	Basic salary	Other short-term employee benefits	Post-employment benefits	Total
Knoesen CCE - Chief Registrar	1 034	433	124	1 591
Gubuza P - Chief Director: Delivery Coordination	850	356	102	1 308
Hlatswayo HJ - Chief Director: ICT	876	265	114	1 255
Tsotetsi GDN - Registrar	902	377	108	1 387
Mogoba MF - SFO	809	434	105	1 348
Gwangwa AF - Registrar	809	367	105	1 281
Ntuli M - Registrar	797	428	104	1 329
Lemme MT - Registrar	889	372	107	1 368
Mukhakhululi RO - Registrar	1 020	203	123	1 346
Mantanga NW - Registrar	972	290	126	1 388
Pillay K - Registrar	889	372	107	1 368
Frazenburg UJ - Registrar	863	361	104	1 328
Moshodi PP - Registrar	849	353	98	1 300
Mngcolwani MD - Registrar	838	351	101	1 290
	12 397	4 962	1 528	18 887



## Deeds Registration Trading Entity

Annual Financial Statements for the year ended 31 March 2021

### Notes to the Annual Financial Statements

Figures in Rand thousand

#### Senior Managers on level 13

Names	Basic salary	Other short-term employee benefits	Post-employment benefits	Total
Reynolds A - Deputy Registrar	877	174	105	1 156
Matthys R - Deputy Registrar	740	310	89	1 139
Ratema SJ - Director: SCM	766	330	100	1 196
Swart CC - Director: Financial Management	751	315	90	1 156
Gwangwa PJH - Deputy Registrar	694	372	90	1 156
Mesefo PE - Deputy Registrar	740	310	89	1 139
Zwartland P - Deputy Registrar	838	167	101	1 106
Mothlasedi MN - Deputy Registrar	687	288	82	1 057
Maphosa ES - Deputy Registrar	838	167	101	1 106
Ndlovu F - Deputy Registrar	751	360	90	1 201
Maphomolo PJ - Deputy Registrar	797	238	104	1 139
Van Der Ross A - Deputy Registrar	751	346	90	1 187
Gabara TG - Deputy Registrar	864	172	104	1 140
Nzuza SES - Deputy Registrar	528	213	61	802
Duma SE - Deputy Registrar	864	172	104	1 140
Mdunge BR - Deputy Registrar	864	172	104	1 140
Monnanyana TD - Deputy Registrar	864	172	104	1 140
Fatyela DS - Deputy Registrar	864	172	104	1 140
Mketshane M - Deputy Registrar	864	162	104	1 130
Dreyer JP - Deputy Registrar	864	172	104	1 140
N9apo GWM - Deputy Registrar	802	159	104	1 065
Hoko ND - Deputy Registrar	802	159	96	1 057
Shawe TE - Deputy Registrar	802	159	96	1 057
Davids I - Deputy Registrar	603	125	75	803
Phali TS - Deputy Registrar	802	159	96	1 057
Swarts D - Deputy Registrar	742	222	96	1 060
Shoko T - Director: ICT	945	188	113	1 246
	<b>21 304</b>	<b>5 955</b>	<b>2 596</b>	<b>29 855</b>



## Deeds Registration Trading Entity

Annual Financial Statements for the year ended 31 March 2021

### Notes to the Annual Financial Statements

Figures in Rand thousand

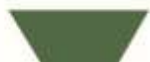
#### Middle Managers acting on senior positions

Names	Basic salary	Bonuses and performance related payments	Other short-term employee benefits	Post-employment benefits	Other benefits received	Total
Vilakazi SB - Acting Director: Quality Assurance	358	91	186	47	81	763
Noge RRM - Acting Director: HRM and Auxiliary Services	375	83	295	49	26	828
Mereko RJ - Acting Deputy Registrar	200		88	26	29	343
	<b>933</b>	<b>174</b>	<b>569</b>	<b>122</b>	<b>136</b>	<b>1 934</b>

The officials below are relatives of Senior Management at the entity which qualifies as related party in accordance with GRAP 20.

Names of management officials	Relatives	Positions of relatives	Relation to management official
Van der Ross A	Y Mustafa	Clerk	Spouse
Mothlasedi MN	Mothlasedi M	Snr Reg Officer	Brother
Hoko ND	Hoko AS	Chief Aux Officer	Brother
Davids I	Brinkhuis IRC	Jnr Examiner	Spouse
Ntuli M	Ntuli M	Snr Reg Officer	Brother
Duma S	Duma S	Assistant Registrar	Brother
Ndlovu F	Ndlovu E	Assistant Registrar	Spouse
Gwangwa PJH	Gwangwa MY	Jnr Examiner	Spouse

\*Acting employees remuneration has been included for the entire financial period, including periods in which they were acting and is done so in accordance with GRAP 20.20.



# Deeds Registration Trading Entity

Annual Financial Statements for the year ended 31 March 2021

## Notes to the Annual Financial Statements

	2021 R'000	2020 R'000
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### 27. Prior period errors

An amount of R1, 073 million for usage of Government Garage vehicles (G-fleet management) was erroneously recognised as an expenditure instead of related party in the prior year.

An amount of R757 797 was erroneously recorded as Property, Plant and equipment - WIP instead of Building maintenance expense account.

An Adobe reader license amounting to R1,618 million which expired in the financial year March 2018 was omitted from amortisation.

A shortfall amount of R714 038 for upgrading and alteration of fire detector system/project was not recorded and recognised as PPE: lease on hold building in the financial year 2019/20. Depreciation and Accumulated depreciation amounting to R33 745 was also corrected in 2019/20 financial year.

Revenue billed in 2020 was understated by R60 983 as a result of incorrect billing charge in financial year 2021 relating to financial year 2020 transactions.

Biometric Security Management system project initiated in 2017 where a service provider was awarded the contract for the installation and support and maintenance of a security access management system. Between 2017 and 2020 majority of the PPE items were installed, tested and commissioned. Due to the nature of the project and its reliance on software to the system in its entirety was not yet available for use however the hardware was in a location and ready to operate as intended by management based on SITA testing reports. This hardware was available for use then but was never capitalized to work in progress.

A split between PPE- WIP and Intangible Asset -WIP was never done and this correction of error correct the recognition of the Intangible -WIP and PPE elements of the project and it also recognises depreciation that flows from the availability of the PPE element of the cost and the error adjustment is as follows:

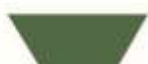
An amount of R1,689 million was identified as thefts and loss after Assets verification process was conducted for Biometric Security Management Assets.

#### 2018/2019

Decrease in PPE - WIP	(7 059)
Increase in PPE - Leasehold Building	5 063
Increase in PPE - Computer Equipment	1 996
Increase in Depreciation - Computer Equipment	463
Increase in Accumulated Depreciation - Computer Equipment	(463)
Increase in Depreciation- Leasehold Building	379
Increase in Accumulated Depreciation- Leasehold Building	(379)

#### 2019/2020

Decrease in PPE- WIP	(8 091)
Increase in PPE- Leasehold Building	3 530
Increase in PPE - Computer Equipment	1 254
Increase in Intangible Assets - Computer Software - WIP	1 617
Decrease in Accumulated Surplus- Theft and Losses	1 690
Increase in Depreciation - Computer Equipment	467
Increase in Accumulated Depreciation - Computer Equipment	(467)
Increase in Depreciation- Leasehold Building	628
Increase in Accumulated Depreciation- Leasehold Building	(628)



# Deeds Registration Trading Entity

Annual Financial Statements for the year ended 31 March 2021

## Notes to the Annual Financial Statements

	2021 R '000	2020 R'000
<b>27. Prior period errors (continued)</b>		
<b>Statement of Financial Position</b>		
Decrease in Sundry accrual (Government Garage Vehicles)	-	1 073
Decrease in Property, plant and equipment - WIP	-	(15 908)
Decrease in Accumulated Amortisation	-	(1 917)
Increase in Property, plant and equipment: Leasehold building	-	8 968
Increase in Property, plant and equipment: IT equipment	-	3 531
Increase Sundry accruals	-	(714)
Increase in Accumulated Depreciation: Leasehold building	-	(744)
Increase in Accumulated Depreciation: IT equipment	-	(749)
Increase in Accounts Receivable	-	61
Increase Intangible Assets - Computer Software - WIP	-	1 618
Decrease in Accumulated Surplus	-	1 739
<b>Statement of Financial Performance</b>		
Increase in Accumulated Surplus (Government Garage Vehicles)	-	(1 073)
Decrease in Accumulated Surplus (Maintenance building)	-	758
Decrease in Accumulated Surplus (Amortisation)	-	959
Increase in Accumulated Surpluses (Depreciation)	-	713
Increase in Accumulated Surplus (Revenue)	-	(61)
Decrease in Accumulated Surplus (Thefts and Losses)	-	1 690
Decrease in Accumulated Surplus (Training)	-	58

### 28. Accounting by Agent and Principal

In July 2014 the Property Valuation Act brought into existence the Office of the Valuer General (OVG), the "Principal" whose responsibility in accordance with the Act is to perform property valuation for the purposes of the Department of Agriculture, Land Reform and Rural Development. Section 4 and 5 of the Act establishes the office as a juristic person.

Due to unavailability of resources as this office had not been structurally established, a Memorandum of Agreement (MOA) was entered into with the Deeds Registration Trading Entity (Deeds) who is the "Agent". This MOA states that the OVG will receive and pay for services rendered by Deeds and DALRRD will transfer funds due to the OVG to Deeds for rendering of services.

The following transactions will be undertaken by the Agent on behalf of the Principal:

#### Transactions relating to Human Resource Management will include:

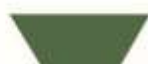
- Recruitment;
- Administration of leave and
- Payment of salaries and wages.

#### Transactions relating to Finance includes:

- Payment of expenses and liabilities;
- Preparation of Financial Statements;
- Management of grant funds in the agent bank account;
- Management of finance lease contracts and
- Purchases of Property, Plant and Equipment

#### Transactions relating to Supply Chain Management:

- Contract Management and
- Procurement of Goods and Services





# Deeds Registration Trading Entity

Annual Financial Statements for the year ended 31 March 2021

## Notes to the Annual Financial Statements

	2021 R'000	2020 R'000
<p>All transactions are performed in line with the internal policies of the Agent. The management fee paid by the Principal is based on the assumption that there is even distribution or spending of funds during any given financial period. This management fee is the interest received resulting from Principal monies held in the Agent's bank account.</p> <p>The MOA between the Agent and the Principal expired on 31 March 2020 and was only renewed on 22 April 2021 for the period ending 31 March 2021. This means that there was no Principal Agent arrangement emanating from a binding arrangement. The agent has no enforceable right to compensation due to lack, of arrangement as defined and the principal has no right to enforce delivery.</p>		
<b>Cash and cash equivalents</b>		
Balance at beginning of the year	109 931	127 065
Appropriation funds received on behalf of OVG	-	142 127
Funds remitted	(5 155)	(159 261)
Transfer of appropriation funds into OVG bank account	(104 776)	-
	<u>-</u>	<u>109 931</u>

The balance was remitted into OVG bank account on the beginning of the financial year 2020/21. The opening balance was the grant received and kept as a resource in the agent's bank account to enable the agent to perform transactions on behalf of the principal.

Risks associated with the balance are detailed in note.29 to the Annual Financial Statements

### Revenue

Management fees received from Principal	<u>-</u>	<u>9 543</u>
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### 29. Risk management

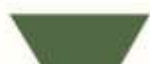
The Trading entity activities exposes it to currency risk, fair value interest rate risk, cash flow interest rate risk, credit risk and liquidity risk.

#### Liquidity risk

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments.

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

<b>At 31 March 2021</b>	<b>Less than 1 year</b>
Trade and other payables	50 868
<b>At 31 March 2020</b>	<b>Less than 1 year</b>
Trade and other payables	46 694



# Deeds Registration Trading Entity

Annual Financial Statements for the year ended 31 March 2021

## Notes to the Annual Financial Statements

	2021 R '000	2020 R'000
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### 29. Risk management (continued)

#### Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and other debtors. The entity only deposits cash with major banks that have a high-quality credit standing.

Statutory receivable comprises a widespread of customer base. Management evaluates credit risk relating to customers on an ongoing basis.

Financial assets exposed to credit risk at year end were as follows:

#### Financial instrument

Deposits with Bank	388 957	192 523
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#### Interest rate risk

As the entity has no significant interest-bearing assets, the entity's income and operating cash flows are substantially independent of changes in market interest rates.

Deposits attract interest at rates that vary with the rate of interest prime. The Trading Entity policy is to manage interest rate risk such that fluctuations in rate do not have a material impact on surplus or deficit. At year end, the financial instruments exposed to interest rate risk were balances with the bank.

### 30. Irregular expenditure

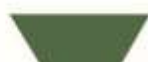
Opening balance	211 641	208 091
Add: Irregular Expenditure - current year	6 511	25
Restatement of prior year	-	3 525
<b>Irregular expenditure awaiting confinement</b>	<b>218 152</b>	<b>211 641</b>

#### Details of irregular expenditure

##### Opening balance of irregular expenditure consist of:

The irregular expenditure relates to the awarding of a tender to Gijima AST (Pty) Ltd which was recommended by SITA to DRDLR after SITA had performed all procurement processes. The contract was declared null and void by the High Court on 13 September 2016. The tender process has been investigated by the SIU and a settlement which was turned into a court order has been reached. The amount of R208,080 million is considered irregular due to non-compliance with section 217 of the Constitution, section 38(a) of the PFMA resulting from an error in pricing as said in the court order which compromised the fairness and competitiveness of the procurement process at SITA.

National Treasury declined a request to deviate from normal procurement processes to continue with the rental of fifteen (15) Uninterrupted Power Supply equipment from 1 June 2019 - 31 August 2019. The irregular expenditure amounted to R523 397.



# Deeds Registration Trading Entity

Annual Financial Statements for the year ended 31 March 2021

## Notes to the Annual Financial Statements

2021 R '000	2020 R'000
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### 30. Irregular expenditure (continued)

#### Details of irregular expenditure (continued)

National Treasury declined a request to deviate from normal procurement processes to continue with the rental of fifteen (15) Uninterrupted Power Supply equipment from 1 September 2019 - 31 March 2020. The possible irregular expenditure amounts to R1,221 million.

Deviation from normal procurement process on appointment of service provider for installation of air conditioners. The initial supplier was unable to provide the service and withdrew from a contract. The specifications of the contract was revised and the contract was awarded to another service provider without going through tender process. The possible irregular expenditure amounted to R1,605 million.

Publications of Deeds Acts and other updates was rendered without an approval. The irregular expenditure amounted to R25 206.

#### Current year irregular expenditure consists of:

Ex-post facto for rental of 15 Uninterrupted Power Supply (UPS) equipment from current service provider from 1 April 2020 - 30 June 2020 amounting to R523,397.78.

Deviation procurement process of non-appointment of service provider due to tax non-compliance. Recommended appointment of new service provider to provide, install Kodak Alaris Capture PRO Software and provide training to officials at the cost of R4,101 million including VAT. Deviation not supported by National Treasury.

Variation of scope and order for cleaning and/ or hygiene services contract at the Deeds Registration Trading Entity to allow currently contracted service providers to provide Personal Protective Equipment to cleaners, supply health-care waste bins and render the disposal of content services in order to contain the spread of Coronavirus (COVID-19) amounting to R1,014 million.

Rental of fifteen (15) Uninterrupted Power Supply (UPS) by means of direct/ single sourcing procurement on a month to month basis starting from 01 July 2020 - November 2020 from GX Technology amounting to R872 329.

### 31. Fruitless and wasteful expenditure

#### Reconciliation of fruitless and wasteful expenditure

Opening balance	7 220	5 440
Add: fruitless and wasteful expenditure	4	9
Less: amounts recovered	-	(4)
Restatement of prior year	-	1 775
	<u>7 224</u>	<u>7 220</u>

#### Opening balance of fruitless and wasteful expenditure consist of:

The fruitless and wasteful expenditure of R4,720 million relates to litigation instituted against Deeds. Subsequently a court order instructed Deeds to pay the plaintiff.

Unfair labour practice arbitration was awarded to an official amounting to R104, 388.

### Notes to the Annual Financial Statements

	2021 R '000	2020 R'000
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#### 31. Fruitless and wasteful expenditure (continued)

A court order instructing Deeds to pay the plaintiff in a litigation case regarding transfer of a property amounting to R49 000.

Penalties and interest payment to SARS amounting to R458,105 for understatement of tax by Deeds.

The fruitless and wasteful expenditure of R4 140 is related to "No shows" to authorised official trips.

A court order instructing Deeds to settle legal fees amounting to R95 154 for incorrect registration of property.

The fruitless and wasteful expenditure of R5 875 is related to cancellation of Catering service without informing the Service provider on time.

The fruitless and wasteful expenditure of R2 180 is related to penalty charges for cancellation of a flight on an authorised official trip.

An amount of R1,775 million has been disclosed as fruitless and wasteful expenditure and results from losses realised in delivery of the security management system as some of the entities assets were not returned after instillation and were assumed to be stolen.

Current year fruitless expenditure consists of:

The fruitless and wasteful expenditure of R1 788 relates to a "No Show" to an authorised official trip.

The fruitless and wasteful expenditure of R1 765 is relates to a penalty charged for cancellation of a flight on an authorised official trip.

The fruitless and wasteful expenditure of R652 relates to a call out fee for a locked car keys inside a rental vehicle.

#### 32. Services in kind

##### Administrative services in kind:

Deeds Registration Trading Entity falls under the administration of the Department of Agriculture, Land Reform and Rural Development. The executive of the department spends some of their time on the affairs of the Trading Entity.

All services paid for by the Department which could be quantified have been disclosed as related party transactions, excluded from those are services that cannot be quantified due to their nature, these include risk management services and Internal Audit services provided by the department. Due to their nature, these service in kind cannot be reliably measured and therefore have not been recognised.

### Notes to the Annual Financial Statements

	2021 R '000	2020 R'000
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#### 33. Alignment of Deeds Registries areas of jurisdictions to coincide with provincial boundaries

The business case for the alignment of deeds registries areas of jurisdictions to provincial boundaries was approved in the 2015/16 financial year. The purpose of the realignment of Deeds registries areas of jurisdictions to provincial boundaries, (Alignment Programme) arises from the need to address the problem regarding how the Deeds Offices are currently positioned which is an impediment to Constitutional and institutional reforms.

The programme is therefore aimed at aligning the Deeds registries areas of jurisdiction to provincial demarcations as articulated in Section 103 of the Constitution and to ensure that each Deeds registry services the province in which it is located, making it accessible to clients.

The alignment programme contains four projects:

- i. Identification, separation and transfer of records (from transferring Deeds office and receiving Deeds office).
- ii. Establishment of the Limpopo Deeds Registry which was established and opened on the 3rd of April 2017.
- iii. Establishment of the North West Province Deeds Registry.
- iv. The establishment of Deeds information centres.

The anticipated benefits of this programme are two-fold: Firstly, it will serve in the interest of the promotion of accessible services and to ensure Deeds offices services their respective provinces. Secondly, there will be improved turn-around times in the registration and delivery of deeds and related documents. Both benefits will result in improved service delivery that is client centric.

#### 34. Reporting segments

Every Deeds Registry performs similar registration functions as another Deeds Registry and there is no difference in the nature of goods or services delivered, the type of customer being serviced, the method to deliver goods and services and there is also no difference in the regulatory environment. The socio-economic characteristics of the provinces in which the Deeds Registries are situated are affected by the same economic impacts of the larger South African economy and are generally similar from province to province.

The Deeds Registries however do generate revenue from registration of deeds and documents and sale of information. Their financial results are not disclosed separately from the results of the entity as a whole as no province reports individually for financial reporting purposes. This information is not readily available as required by the definition of a reporting segment.

Due to the nature of operations at the Deeds Registries and the fact that financial information is not available outside of the financial information produced at the Office of the Chief Registrar of Deeds, separate segment reporting therefore has not been disclosed.

