



Province of the
EASTERN CAPE
RURAL DEVELOPMENT AND
AGRARIAN REFORM

ANNUAL REPORT

2017|18
VOTE 8



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PART A:
GENERAL INFORMATION

1. DEPARTMENT'S GENERAL INFORMATION

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2. LIST OF ABBREVIATIONS

ABSA	Amalgamated Banks of South Africa	EC	Eastern Cape
ADMIN	Administration	ECATU	Eastern Cape Appropriate Technology Unit
AETS	Agricultural Economic Transformation Strategy	ECDC	Eastern Cape Development Corporation
AFS	Annual Financial Statements	ECGBB	Eastern Cape Gambling & Betting Board
AGSA	Auditor General of South Africa	ECPTA	Eastern Cape Parks & Tourism Agency
AHT	Animal Health Technicians	ECRDA	Eastern Cape Rural Development Agency
AIDS	Acquired Immune Deficiency Syndrome	EE	Employment Equity
APAP	Agriculture Policy Action Plan	EEP	Employment Equity Policy
APP	Annual Performance Plan	EHWP	Employee Health and Wellness Programme
ARC	Agricultural Research Institute	EIA	Environmental Impact Assessment
BAS	Basic Accounting System	ENCA	E News Channel Politics
BKB	Boere Kooperasie Beperk	EPWP	Extended Public Works Programme
BOD	Board of Directors	ERM	Enterprise Risk Management
BPR	Business Process Re-engineering	EXCO	Executive Council
BRP	Business Rescue Practitioner	FAS	Financial Accounting Services
CA	Contagious Abortion	FEA	Female Enterprise Award
CASP	Comprehensive Agricultural Support Programme	FET	Further Education and Training
CCS	Compulsory Community Services	FTE's	Full Time Equivalents
CFO	Chief Financial Officer	FY	Financial Year
CIDB	Construction Industry Development Board	GARDAG	Government Agricultural Research and Development Action Group
CIPC	Companies Intellectual Property Commission	GDP	Gross Domestic Product
COE	Compensation of Employees	GG	Government Transport
COGTA	Cooperative Governance and traditional Affairs	GIAMA	Government Immovable Asset Management Act
COO	Chief Operations Officer	GIS	Geographic Information System
DAAC	District Agri-park Advisory Councils	GITO	Government Information Technology Office
DAFF	Department of Agriculture, Forestry and Fisheries	HA	Hectares
DAPOTT	District Agri Park Organising Task Team	HET	Higher Education and Training
DLRC	District Land Reform Committees	HIV	Human Immune deficiency Virus
DOE	Department of Education	HR	Human Resources
DORA	Division of Revenue Act	HROPT	Human Resource Operations Project Task Team
DPSA	Department of Public Service and Administration	ICT	Information Communication and Technology
DRDAR	Department of Rural Development and Agrarian Reform	ICU	Internal Control Unit
DRDLR	Department of Rural Development and Land Reform	IDP	Integrated Development Plan
DSTV	Digital Satellite Television	IFSS	Integrated Food Security Strategy
DTI	Department of Trade and Industry	IGR	Inter-governmental Relations
EAP	Employees Assistance Programme	IOD	Injury on Duty
EAPASA	Employee Assistance Professionals Associations of South Africa	IOL	Independent Online

ISO	International Standard Organisation	RED	Rural Enterprise Development
KRA	Key Results Area	RT	Transversal Rated Contracts
LCD	Liquid Crystal Display	SA	South Africa
LED	Local Economic Development	SABS	South African Beareu of Standards
LIMS	Lab Information Management Systems	SACNASP	South African Council for National Science Profession
LM	Local Municipality	SAMDI	South African Multidimensional Poverty Index
LMF	Labour Management Forum	SANAS	South African National Accreditation System
MEC	Member of the Executive Council	SANSAE	South African Society for Agricultural Extension
MINMEC	Ministers and Members of the Executive Council	SAQA	South African Qualifications Authority
MINTEC	Ministerial Technical Committee	SASAE	South African Society for Agricultural Extension
MOU	Memorandum of Understanding	SASAT	South African Society Agricultural Technologists
MPAT	Management and Performance Assessment Tool	SCM	Supply Chain Management
MTSF	Medium Term Strategic Framework	SDIP	Service Delivery Improvement Plan
NAMC	National Agricultural Marketing Council	SDM	Service Delivery Model
NDP	National Development Plan	SETA	Sector Education Training Agency
NQF	National Qualifications Framework	SG	Strategic Goal
OAG	Office of the Auditor General	SHE	Safety Health Environment
OHS	Occupational Health Safety	SHERQ	Safety, Health, Environment , Risk and Quality
OHSA	Occupational Health Safety Act	SLA	Service Level Agreement
OIE	Office Internationale Etizooties	SMME	Small Medium Micro Enterprise
OP	Operational Plan	SMS	Senior Message Service
OSD	Occupational Specific Dispensation	SO	Strategic Objective
PAHC	Public Animal Health Care	SOMPED	Society for Medicinal Plants and Economic Development
PDI	Previously Disadvantage Individual	SPLUMA	Spatial Planning and Land Use Management Act of 2013
PDP	Provincial Development Plan	STATSSA	Statistics South Africa
PERSAL	Payroll and Salaries	TARDI	Tsolo Agricultural and Rural Development Institute
PFMA	Public Finance Management Act	TB	Tuberculosis
PI	Performance Indicator	TR	Treasury Regulations
PLAS	Proactive Land Acquisition Strategy	UPS	Un-Interrupted Power Supply
PoA	Program of Action	USA	United States of America
PPPFA	Preferential Procurement Policy Framework	VCT	Voluntary Counselling and Testing
PSA	Public Service Association	VIP	Very Important Person
PSCBC	Public Service Coordinating Bargaining Council	WEMA	Water Efficient Maize Africa
RAAVC	Revitalisation of Agriculture and Agriculture Value Chain	WIFI	Wireless Internet for Frequent Interface
RATU	Rural Appropriate Technology Unit		

3. FOREWORD BY THE MEC

The Department of Rural Development and Agrarian reform has made progress in its facilitation and coordination of the implementation of outcome 7 priorities Stimulating Rural Development, Land Reform and Food Security. The Departmental collective efforts were applied towards the realisation of the National Development Plan (NDP) through the customised Provincial Development Plan. Significant policy and strategic strides have been undertaken during the 2017/2018 financial year with regard to the implementation of outcome 7.



HON MEC
X.E. NQATHA (MPL) MEC

The NDP 2030 vision promotes inclusive growth and envisages rural areas which are spatially and economically well integrated across municipal, district, provincial and regional boundaries where all have access to basic services. The Department coordinated the implementation of Rural Development priorities across all spheres of government. This process was characterised by facilitating activities towards achievement of the MTSF priorities such as: improved land administration, improved food security, increased access to quality infrastructure, small holders' development and support, growth of sustainable rural agricultural enterprise and industries, and improved research and development. This work is performed by participating in Inter-Governmental Relations (IGR) with municipalities, government departments and state owned entities, consolidating Outcome 7 reports and submitting them to the national Department of Rural Development and Land Reform.

The department of Cooperative Governance & Traditional Affairs (COGTA) working together with the Department provided support some Eastern Cape Municipalities towards improving land administration and spatial planning for integrated development in rural areas through Spatial Planning and Land Use Management Act (SPLUMA). The extent of implementation varied mainly due to the lack of buy-in from stakeholder especially the traditional leadership, lack of resources for institutional development and technical capacity to oversee the implementation of services. Department of Rural Development and Land Reform (DRDLR) supported municipalities to implement Spatial Planning and Land Use Management Act.

The demarcation has led to merging of some municipalities and this has led to reduction in the number of local municipalities and the number of municipalities gone down in the province from 45 to 33. Sixty one (61%) municipalities have Appeal Authorities, 80% municipalities have By-Laws gazetted, 80% of Municipalities have Authorised Officials, 13 municipalities have opted for own Tribunal while 20 have opted to be part of District Tribunals, 92% have called for nominations to sit in the Tribunals, 28% have Tribunals gazetted. The municipalities that mostly show lagging behind are the ones that were amalgamated and have administration problems and these need to be solved before SPLUMA can be implemented.

Slow progress is experienced in Land Redistribution, 1 502.7146 ha were acquired for our communities. The slow pace of land redistribution is a result of unwillingness from white farmers to accept valuation offers from the State. The farmers are sticking to market related prices, however the Office of the Valuer General offers just and equitable price offers. More work and meaningful engagements between relevant stake-holders is needed to break these challenges, for the good of the Province and the Nation.

The RED HUBs are the key enterprises that support rural industries. In the period under review, the department provides resources for the planning of feedstock around them.

They continue to process maize meal and animal feed production destined for the retail stores and farmer supplies respectively. The Tea Estates of Magwa and Majola were operational under the guidance of the High Court appointed Business Rescue Practitioner (BRP). A total of 560 hectares on the Magwa estate and 100 hectares on the Majola estate were harvested during the period resulting in 376 tons of tea produced on both tea estates.

To contribute towards increased access to quality basic infrastructure, the department invested in rural appropriate technologies. In the year under review water care, spring protection and VIP toilets were implemented where 170 temporary jobs were created. Furthermore, renovations at Nomabali Arts & Craft Centre in OR Tambo and the Nangu Sawmill in Engcobo were completed.

The Province experienced adverse climatic conditions that contributed significantly to the lower than expected yields. As part of the mitigation measures, the Department is promoting climate-smart agriculture such as the testing of drought-resistant maize cultivars in partnership with Agricultural Research Council (ARC). Furthermore, DRDAR continues to invest in long term mitigating measures such as the rehabilitation and the construction of new boreholes, establishment of fodder banks, construction of firebreaks and promotion of pro-active management.

The level of poverty in the Eastern Cape, as measured by the South African Multidimensional Poverty Index (SAMDI), is the highest in the country. Areas experiencing highest levels of poverty are in the former homelands areas due to migration and income patterns (Socio-Economic Review and Outlook, 2017). In response to the challenge, the Agriculture Economic Transformation strategy (AETS) was developed to give meaning to Agriculture as a game changer contemplated in the MTSF priorities. The aim is to improve commercial viability and productive utilisation of communal land and smallholder farms by implementing a cluster based partnership programme targeting grain and livestock products. On the other hand, to implement a commodity based partnership programme targeting high value crops for export purposes.

The department through the cluster based partnership on grain production together with industry partners planted 34 727 ha of maize during the 2017 planting season, 81 livestock enterprises supported and distributed 202 animals. The partnerships resulted in a number of jobs created and placement of unemployed graduates and out of school youth in Learnerships programmes implemented. In addition, expansion of horticultural crops production has been undertaken in partnership with industry partners, which has resulted in 2 269 ha planted. The establishment of Ncera and AmaJingqi macadamia farms has proven to be a game changer in the macadamia industry, creating 150 jobs at Ncera and 138 at AmaJingqi. The latter is facing community dynamics which the department is facilitating resolution thereof.

In order to support export of high value crops in the province, the first phase of the Ripplemead pack-shed was completed to ensure that black smallholder farmers are able to have access to the state of art export packaging facility in Ngqushwa. During the period under review the Wittekleibosch dairy supported 99 families as smallholder farmers with a new 66-point dairy infrastructure to increase their milk production. This commercial partnership has resulted into an off-take agreement with the Wittekleibosch Dairy Trust for the sale of milk to Parmalat.

The Eastern Cape has the second highest numbers of agricultural households with KwaZulu-Natal the highest. In addition, the Province has the highest proportion of agricultural households at 27.9%. Furthermore, 52.7%

of households' main purpose of involvement in agricultural activities sees the agricultural sector as the main source of food. (Community Survey, 2016, STATSSA). In order to encourage higher levels of household output production, the department supported 21 101 households' beneficiaries with agricultural production initiatives.

The Department has benefited immensely with the introduction of the Compulsory Community service by newly qualified veterinarians. The 19 Compulsory Community Services (CCS) vets who were deployed throughout the province in areas where there are no private Veterinarians. This has led to provision of primary animal health care services to those areas which would otherwise have not received such clinical services and 5 937 primary animal health care sessions were held.

In the past financial year, the department received a Clean Audit Opinion and in the period under review, the department received an unqualified audit opinion. It is worth to note that the regression was experienced in financial performance and in the pre-determined objectives.

In conclusion, the Department celebrates its past performance achievements and, at the same time will use the areas where challenges were experienced as lessons learnt for future planning purposes.

.....
XOLILE EDMUND NQATHA (MPL)

MEMBER OF THE EXECUTIVE COUNCIL

31 August 2018

4. REPORT OF THE ACCOUNTING OFFICER

The department continues to pursue the implementation of the Provincial Medium Term Strategic Framework (MTSF) priority 3 of Stimulating Rural Development, Land Reform and Food Security, which flows from National Development Plan (NDP)/ Provincial Development Plan (PDP) and Outcome 7. This includes implementation of the 5 Year Strategic Plan from 2014-2019 and the Annual Performance Plan for 2017/2018.



MR. L. L. NGADA
ACCOUNTING OFFICER

The prevailing negative socio-economic conditions require a strong rural development coordination through inter-governmental relations to drive the facilitation of comprehensive rural development across all spheres of government. The Comprehensive Rural Development Program will be facilitated to ensure the provision of basic infrastructure, food security, rural enterprises development and industries as well as basic infrastructure. In order to achieve this, there must be improved basic infrastructure, land administration, effective land reform, targeted support for smallholder and communal farmers to increase business and employment opportunities in the province.

Rural development coordination was intensified through a number of strategic interventions to stimulate local economic development. The department has supported 107 entities with industrial sewing machines in all districts. Home Industry projects and cooperatives were capacitated on basic business skills and cooperative governance, which resulted into four workshops empowering 71 project/ cooperative members. A partnership was entered into between the Department of Rural Development and Agrarian Reform (DRDAR) and Department of Agriculture, Forestry and Fisheries to erect fire-belts for protection of veld fires in the Amathole and Alfred Nzo districts.

The Agricultural Economic Transformation Strategy of the Eastern Cape province advocates that agriculture must be prioritized as business to enable partnerships between private sector, smallholder and clustered communal farmers to invest alongside with government as partners for growth and employment. These commodity and cluster-based partnerships have enabled black smallholder and communal farmers to access shared information and be commercially viable participants throughout the agricultural value chain.

The partnership support to smallholder and communal farmers is designed to strengthen their commercial viability by increasing production, market access and secure off-take agreements, value addition for local beneficiation, technology transfer for innovation and reduction of cost of doing business, skill development, increase investment and employment.

The department has through the cluster based partnership on grain production together with other industry partners planted 34 727 ha of maize during the 2017 planting season, 81 livestock enterprises were supported and 202 animals were distributed. The partnerships with HortGro for deciduous Fruit, Citrus growers association for citrus, Grain SA and Grain Farmer Association Development Agency (GFADA) for grain and Nguni for red meat resulted in the creation of 242 jobs and placement of 18 unemployed graduates and 170 out-of-school youth in learnership programmes implemented. In addition, expansion of horticultural crops production has been undertaken in partnership with industry partners, which resulted in 2 269 ha being planted. The establishment of Ncera and AmaJingqi macadamia farms has proven to be a game changer in the macadamia industry, creating 150 jobs at Ncera and 138 at AmaJingqi.

Overview of the financial results of the Department

Departmental receipts	2017/2018			2016/2017		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Sale of goods and services other than capital assets	8 822	4 763	4 053	506	4 427	(3 921)
Transfers received	-	-	-	-	22 547	(22 547)
Fines, penalties and forfeits	-	1	(1)	-	6	(6)
Interest, dividends and rent on land	35	2	34	33	2	31
Sale of capital assets	41	803	771	7 855	1 044	6 811
Financial transactions in assets and liabilities	1 251	431	834	1 191	1 134	57
Total	10 148	6 000	4 149	9 585	29 160	19 575

The work done to achieve the strategic objectives of the sector is supported by appropriate allocation and expenditure of resources. The following table illustrates the details of financial performance of the Department.

Departmental expenditure by programme:

Programme Description	2017/2018 R'000			2016/2017 R'000		
	Final Appropriation	Actual Expenditure	Variance	Final Appropriation	Actual Expenditure	Variance
Administration	455 046	453 739	1 307	455 596	435 427	20 169
Sustainable Resource Management	124 544	124 747	(203)	115 211	114 516	695
Farmer Support and Development	786 029	780 441	5 588	811 276	805 544	5 732
Veterinary Services	306 050	305 183	867	296 673	295 262	1 411
Technology Research and Development	123 910	123 490	420	176 632	176 281	351
Agricultural Economics	74 287	74 252	35	34 569	33 839	730
Structured Agricultural Training	149 737	146 263	3 474	142 969	141 539	1 430
Rural Development Coordination	193 012	192 876	136	182 196	182 121	75
TOTALS	2 212 616	2 200 991	11 625	2 215 122	2 184 529	30 593

The department has underspent its budget by R11, 6million. The actual expenditure of R2.2 billion was realised against the final budget of R2.21 billion. This translated into an under expenditure of 0.52%. Explanations for material variances per programme are as follows:

Variance Explanations.

Programme 1: R1 307

The under expenditure reflected above is made up of R483 000 on Compensation of Employees; R188 000 for Goods & Services and R641 000 on Capital.

- **Compensation of Employees:** The under expenditure recorded emanated from staff attrition as well as delays in the filling of vacant posts owing to re-prioritisation of posts as the department only relied on attritions to fill critical posts.
- **Capital under expenditure:** The underspending from this item emanated from delays in payment for show grounds domestic equipment that was not delivered by the service provider. There were also savings realised from purchasing of laptops at less than the estimated cost due to the discounts negotiated.

Programme 3: R5.588

The under expenditure reflected above is made up of R0.058 million for Compensation of Employees, R2.357 million for Goods & Services and R3.174 million on Capital.

Goods and Services under expenditure of R2.357 million

Under expenditure is due to non-completion of works due to heavy rains in the period from January to March 2018 furthermore, the contractor for Boreholes abandoned the site with outstanding work of two weeks duration. Also included an advertising amount under Extension Recovery Plan for media and the invoice was only received in April.

Capital under expenditure of R3.174 million

The under expenditure was as a result of:

1. Senqu Shearing Shed where the contractor defaulted.
2. OR Tambo Borehole that realised savings.
3. Alfred Nzo fencing with the contractor that did not perform.

The department will apply for rollover.

Programme 7: R3.474 million

The under expenditure was mainly due to inclement weather during the fourth quarter that resulted in delay in water works projects in Fort Cox College funded by CASP college revitalisation program. The department has applied for rollover.

Virements

Virements were done to relieve unforeseen cost pressure caused mainly by SARS payment for the tax liability incurred by department as a result of employees leaving the Service of the state. All the virements were approved by the Accounting Officer in terms of section 43(1) of the Public Finance Management Act (PFMA) and were kept within the eight percent threshold in line with section 43 (2) of the PFMA.

Programme 1: R 6.615m

In Programme 2, 3 and 8 there was under expenditure in compensation of employees. A virement was made from those programme to relieve the pressure in Programme 1, resulting from outstanding SARS payment from employee tax liability and exit benefits for employees leaving the service of the State.

Programme 2: (R3.986m)

Programme 2 underspent on the allocated budget mainly due to compensation of employees. The funds not spent were mainly moved to Programme 1 to relieve the cost pressures resulting from SARS payment.

Programme 3: (R0.743m)

Programme 3 underspent on the allocated budget mainly due to compensation of employees. The funds not spent were mainly moved to Programme 1 to relieve the cost pressures resulting from SARS payment.

Programme 4: (R0.675m)

Programme 4 underspent on the allocated budget mainly due to goods and services. The funds not spent were mainly moved to Programme 5 to relieve the cost pressures resulting travelling and substance for Scientists.

Programme 5: R0.124m

Programme 5 underspent on the allocated budget mainly due to Goods & Services. The funds not spent were mainly moved to Programme 7 to relieve the cost pressures resulting from compensation of employees. The underspending was reduced by the virements from goods and services from programme 4.

Programme 6: (R1.412m)

Virements from Programme 6 mainly under compensation of employees were done to relieve the pressure on the same item under Programme 7.

Programme 7: R0.912m

In Programme 5 and 6 there was under expenditure in compensation of employees. A virement was made from those programmes to relieve the pressure in Programme 7, resulting from compensation of employees.

Programme 8: (R0.617m)

Virements from Programme 8 mainly under goods & services and capital were done to relieve the pressure on fleet services under Programme 1.

Roll-overs

A roll-over amounting of R5.036 million has been requested. This amount is made up of R2.282 million for equitable share and R2.754 million for CASP.

Fruitless and Wasteful expenditure - 2017-18 FY

During the current year the Department incurred fruitless and wasteful expenditures amounting to R1 047 774.63 relating mainly to interests paid to Telkom, Office of Auditor-General, Department of Transport accounts and minor expenses were incurred for air flight cancellation charges, Rent-a-car - vehicle damages and no-show charges for accommodation.

Expenditure for late payments of interests are due to shortage of funds per line item towards the end of the financial year. In of total Fruitless and Wasteful expenditure incurred for the current year, is R975 997.63 which was condoned and R 70 619.00.00 is charged under disciplinary hearings against the officials.

All expenses except R 1 158.00 on fruitless and wasteful expenditures were fully attended to, recommended by the Irregular Committee and approved by the Head of Department.

Public Private Partnerships

No Public Private Partnerships exist.

Discontinued activities / activities to be discontinued

No activities were discontinued.

Supply chain management

There were no unsolicited bid proposals for the year under review. Internal controls within procurement are continuously strengthened to prevent abuse of supply chain processes as well as to prevent irregular expenditure. The Compliance Unit under the Internal Control Unit is also providing awareness programmes to all District offices and Head Office through bi-monthly updates on Circulars, Policies and procedures on Finance and SCM processes.

Gifts and Donations received in kind from non-related parties

None.

Exemptions and deviations received from the National Treasury

None.

Events after the reporting date

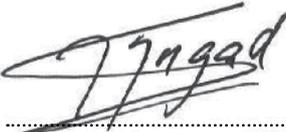
None.

Acknowledgements/Appreciation

The Department acknowledges and appreciates the leadership and the guidance provided by the Hon. MEC Nqatha. The work of the department would not have been possible without the support of the stakeholders, farmers, communities, committed and dedicated staff.

Conclusion

In the 2017/18 financial year, the Department achieved Unqualified Audit Opinion. This demonstrated effective and efficient utilisation of resources to deliver rural development and agriculture related priority programmes. Furthermore, the Department implemented strategic programmes which over time, will yield desired impacts in the reduction of poverty, underdevelopment and unemployment.



L.L. NGADA

ACCOUNTING OFFICER

31 August 2018

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

I hereby submit this report as a true reflection of the Department's performance towards achieving the outcome oriented strategic goals. Good progress has been made to ensure that quality services were provided to rural communities in general and farming communities in particular.

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 free from any omissions.

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

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

The Accounting Officer is responsible for the preparation of the Annual Financial Statements and for the judgements made in this information.

The Accounting Officer is responsible for establishing, and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the Performance Information, the Human Resources information and the Annual Financial Statements.

The External Auditors are engaged to express an independent opinion on the Annual Financial Statements.

In my opinion, the Annual Report fairly reflects the operations, the Performance Information, the Human Resources information and the financial affairs of the department for the financial year ended 31 March 2018.



L.L. NGADA

ACCOUNTING OFFICER
31 August 2018

6. STRATEGIC OVERVIEW

6.1 Vision

Vibrant, equitable, sustainable rural communities and food security for all.

6.2 Mission

Promote, support and coordinate rural development and agrarian reform interventions to reduce poverty and underdevelopment through job creation, integrated food security programme, and equitable participation in development by all rural communities.

6.3 Values

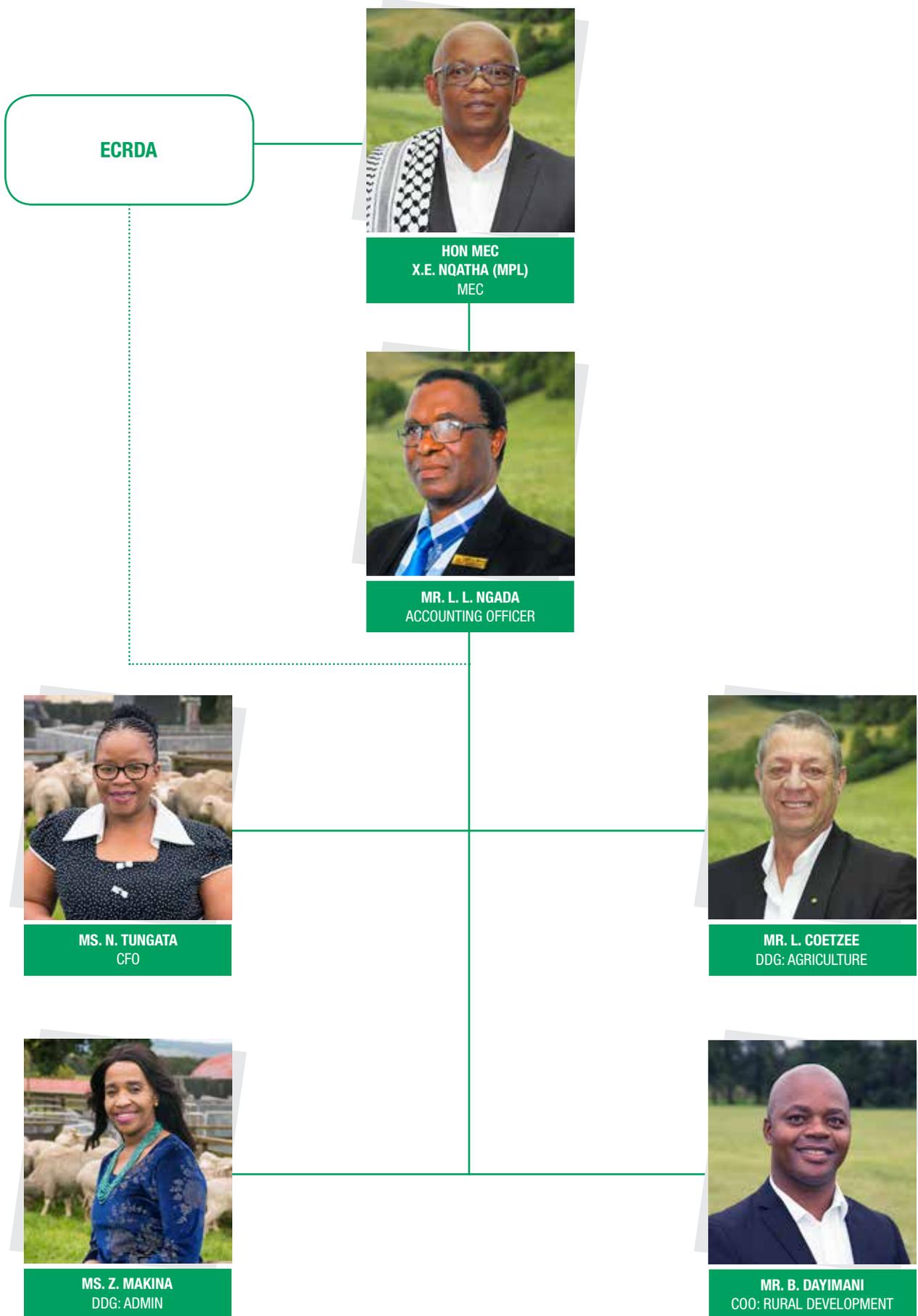
- **Innovation:**
Committed to keep abreast of new developments in relevant fields of expertise and be innovative in carrying out the mandate of the Department.
- **Excellence:**
We are committed to exceed our customer's expectations for quality, responsiveness, efficiency and service excellence.
- **Bambisanani:**
Believe that the sum of our collective efforts will be greater than the total of our individual efforts.
- **Mutual respect:**
We value each other's contribution as we seek to realise the vision and goals of the Department.
- **Honesty and Integrity:**
Commitment to be transparent with all stakeholders.
- **Inclusiveness:**
"Bonke abantu esisebenza nabo, siya kusebenzisana nabo ngokufanelekileyo nangokulinganayo".

7. LEGISLATIVE AND OTHER MANDATES

The Department's mandates are informed by the following Acts:

- Constitution of the Republic of South Africa, Act 108 of 1996Act No 108 of 1996
- The Agriculture Development Act, 1999Act No. 67 of 1999
- Conservation of Agricultural Resources Act,1983Act No. 43 of 1983
- Eastern Cape Rural Finance Corporation, Act 1 of 2012
Amended by Act1 of 2012 Act No. 9 of 1999 as
- Veterinary and Para-Veterinary Professions Act,1982Act No. 19 of 1982
- The Animal Health Act, 2002.....Act No. 7 of 2002
- The Animal Identification Act, 2002Act No. 6 of 2002
- The Meat Safety Act, 2000.....Act No. 40 of 2000
- Animal Diseases Act, 1984Act No. 35 of 1984
- Animal Improvement Act, 1998.....Act No. 62 of 1998
- Animal Protection Act, 1962Act No. 71 of 1962
- Livestock Improvement Act, 1997Act No. 25 of 1997
- Agricultural Pests Act, 1983.....Act No. 36 of 1983
- Fertilizers, Farm Feeds, Agricultural Remedies and
Stock Remedies Act, 1947.....Act No. 36 of 1947
- Agricultural Research Amendment Act, 2001Act No. 27 of 2001
- Marketing of Agricultural Products Act, 1996Act No. 47 of 1996
- Fencing Act, 1963Act No. 31 of 1963
- Land Tenure Rights Act, 1991Act No. 112 of 1991
- Intergovernmental Relations Framework Act, 2005.....Act No. 13 of 2005
- Public Finance Management Act, 1999Act No.1 of 1999
- Basic Conditions of Employment Act,1997Act No.75 of 1997
- Division of Revenue Act, 2009Act No. 12 of 2009
- Preferential Procurement Policy Framework Act, 2000Act No. 5 of 2000
- Public Service Act and Regulations, 1994.....Act No. 103 of 1994
- Skills Development Act, 1998Act No. 97 of 1998
- Occupational Health and Safety Act, 1993.....Act No. 85 of 1993
- Employment Equity Act, 1998.....Act No. 55 of 1998
- Promotion of Access to Information Act, 2000.....Act No. 2 of 2000
- Treasury Regulations issued in terms of PFMA Act, 1999.....Act No. 29 of 2000
- Promotion of Administrative Justice Act, 2000.....Act No. 2 of 2000
- Spatial Planning and Land Use Management Act, 2013Act No. 16 of 2013

8. ORGANISATIONAL STRUCTURE



List of programmes

NO	PROGRAMME	RESPONSIBLE OFFICIAL	DESIGNATION
1	Administration	Ms. Z. Makina	DDG: Administration
2	Sustainable Resource Management	Mr. L. Coetzee	DDG: Agriculture Development
3	Farmer Support and Development	Mr. B. Dayimani	COO: Rural Development
4	Veterinary Services	Mr. L. Coetzee	DDG: Agriculture Development
5	Research and Technology Development	Mr. L. Coetzee	DDG: Agriculture Development
6	Agricultural Economic Services	Mr. L. Coetzee	DDG: Agriculture Development
7	Structured Agricultural Education and Training	Mr. L. Coetzee	DDG: Agriculture Development
8	Rural Development	Mr. B. Dayimani	COO: Rural Development

9. ENTITIES REPORTING TO THE MEC

The Eastern Cape Rural Development Agency (ECRDA) is the sole public entity of the Department of Rural Development & Agrarian Reform. It is mandated to implement rural development initiatives on behalf of the Department. The relationship between DRDAR and ECRDA is regulated by a Shareholder's Compact which includes the appointment of the Board and the chairperson.

Accountability including reporting on key performance indicators/ projects and financial reporting on transferred funds. The Accounting Authority of the Agency reviews its performance levels in relation to the requirements of the Department. Progress is monitored on a quarterly basis by submission of Quarterly Performance Reports and Financial Reports to the Department as part of the accountability system.

Table 1: Entities, functions and relations with the MEC.

NAME OF ENTITY	LEGISLATIVE MANDATE	FINANCIAL RELATIONSHIP	NATURE OF OPERATIONS
Eastern Cape Rural Development Agency (ECRDA).	Eastern Cape Rural Finance Corporation Amendment, Act 1 of 2012.	The department provides funding on an annual basis to support the operations of the entity. The budget allocated to the entity for the year under review amounted to R176 089	<ul style="list-style-type: none"> • The ECRDA is a catalyst organisation, with emphasis on planning, research and project packaging, facilitation, project management, and implementation of priority programs. • Other functions are innovation, development, mobilising resources and capacity building. • Rural finance services to rural communities, with specific emphasis on loan finance to farming enterprises. • Implement Rural Enterprise Development projects.



MR. B. DAYIMANI
COO: RURAL DEVELOPMENT

PART B:

PERFORMANCE INFORMATION



1 AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

Refer to page 137 - 143 of the Report of the Auditor General, published as Part E: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

During the period under review, the Department facilitated and coordinated the implementation of Rural Development Priorities as outlined in the Outcome 7 across all spheres of government. This process was characterised by integrating all government resources towards achievement of improved land administration; improved food security, increase access to quality infrastructure, smallholders' development and support, growth of sustainable rural agricultural enterprise and industries, and improved research and development. The department consolidated all the programs and activities related to Outcome 7 to provide progress against the set targets.

A partnership was entered into between the Department of Rural Development and Agrarian Reform (DRDAR) and Department of Agriculture, Forestry and Fisheries (DAFF) to erect fire-belts for protection of veld fires covering 109 ha in the Amathole and Alfred Nzo districts, resulted in the creation of 216 casual jobs over a period of 3 (three) months.

Rural-mini Industrial Hubs are of strategic importance in promoting rural development. To this end, the first phase for the renovation of Nomabali Arts & Craft Centre was completed, creating 15 job opportunities. In addition, Nangu Sawmill project (30m x 12m shed) in Ngcobo Local Municipality has been completed creating six casual job opportunities during the construction phase. A total of 107 Clothing and Textile cooperatives were supported with sewing machines and sewing material.

In order to conserve water, as a scarce resource and to ensure access to clean and safe water, the department implemented water-harvesting and Spring protection projects. Four (4) water-harvesting projects were implemented in Graaff-Reinet, Lota, Ndakane and Xhongorha to benefit 1 584 households and created 78 temporary jobs. A Spring protection program was implemented in two (2) projects at Dulcies Nek and Goxe to benefit two villages and created 48 temporary jobs.

The Rural Appropriate Technology Unit (RATU) provided three (3) schools, namely St Matthews High School at Amahlathi LM, Sigwela Senior Secondary School at Sakhisizwe LM and Umlamli Primary School at Senqu LM with Ventilated Improved Pit Latrines (VIP) toilets which are benefiting 1066 inclusive of students and educators and a total of 53 temporary jobs were created.

During the period under review, Mqanduli RED Hub was supplied with a Maize Cleaner machine, conveyor belt, packing machine and forklift in order to boost its productivity as a milling plant. In Ncora and Mqanduli RED Hubs, contractors were appointed for construction of silo bases and installation of additional grain storage silo with conveying equipment. The current storage capacity of 2000 tons at Mbizana RED Hub is filled into full capacity, with additional temporal silos hired from Kokstad to store maize.

At Tshabo RED Hub, ECRDA and DRDAR officials are currently engaging with AmaNdlambe traditional communities to solicit their buy-in to change enterprise focus in their RED Hub from maize production into planting of flowers (flora), vegetables under hydroponic tunnels and the introduction of snails.

The agricultural sector, working together with strategic partners managed to plant 34 727 hectares of maize as at the end of year against the annual target of 47 800 ha. A total of 1 861 smallholder producers were supported with technical advice. The partnerships resulted in 242 jobs and placement of 18 unemployed agriculture graduates.

The Eastern Cape Household Community Survey of 2016 indicates that the poverty head count in the Eastern Cape has Decreased from 14.4% in 2011 to 12% in 2016. In support of the most vulnerable members of society, the department provided crop and vegetable production inputs to 21 101, mostly women headed and indigent households. The partnership initiative between DRDAR and University of Fort Hare to implement Household Food Security Programme benefited 240 household in 10 villages of Raymond Mhlaba Local Municipality.

Horticulture in the province is one of the key commodities that export fruit in order to gain foreign earnings. Expansion of citrus crop production has been undertaken in partnership with Deciduous Fruit Development Chamber (HortGro) and **Citrus** Growers' Association has resulted in skills transferred and 42 black business entities supported. In the year under review, the Department supported expansion of **chicory** production with the existing partnership between DTI and Chicory SA. A total of 64ha (40 ha at Ngqushwa and 24 ha at Ndlambe) were planted benefiting twelve black smallholder producers at Ndlambe and ten smallholder farmers at Ngqushwa.

The Eastern Cape Government, in partnership with rural communities, Traditional Leaders and private sector, has initiated a community based macadamia initiative. Since this initiative started, the government's investment resulted in the development of 180 hectares planted at Ncera farm, generating income from sales since the first harvest in 2013. Furthermore, investment was made at AmaJingqi rural area, planting trees on 205 ha in 2015 funded by the government through the department, Mbashe and Amathole municipalities. These two community based initiatives have proven to be a game changer in the Macadamia industry, creating 150 jobs in Ncera and 138 in AmaJingqi. The first harvest of AmaJingqi is expected in 2019.

The Eastern Cape has to turn the competitive edge of having a large number of animals into business opportunity. A total of 81 livestock enterprises were supported to increase production and for value addition. The sector distributed 202 animals to improve livestock adaptability and fertility for resource poor farmers. Furthermore, a total of three breeding centers are operational at Mjanyana (45 breeding animals) Sinqumeni, (67 breeding animals) and Bolotwa (70 breeding animals).

The sector is susceptible to disease outbreaks affecting all animal species in the province. In the year under review, the Province experienced a major outbreak of highly pathogenic avian influenza in Uitenhage resulting in a loss of 5 860 broiler birds thus causing severe financial losses to the industry. There were 3 (three) other smaller outbreaks in ostriches and seabirds. Currently all the outbreaks have been put under control. Furthermore, some Rabies cases were identified with 30 samples tested, of which 16 were positive. Unfortunately, there has also been one human fatality. Efforts towards increasing community awareness on this disease and intensifying the vaccination campaign was undertaken.

Livestock producers have been supported in 2017/18 through a comprehensive veterinary support programme, including vaccination of 1 642 004 animals for disease prevention, as well as 4 512 139 treatments were applied to animals for the control of tick borne diseases.

The department is supporting the striving wool industry (especially the communal farmers) with the construction of 14 shearing sheds and provision of extension services to provide technical advice to subsistence farmers who collectively sell wool to Boere Kooperasie Beperk (BKB). In the period under review, 10 322 548 treatments applied to treat sheep scab in order to improve the wool clip and to ensure farmers earn better income.

The department continued exploring the opportunities presented by Aquaculture in the province and has established a partnership with Karoo Catch Fisheries. Three (3) catfish production tunnels in Beyer's Naude municipality were constructed with production capacity of 20 tons per month per tunnel and creating 105 jobs. A total of 80 community members are currently empowered and mentored on aquaculture technical and business skills through the Karoo Catch partnership programme.

To expand irrigated agriculture as required by the National Development Plan, vision 2030, progress was made in the following areas: At **Shiloh irrigation** scheme, 716 cows are being milked to produce 10 000 litres of milk a day. At **Ncora Irrigation** Scheme, 1 470 cows are being milked to produce 18 500 litres of milk a day. Furthermore, to increase production capacity a fencing project covering 77 km were completed. The support and expansion of **Keiskammahoek** scheme resulted in the creation of 59 jobs, whereby 1 800 cows produced 27 800 litres of milk per day. At **Zanyokwe** scheme, vegetable crops were planted in an area covering 412 ha, resulting in 250 jobs.

During the period under review the Wittekleibosch dairy supported 99 families as smallholder farmers with a new 66-point dairy infrastructure to increase their milk production from currently milking 900 cows resulting in 16 000 litres of milk per day to a target of 27 000 litres / day when in full capacity and milking approximately 1 500 cows. This is a commercial partnership which has resulted into an off-take agreement with the Wittekleibosch Dairy Trust for the sale of milk to Parmalat.

The infrastructure development programme is designed to support prioritised commodities for increasing production, marketing and value chain information. In the period under review, 166 on-farm livestock infrastructure projects were completed including fencing, stock-water systems, shearing sheds, poultry structure, multipurpose sheds, small-scale irrigation systems and dip tanks. This resulted in 3 457 smallholder producers benefiting from the support and 1 179 jobs created. Furthermore, Ripplemead Park Shed at Ngqushwa was completed in order to upscale citrus export to benefit Black Farmers and created job opportunities at construction phase.

Research output is a critical factor in the dynamic agricultural sector. In contributing to the knowledge base of the industry and addressing the production challenges faced by the farmers, the department published Ten (10) scientific papers in International and National journals and presented 56 scientific papers at various scientific platforms.

The scientific work published covered animal and crop production. The scientists used new platforms to present their work in the scientific community; these were 3rd International Conference on Global Food Security (Cape Town), 15th International Symposium on Soil and Plant Analysis (China). In supporting the implementation of the departmental programs, the research program led the control of fall armyworm outbreak in Buffalo City Metro, Amathole and OR Tambo District Municipality; and drought mitigation plan in the Province.

To promote agriculture as a business, 146 cooperatives were supported with business plans, and advice on bee-keeping, brick making, broiler, chicory, livestock, maize, piggery, poultry, vegetable production and agro-processing. In a province that requires land rehabilitation, 18 Land Care projects covering 2 219.6 ha were supported. This led to 386 green jobs benefiting 890 people.

The Department managed to train a total of 2 649 farmers and 200 farm workers on various skills related to livestock and crop production as well as agribusiness and personal skills. A total of 170 out of school youths underwent learnership programs on agricultural skills while 29 farming units were mentored through support from the Department's strategic partners.

Agricultural Colleges are strategic centres of education, training and excellence. Through the support by the Health and Welfare Seta, the Department managed to provide free quality higher education at TARDI for students from working class families. The first group of Animal Health Diploma holders graduated at Tsolo following the re-opening of the College in 2015. To address the challenge of infrastructure backlog at the colleges, a College Infrastructure revitalisation program was implemented in phases as an intervention. In the period under review electricity upgrades and refurbishment were completed at TARDI while the Home Industry Unit was also upgraded. At Fort Cox the bulk water supply and water treatment plant project commenced and will be completed in the next financial, while two long outstanding hostel blocks were completed.

2.2 Service Delivery Improvement Plan

The department has completed a Service Delivery Improvement Plan. The tables below highlight the service delivery plan and the achievements to date.

Main services provided and standards

MAIN SERVICES	BENEFICIARIES	CURRENT /ACTUAL STANDARD OF SERVICE	DESIRED STANDARD OF SERVICE	ACTUAL ACHIEVEMENT
Agricultural Infrastructure Development Support.	<ul style="list-style-type: none"> Commercial Farmers; Smallholder Farmer and; Subsistence farmers 	Projects are being implemented by 30% AA Contractors with inadequate capacity to meet the desired standard.	All projects are being implemented by contractors with limited operational delays and thereby meeting the desired standard of construction.	<p>In this year under review, 85 contractors were employed for infrastructure projects and 81 projects were completed within the contract periods. Four contractors could not complete the infrastructure according to the approved construction programs and stipulated period.</p> <p>The breakdown of the underperformance relate to: two in OR Tambo, one in Joe Gqabi and one for Fort Cox.</p> <p>This is an improvement from the previous year because under-performance for the year under review stands at 5%.</p>

Batho Pele arrangements with beneficiaries (Consultation access)

CURRENT ARRANGEMENTS	DESIRED ARRANGEMENTS	ACTUAL ACHIEVEMENTS
<p>Consultation with relevant clients at all levels of society, infrastructure needs subdivided into communal and individual household levels.</p>	<p>Consultatively revise the Infrastructure Development Plan (for both communal needs, individual and households) annually and update progress made with an estimated cost for presentation to the Head of Department.</p>	<ul style="list-style-type: none"> • The districts attend IDP session both in the district where infrastructure projects were presented. • At Local Municipality level, Managers Coordination also presented infrastructure projects at the IDP sessions and Local Economic Development (LED) forums. • Districts also present plans and progress to IGR forums. • There is also DAPOTT (District Agri Park Organising Task Team) where plans and progress regarding our projects were discussed. • Farmer organisations were always updated in relevant forums by the District Director regarding planning and progress made on infrastructure

Service delivery Information tool

CURRENT/ACTUAL INFORMATION TOOLS	DESIRED INFORMATION TOOLS	ACTUAL ACHIEVEMENT
<p>The Masilime magazine and local radio stations are used to publicise the SDIP, the Service charter and the progress reports thereon.</p> <p>Annual Reports, Policy speech, Departmental policies are posted on the Website of the department.</p> <p>An induction program is used to bring to the attention of the new staff the contents of the SDIP and Service Charter.</p> <p>Efforts are made to have all documents placed on the public domain translated into local languages.</p>	<p>The Masilime magazine and local radio stations will be used to publicise the SDIP, the Service Charter and progress reports thereon.</p> <p>Quarterly performance reports will be posted on the Website of the department.</p> <p>An induction programme will be used to bring to the attention of the new staff the contents of the SDIP and Service Charter.</p> <p>Efforts will be made to have all documents placed on the public domain translated into local languages.</p>	<p>Information about the programs of the department was placed in the community, commercial media including leading news and communications platforms in the province and the national media for the purpose of sharing the information with the people of the province and stakeholders interested in the work of the department that are based outside the province.</p> <p>The information was placed in the following media: Daily Dispatch, Umhlobo Wenene, Time Select, SABC Radio News, ENCA, 702, Power FM, Kaya FM, Cape Talk, Vukani FM, Fortare FM, Inkonzane Community Radio, Tru FM, Alfred Nzo Community Radio, Kumkani FM, Mdantsane FM, Unitra Community radio, Pondo News, Algoa FM, Herald, Die Burger, Business Report, Farmer's Weekly, Die Son, Daily Sun, Saturday Dispatch, Business Report, IOL, Die Son, Weekend post, SABC TV news.</p> <p>Content was also produced into a monthly newsletter inserted in the leading commercial newspapers in the province. Information about the programs of the department was also placed in the website of the department and the social media platforms like Facebook.</p>

Complaints mechanism

CURRENT /ACTUAL COMPLAINTS MECHANISM	DESIRED COMPLAINTS MECHANISM	ACTUAL ACHIEVEMENTS
<p>The Department is using a Customer Care guide as a system to deal with complaints.</p> <ul style="list-style-type: none"> • The department deals with the Presidential and Departmental Hotline complaints, requests, walk-ins, faxes, grievances, emails, sms' and WhatsApp's from Internal and External Stakeholders. • Customer Care advises citizens on how to lodge a complaint. • Complaints are registered within 3 working days. • The complaint is acknowledged within 7 working days. • All complaint details are treated with confidentiality to protect the identity of individuals (e.g. the sexual harassment cases if any). • If the Customer Care Officer cannot resolve or give assistance to the complainant it will be escalated to the relevant District Director or Director/ Chief Director for action and resolution. • If the complaint is not resolved within 14 working days we contact the customer and apologise for the delay and refer the complaint/ request to the Head of Department for intervention. • Once a response is received from the Head of Department after 21 days we contact the customer and convey the response 	<p>The department will develop a Complaints Management Framework on how to deal with complaints, to ensure that Departments have a feedback mechanism whereby citizens can communicate to government when services are not being delivered in line with the expectation as stipulated within the Eight Batho Pele Principles.</p> <p>Staff will be work shopped on the complaints handling system.</p> <p>All complaints received will be consolidated, analysed and the results will also inform the strategic documents of the department.</p>	<p>The Department's customer care section receives complaints and queries from customers daily through the call centre's toll free number, social media, letters to the department and media queries responding to the information that has been published about the programs of the department.</p> <p>A complaints handling mechanism was published and it was distributed to the offices of the department in the districts for the purposes of creating awareness as part of the customer care plan of the department.</p> <p>Customer Care awareness campaigns conducted to educate employees about the importance of responding to the queries and complaints from customers to address the current backlog of complaints.</p> <p>Some of the complaints and queries received by the department come from the presidential hotline and referred to the relevant program offices and district for resolution.</p> <p>In pursuit of speeding resolution of complaints and queries from customers, we will now write letters to programme managers and district directors to remind them about the queries and complaints, obtain update and measure customer satisfaction.</p> <p>Failure of managers to respond to complaints and queries being elevated to their superiors to a point of sending them to the HOD in the event that managers in the hierarchy are not assisting to the customers.</p>

2.3 Organisational environment

The human resource management function is slowly transforming from being a transactional and predominantly procedure bound process into a role of being a strategic partner, change agent, an employee champion and an administrative expert. This is demonstrated in terms of the customer perspective emanating from the "Assessment: Ability of the Departmental Human Resource Component to strategically assist in the achievement of service delivery goals," as prescribed in the Public Service Regulations 2001, as amended. The assessment results have improved to 84 % for the 2017/18 financial year.

To implement effective HR management and reduce the vacancy rate, 91 appointments were made covering critical areas i.e. areas of veterinary, engineering, agricultural training, technology development & research and support services. These appointments will have a positive impact in the improvement of primary production on the agricultural value chain and strengthen DRDAR key processes and systems for innovation and development initiatives.

The Department's staff establishment is at 2 908 actively funded posts with 2 749 warm bodies and 159 vacant posts on PERSAL which translates to 5.5% vacancy rate as at 31 March 2018. The annual staff turnover rate is currently at 6% which is translated to 167 employees that vacated the service, the analysis of attritions thereof is 50.6% which relates to retirements, 25% resignations and 5.4 % contract expiry these which have a financial implication on processing of leave gratuities and human resource planning is essential due, to this workforce turnover is unavoidable.

In an attempt to close capacity gaps that were identified and documented in the Human Resource Development Plan, 334 employees were trained on various soft and technical skills. Thirty three (33) students from designated groups continue to get financial assistance in the form of a bursary scheme in Veterinary Science, Plant Pathology, Agricultural Engineering, Soil Science and other Agricultural related qualifications. Out of the 33 external bursary holders, 17 were females and 16 were males. Six (6) internal employees are also getting financial support in different fields of study.

The department is committed to the implementation of HIV & AIDS and TB Management Pillar through promotion of VCT for early detection and preventive efforts that are aiming at reducing TB transmission in the workplace; this has resulted in seventy-seven (77) employees volunteering for HIV and AIDS screening. Two hundred and thirty nine (239) employees participated in HIV and gender-based violence awareness sessions held in the Joe Gqabi District, Western District and Amathole.

In promoting a healthy lifestyle, 124 employees participated in physical and recreational activities and 169 participated in Financial Management sessions that covered debt management for financial management.

In an effort to improve efficiencies and strengthening capacity of the departmental Research Institute, ICT infrastructure upgrade for Dohne which included cabling of all blocks, installation of network switches, Un-Interrupted Power Supply (UPS) and Wi-Fi wireless access points have been completed and commissioned. The last mile broadband installation installed, tested and the project concluded successfully. To improve the efficiencies in ICT, the Wi-Fi projects in OR Tambo and Amatole that seeks to improve connectivity and efficiency completed, and the services are accessible to the personnel.

In order to enhance technological efficiencies, the Department implemented the Disaster Recovery site to replicate departmental data from Bhisho production site. The upgrade of Bhisho Site Storage was completed, aimed at increasing the storage capacity to accommodate and access the increasing data needs of the Department. The network-cabling project for Cradock and Cala in the Chris Hani district was complete to mitigate the aging infrastructure.

In ensuring compliance with the leave policy and streamlining administrative business processes identified in leave management process, the e-Leave Management System has been rolled- out to the District offices and Research institutions. All officials in Amathole and Joe Gqabi districts were trained during the period under review.

The monitoring and evaluation systems was put in place during the year under review to assess the effectiveness of the implementation of the cluster-based partnership and commodity-based partnership through Service Level Agreements with clear targets set.

Furthermore, transfer of knowledge to black subsistence and smallholder farmers in terms of business mentorship and increased efficiencies has been positive when taking into account that 2017/18 was the first year of the implementation of the Agricultural Economic Transformation Strategy (AETS).

Awareness was created on departmental programme and services amongst our clients and stakeholders through the provision of comprehensive communication support (i.e. story writing for website, departmental magazine, video capturing, media coverage and branding) for various activities and functions during the year under review. Notably amongst the events were: Support the back-to-school campaign; publicity on the launch and opening of the Wittekleibosch dairy, first Magwa Harvest since the start of the BRP, public education about the Agriculture Economic Transformation strategy through placement of adverts on Umhlobo Wenene, Tru FM, insertion of the Newsletter on the programmes of the department in the Daily Dispatch, Herald, Die Burger, Son, Daily Sun, general publicity on the programmes of the department using public media such as the social media platforms like Facebook.

Concerning the customer care program, resolution of customer queries, the Department managed to achieve the turnaround time on the Presidential Hotline handling of customer complaints during the period under review. Complaints handling mechanism posters, and Batho Pele posters were produced and distributed to the offices of the departments to educate employees about these customer-focused policies to reduce the backlog of customer queries.

In transforming the agricultural sector through Special Programme Unit support, 268 women cooperatives were supported in different commodities such as cropping, livestock, citrus, textile & processing for children and the elderly. Further support was provided to 30 elderly men and women with vegetable seeds and blankets. In addition, 12 MEC adopted schools (including two special schools), 50 youth projects and 4H clubs were provided with agricultural inputs including 300 000 seedlings which were distributed to promote food production at household level.

2.4 Key policy development and legislative changes

There were no significant changes to the Department's legislative and other mandates but internally the Department has reviewed a number of policies to guide its operations.

3. STRATEGIC OUTCOME ORIENTED GOALS

The Department is guided by the provisions of the National Development Plan, the Medium Term Strategic Framework (MTSF), and the Provincial Development Plan (PDP) when developing strategic goals to ensure alignment and integration. The department has consciously been working on the following policy priorities:

- Implementing national agricultural sector priorities and high-level deliverables.
- Strengthening planning, coordination and implementation of rural development strategic initiatives across all spheres of government.
 - o Improved land administration and spatial planning; and
 - o Sustainable land reform (Agrarian Transformation).
- Expand food security to ensure access to food, safety and nutrition.
 - o Improved food security; and
 - o Smallholders' development and support (technical, financial and infrastructure) for agrarian transformation.
- Increased access to quality infrastructure.
- Strengthen Agricultural Colleges of Education.
- Revitalization of the agriculture and agro-processing value chain (RAAVC).
 - o Growth of sustainable rural agricultural enterprise and industries.

The Department has two strategic goals namely: Coherent and coordinated rural development for improved quality of life; and Good governance and clean administration. The subsumed latter goal is the need to promote and support commercial agricultural production through the value chain. In 2017/18, financial year was the first year of the implementation of the Agricultural Economic Transformation Strategy. Cluster based partnership programme targeting grain and livestock products was implemented in partnership with Grain SA, Grain Farmer Development Association, Whip-hold and Masisizane, and on livestock in partnership with NAMAC and Nguni Trust.

A Commodity based partnership programme targeting high value products, that is, citrus and deciduous fruit, pineapple and chicory, macadamia nuts. The high value crops implemented in partnership with Citrus Growers Association, Deciduous Fruit Development Chamber (HortGro), Pineapple Growers association, Chicory SA, and, AmaJingqi and Ncera communities in respect of macadamia nuts. The beneficiaries of the new commercialisation trajectory are communal farmers and smallholder farmers who drive is to turn their production, storage and marketing into striving businesses. Citrus, deciduous fruit and macadamia nuts are destined for export and thus, the Eastern Cape earns much-needed foreign earnings.

The Eastern Cape Household Community Survey of 2016 indicates that the poverty head count in the Eastern Cape has decreased from 14.4% in 2011 to 12% in 2016. In support of the most vulnerable members of society, the department provided crop and vegetable production inputs to mostly women headed indigent households.

During the period under review the Wittekleibosch dairy supported 99 families as smallholder farmers with a new 66-point dairy infrastructure to increase their milk production from currently milking 900 cows resulting in 16 000 litres of milk per day to a target of 27 000 litres / day when in full capacity and milking

approximately 1 500 cows. This is a commercial partnership which has resulted into an off-take agreement with the Wittekleibosch Dairy Trust for the sale of milk to Parmalat.

The Ripplemead Park Shed at Ngqushwa was completed in order to upscale citrus export to benefit Black Farmers and created job opportunities at construction phase. Other investment on agricultural infrastructure in the form of shearing sheds, fencing of arable land, renovation of dip tanks, and stock water systems were provided to maintain the safe meat consumption and much needed animal and crop production for subsistence and smallholder farmers.

The strategic objective is to increase crop production for the Communal Farmers, to this end the department has managed to achieve the planned area that was cultivated. To fight food insecurity, the department supported households that are challenged with access to food by providing them with agricultural inputs, which led to the effective household food production at household level in rural areas.

The sector is susceptible to disease outbreaks affecting all animal species in the province. In the year under review, the Province experienced a major outbreak of highly pathogenic avian influenza in Uitenhage resulting in a financial loss to the industry. Other smaller outbreaks in ostriches and seabirds occurred. All the outbreaks identified were put under control including Rabies outbreaks. Efforts towards increasing community awareness of the disease and intensifying the vaccination campaign was undertaken.

In the past financial year, the department through the entity i.e. Eastern Cape Rural Development Agency (ECRDA) ensured that there is growth of sustainable rural agricultural enterprise and industries. This was achieved through the support of farmer cooperatives whereby primary cooperatives supplied feedstock to the secondary cooperatives. This ensured that functionality of the RED-Hubs as a means to supply samp from maize and animal feed in the local markets.

4. PERFORMANCE INFORMATION BY PROGRAMME

4.1 Programme 1: Administration

Objective: To manage and formulate policy directives and priorities and, to ensure there is appropriate support service to all other programmes with regard to finance, human capital, communication and supply chain management.

List of Sub-Programmes:

- Sub-Programme 1.1: Office of the MEC,
- Sub-Programme 1.2: Senior Management,
- Sub-Programme 1.3: Corporate Services,
- Sub-Programme 1.4: Financial Management,
- Sub-Programme 1.5: Communication Services.

List of Strategic Objectives:

- SO 1.1 Political leadership and strategic direction provided
- SO 1.2 Overall accountability, integration and implementation of strategy provided.
- SO 1.3 Overall financial, human and technological management support provided.

ADMINISTRATION					
STRATEGIC OBJECTIVE	ANNUAL ACHIEVEMENT	PLANNED TARGETS	ACTUAL ACHIEVEMENT	DEVIATION FROM PLANNED TARGETS TO ACTUAL ACHIEVEMENT	COMMENT ON DEVIATION
Political leadership and guidance to the department, stakeholders, developmental agencies, sector/strategic partners and donors provided through holding retreats and stakeholder engagement sessions in order to ensure that they contribute towards the fulfilment of the mandate by improving people's lives by 2019.	Unqualified Audit Opinion	Unqualified Audit Opinion	Unqualified Audit Opinion	-	-

Sub-Programme: 1.1: Office of the MEC

Objective: To set priorities and political directives in order to meet the needs of clients.

SG 2: SO 2.1 Political leadership and strategic direction provided.								
Performance Indicator		Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to actual achievement for 2017/18	Comment on deviations
1.1	Number of MEC's engagements with Public Stakeholders (IGR /MinMec / MuniMec) and Private Enterprise conducted to ensure optimal alignment of the Department	15	32	32	32	32	-	No deviation
1.2	Number of statutory documents tabled at the legislature.	4	5	12	7	8	1	Over performance
1.3	Number of MEC's special programmes' interventions implemented to cater for rural development priorities.	8	8	8	8	8	-	No deviation

Reasons for all deviations

PI 1.2: The department also tabled the Service Delivery Improvement Plan for 2018/21 which was not included in the 4 statutory documents (APP, OP, Policy Speech and ECRDA documents) as planned for per indicator.

Strategy to overcome areas of under performance

None.

Changes to planned targets

None.

Sub-Programme 1.2: Senior Management

Objective: To translate policies and priorities into strategies and programmes for effective service delivery and to manage, monitor and control performance.

SG 2: SO 2.2 Overall accountability, integration and implementation of strategy provided.								
Performance Indicator		Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to actual achievement for 2017/18	Comment on deviations
2.1	Number of strategic leadership and management sessions held to enhance efficiency in the Department.	16	12	12	12	12	-	No deviation
2.2	Number of organizational performance review sessions concluded	4	4	4	4	4	-	No deviation
2.3	Number of governance sessions concluded.	9	13	8	12	13	1	Over performance

Reasons for all deviations

PI 2.3: A Special Audit Committee meeting was held during March to approve the following documents such as the internal Audit, Audit committee charters, Internal Audit Plan and review the Strategic and Operational Risk Registers, Quality Assessment Review, Quality Assurance Improvement Plan and Internal Audit Methodology.

Strategy to overcome areas of under performance

None.

Changes to planned targets

None.

Sub-Programme 1.3: Corporate Services

Objective: To provide support service to the other programmes with regard to Human Resources management and development and Information Communication Technology service.

SG 2: SO 2.2 Overall accountability, integration and implementation strategy provided.								
SG 2: SO 2.3 Overall financial, human and technological management support provided.								
Performance Indicator		Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to actual achievement for 2017/18	Comment on deviations
3.1	Number of Human Resource Management and Development practices implemented to improve overall performance of the department as per compliance accountability framework.	*3	*3	*3	4	4	-	No deviation
3.2	Number of interventions implemented on auxiliary services as per legislative framework to ensure conducive working environment.	4	4	4	4	4	-	No deviation
3.3	Number of ICT interventions implemented in accordance with the ICT Governance Framework to enhance technological efficiencies.	4	4	4	4	4	-	No deviation
3.4	Number of transformation interventions implemented in accordance with the Provincial Transformation Strategy.	4	4	4	4	4	-	No deviation
3.5	Number of evidence based Policies developed/reviewed.	12	8	5	5	5	-	No deviation

Reasons for all deviations

None.

Strategy to overcome areas of under performance

None.

Changes to planned targets

None.

Sub-Programme 1.4: Financial Management

Objective: To provide effective support services with regard to financial planning and control and supply chain management.

SG 2: SO 2.3 Overall financial, human and technological management support provided.								
Performance Indicator		Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/17	Annual Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to actual achievement for 2017/18	Comment on deviations
4.1	Number of days taken to pay suppliers in terms of the PFMA	New PI	22	17	30 days	17 days	13 days	Over performance
4.2	Number of credible Interim and Annual Financial Statements submitted on due date in accordance with the modified cash accounting guidelines	New PI	5	4	4	4	-	No deviation
4.3	Number of MTEF budget documents, In year Monitoring reports submitted to Provincial Treasury by the due date.	New PI	15	14	14	15	1	Over performance
4.4	Number of reports compiled on management of contracts to assess supplier performance.	New PI	12	12	12	12	-	No deviation

Reasons for all deviations

PI 4.3: The first budget submission was submitted in the second quarter although it was targeted for the first quarter. Budget submission dates are driven by Provincial Treasury.

Strategy to overcome areas of under performance

None.

Changes to planned targets

None.

Sub-Programme 1.5: Communication Services

Objective: To improve internal and external communications of the Department through written, verbal, visual and electronic media as well as marketing and advertising of the Departmental services.

SG 2: SO 2.2 Overall accountability, integration and implementation of strategy provided.								
Performance Indicator		Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/17	Annual Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to actual achievement for 2017/18	Comment on deviations
5.1	Number of projects implemented in support of departmental priorities in accordance with the Communication plan	4	4	4	4	4	-	No deviation
5.2	Number of projects implemented in accordance with the Customer Care Plan.	2	4	4	4	4	-	No deviation

Reasons for all deviations

None.

Strategy to overcome areas of under performance

None.

Changes to planned targets

None.

LINKING PERFORMANCE WITH BUDGETS

The programme has managed to meet all its planned performance indicators as explained in the tables above and has an immaterial underspending for the period under review.

Administration		2017/2018			2016/2017		
		Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
1.1	Office of the MEC	13 772	13 766	6	12 966	12 954	12
1.2	Senior Management	49 498	49 450	48	62 532	41 937	20 595
1.3	Corporate services	210 279	209 846	433	216 261	216 194	67
1.4	Financial Management	172 033	171 819	214	155 013	155 511	(498)
1.5	Communication services	9 464	8 858	606	8 824	8 831	(7)
TOTAL		455 046	453 739	1 307	455 596	435 427	20 169

4.2 Programme 2: Sustainable Resource Management

Objective: To provide agricultural support services to farmers in order to ensure sustainable development and management of agricultural resources.

List of Sub programmes

- Sub-Programme 2.1: Engineering Services
- Sub-Programme 2.2: Land Care
- Sub-Programme 2.3: Land Use Management
- Sub-Programme 2.4: Disaster Management

List of strategic objectives

- SO 1.2 Improved livestock production.
- SO 1.3 Increased crop production.

SUSTAINABLE RESOURCE MANAGEMENT					
Strategic Objective	Annual Achievement	Planned Targets	Actual Achievement	Deviation from planned targets to Actual Achievement	Comment on deviation
Provisioning of 466 agricultural infrastructure over the five-year period, with focus on livestock owners.	81	62	81	19	Over- Performance

Sub-Programme 2.1: Engineering Services

Objective: To provide engineering support (planning, development, monitoring and evaluation) with regard to irrigation technology, on-farm mechanisation, value adding, farm structures, resource conservation management, operation and maintenance of farm equipment, machinery, tools and implements solutions.

SG 1: SO 1.2 Improved livestock production.								
SG 1: SO 1.3 Increased crop production.								
Performance Indicator		Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to actual achievement for 2017/18	Comment on deviations
1.1	Number of agricultural infrastructure established	101	110	104	62	81	19	Over Performance
1.2	Number of clients provided with engineering advice during official visits to enable clients to operate and maintain infrastructure machinery or equipment	1 123	1 201	1 060	833	1 048	215	Over Performance

Reasons for all deviations

PI 1.1: The over performance was due to the completion of additional infrastructure work added to some projects from the previous financial years and inclusion of some new items enabled through savings and changes realised from initial projects identified.

PI 1.2: The over performance is due to an under estimation of the demand for mechanisation advice.

Strategy to overcome areas of under performance

None.

Changes to planned targets

None.

Sub-Programme 2.2: Land Care

Objective: To promote the sustainable use and management of natural agricultural resources.

SG 1: SO 1.2 Improved livestock production.								
SG 1: SO 1.3 Increased crop production								
Performance Indicator		Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to actual achievement for 2017/18	Comment on deviations
2.1	Number of awareness campaigns conducted on Land Care to promote conservation of natural resources.	17	17	18	18	24	6	Over performance
2.2	Number of capacity building exercises conducted within approved Land Care projects to empower beneficiaries/ organised structures to implement conservation measures for natural resources.	21	10	22	19	24	5	Over performance
2.3	Number of hectares protected/rehabilitated to improve agricultural production.	3 616	6 433	2 611	2 223	2 219.6	(3.4)	Under performance
2.4	Number of beneficiaries adopting practicing sustainable production technologies and practices for improved livelihoods.	872	912	592	890	733	157	Under performance
2.5	Number of green jobs created through Land Care.	1 933	1 203	519	236	412	176	Over performance

Reasons for all deviations

PI 2.1: Over-performance is due to additional awareness events that were required to address the roll-out of work associated with the allocation of additional funding received from equitable share funds.

PI 2.2: Over-performance is recorded in this financial year due to additional funding from the EPWP programme to conduct more capacity building in the districts for Amathole, Chris Hani and Alfred Nzo.

PI 2.3: Under-performance was due to slow rates of delivery of materials by service providers and damaged chain saws and repairs taking longer than expected that reduced the areas that could be completed.

PI 2.4: Under-performance was due to persons seeking opportunity beyond the respective communities and leaving the area after the inception of the projects.

PI 2.5: More jobs were created due additional funding from equitable share and EPWP for completion of projects in the Alfred Nzo, Chris Hani and Amathole districts.

Strategy to overcome areas of under performance

PI 2.3: Inclusion of and administration of strict delivery schedules for service providers and prompt response to non-compliance to prevent delays.

PI 2.4: The targets planned for future projects will be adjusted to accommodate potential departure from the respective communities based on statistical trends.

Changes to planned targets

None.

Sub-Programme 2.3: Land Use Management

Objective: To promote the implementation of sustainable use and management of natural agricultural resources through regulated Land Use (Act 43 of 1983 and Act 70 of 1970 and related legislation).

SG 1: SO 1.2 Improved livestock production.								
SG 1: SO 1.3 Increased crop production.								
Performance Indicator		Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/17	Annual Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to actual achievement for 2017/18	Comment on deviations
3.1	Number of agricultural land management use plans developed at municipal level	302 167	419 578	259 171	6	6	-	No Deviation
3.2	Number of complaints attended for agricultural land and boundary disputes in communal areas.	72	92	86	85	52	(33)	Under Performance
3.3	Number of sites demarcated for development purposes in rural/communal areas	1 435	5 346	3 606	3 135	1 715	(1 420)	Under Performance
3.4	Number of hectares of agricultural land protected through guiding subdivision/rezoning/change of agricultural land use	New PI	3 274	954	2 580	6 829.75	4 249.05	Over Performance
3.5	Number of farm plans and management plans developed	95	129	189	186	222	36	Over Performance
3.6	Number of natural/agricultural resources maps produced for planning and decision making purposes	New PI	315	404	312	377	65	Over Performance

PI 3.1 There was a change in the unit of measurement affecting the historical data.

Reasons for all deviations

PI 3.2: Less land disputes requiring resolution were received for attention than was the projection for the year.

PI 3.3: Fewer applications were received for site demarcation than projected and there were delays in completing the demarcation processes that occurred in cases where the community conflict did not allow timely resolution of responses to advertisement for no objection of development relating to site demarcation.

PI 3.4: More applications were received due to greater response than was projected at awareness events conducted in terms of the Conservation Agricultural Resource Act 43 of 1983.

PI 3.5: More requests were received for better farm management and projects implemented through the land care programme guided by Act 43 of 183.

PI 3.6: More requests were received from land users for better management of agricultural resources.

Strategy to overcome areas of under performance

PI3.2 and PI 3.3: Consultations are continuing with DRDLR and the local authorities to resolve challenges that relate to development priorities and site demarcation within communities.

Changes to planned targets

None.

Sub-Programme 2.4: Disaster Risk Management

Objective: To provide agricultural disaster risk management support services to clients/farmers.

SG 1: SO 1.2 Improved livestock production.								
SG 1: SO 1.3 Increased crop production.								
Performance Indicator		Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to actual achievement for 2017/18	Comment on deviations
4.1	Number of disaster relief schemes managed.	1	2	1	1	1	-	No deviation
4.2	Number of disaster risk reduction programmes managed.	New PI	1	1	1	1	-	No deviation

Reasons for all deviations

None.

Strategy to overcome areas of under performance

None.

Changes to planned targets

None.

LINKING PERFORMANCE WITH BUDGETS

The expenditure for the year was R 124 544 000 with an over-spending by R 203 000 not being material. The expenditure of all budget contributed to over-performance being achieved on 11 of the 15 performance indicators. Under-performance in 2 indicators was on account of resolution of community land issues dealt with by the Department of Rural Development and Land Reform took longer than anticipated.

The under performance within Land care was due slow delivery by service providers and persons leaving the project communities to seek better economic opportunity elsewhere. The savings realised from the work associated with these delays was utilised in the general over-performance.

Sustainable Resource Management		2017/2018			2016/2017		
		Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
2.1	Engineering Services	58 370	58 325	45	57 608	57 157	451
2.2	Land Care	17 412	17 295	117	11 632	11 621	11
2.3	Land Use Management	48 762	49 127	-365	45 971	45 738	233
2.4	Disaster Risk Management	-	-	-	-	-	-
TOTAL		124 544	124 747	-203	115 211	114 516	695

4.3 Programme 3: Farmer Support Development

Objective: To provide support to all farmers through agricultural development programmes.

List of sub programmes

- Sub-Programme 3.1: Farmer Settlement and Development.
- Sub-Programme 3.2: Extension and Advisory Services.
- Sub-Programme 3.3: Food Security.

List of strategic objectives

- SO 1.2 Improved livestock production.
- SO 1.3 Increased crop production.

FARMER SUPPORT DEVELOPMENT					
Strategic Objective	Annual Achievement	Planned Targets	Actual Achievement	Deviation from planned targets to Actual Achievement	Comment on deviation
Increased area for food production from 33,801 ha of arable land, to 300 000 ha with an estimated yield of 1,2 million tons (includes maize, other high value field crops and horticultural crops) by 2019.	34 727	32 138	34 727	2 589	Over performance
Supporting 14 268 household gardens, taken into consideration crop research, infrastructural support, mechanisation support, sustainable resource management, marketing, farmer training and extension advisory services with a village focus on smallholder and subsistence farmers with the ultimate goal to establish them as commercial farmers by 2019.	21 101	6 673	21 062	14 228	Over performance

Sub-Programme 3.1: Farmer Settlement and Development

Objective: To provide support to smallholder and commercial producers for sustainable agricultural development.

SG 1: SO 1.2 Improved livestock production.								
SG 1: SO 1.3 Increased crop production								
Performance Indicator		Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to actual achievement for 2017/18	Comment on deviations
1.1	Number of smallholder producers receiving support.	915	2 357	2 911	3 409	3 457	48	Over performance
1.2	Number of agricultural infrastructure development initiatives completed that contribute to increased agricultural production levels and/or efficiencies for food security and economic development	54	182	225	89	176	87	Over performance
1.3	Number of jobs created in support of rural development in previously disadvantaged farming areas	465	1 018	818	1 081	1 182	101	Over performance

Reasons for all deviations

PI 1.1: Over performance is mainly caused by the additional beneficiaries who joined under the Ntshinqo Fencing project, a sub-project under Mhlontlo Productive Area Project. The initial beneficiaries who applied for support under the Ntshinqo Fencing increased during the commencement of the project.

PI 1.2: Over performance is attributable to the following:

- Packaged projects that were captured as one project but reported as individual projects after completion as they constitute single initiatives. This includes Chris Hani mobile Handling facilities; shearing sheds; irrigation scheme development; EC Red meat development, fencing and other projects.
- Additional fencing projects under KSD, received special funding during the year, for the finalisation of the Mqanduli Red Hub a project that commenced during the 2016/17 financial year.
- Two dip tank renovations under OR Tambo, which got additional funding, during the year were not included in the planned targets.
- Borehole refurbishments and newly constructed boreholes were not counted during planning as they were supposed to be completed by the end of March in 2017 but were carried through the 2017/18 financial year as they were not completed.

PI 1.3: Over performance is caused by the additional projects which were not initially included during the start of the financial year.

Strategy to overcome areas of under performance

None.

Changes to planned targets

None.

Sub-Programme 3.2: Extension and Advisory Services

Objective: To provide extension and advisory services to farmers.

SG 1: SO 1.2 Improved livestock production.								
SG 1: SO 1.3 Increased crop production								
Performance Indicator		Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to actual achievement for 2017/18	Comment on deviations
2.1	Number of smallholder producers supported with agricultural advice	1 193	1 709	1 521	1 540	1 794	254	Over performance
2.2	Number of Commodities supported with technical or generic business advice to enhance farming outputs	28	7	7	*8	9	1	Over performance
2.3	Number of reports on implemented projects in accordance with the Extension Recovery Plan (ERP)	4	4	4	4	4	-	No deviation

**This figure (*8) is not cumulative as it represents the same number of commodity groups supported throughout the year.*

Reasons for all deviations

PI 2.1: Over performance on smallholders supported emanated from wet conditions which in turn became conducive for cropping and livestock productions, hence, this has resulted in an increase in smallholders and projects involved on agriculture production enterprises.

PI 2.2: Aquaculture was also supported in the Sarah Baartman district in quarter four through an education tour aiming in advancing PDIs in the industry.

Strategy to overcome areas of under performance

None.

Changes to planned targets

None.

Sub-Programme 3.3: Food Security

Objective: To support, advise and coordinate the implementation of pillar one of the Integrated Food Security Strategy of South Africa (IFSS).

SG 1: SO 1.2 Improved livestock production.								
SG 1: SO 1.3 Increased crop production								
Performance Indicator		Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to actual achievement for 2017/18	Comment on deviations
3.1	Number of households benefiting from agricultural food security initiatives	13 634	8 653	10 112	24 000	21 101	(2 899)	Under performance
3.2	Number of food security status reports compiled to assess the contribution of agriculture in ensuring food security	4	4	4	4	4	-	No deviation
3.3	Number of hectares cultivated for food production in communal areas and land reform projects	18 068.5	21 064	50 713	47 800	34 727	(13 073)	Under performance
3.4	Number of hectares supported to horticultural crops to produce for export and for commercial purposes	New PI	1 036	2165	2 450	2 269	(181)	Under-performance
3.5	Number of hectares planted to fodder crops to support livestock	New PI	1 209	547	1 286	37	(1 249)	Under-performance
3.6	Number of hectares planted to industrial crops (Hemp, chicory, canola etc)	New PI	47	78	128	91	(37)	Under-performance
3.7	Number of livestock enterprises supported to increase production and for value addition	New PI	New PI	New PI	70	81	11	Over-performance
3.8	Number of tons produced from hectares of maize planted	New PI	New PI	23 710	115 500	88 651	(26 849)	Under-performance

Reasons for all deviations

PI 3.1: There was an Avian Flue disease outbreak in the country which affected provision of services on poultry related projects. The service providers delayed in delivering of production inputs in Alfred Nzo.

PI 3.3: There were delays with the delivery of inputs especially the fertiliser in OR Tambo due to a court interdict by a service provider and this resulted to under-performance. Furthermore, delays were experience in the delivery of fertilizer by service, provider, seeds delivered without the manufacturing date, which was confirmed later and unfavourable weather conditions.

PI 3.4: The basic pre-activities such as EIA and soil survey were not executed as planned by the service provider and that affected the planting of crops. The land reform beneficiaries in one of the farms in Sarah Baartman wanted to sell the farm identified for development and that delayed the implementation, it was after the intervention of DRDAR, DRDLR and Land Bank that the dispute was resolved.

PI 3.5: There was an outbreak of drought in Sarah Baartman and Amathole districts which affected the planting of fodder crops.

PI 3.6: Climatic conditions during the planting season were not conducive (i.e. poor germination) and that affected the completion of Industrial crops planting.

PI 3.7: Over achievement is attributable to the breeding material and infrastructure support to the communal farmers.

PI 3.8: The average tons per hectare obtained in the maize enterprise were affected by drought that was experienced in Sarah Baartman and Amathole districts.

Strategy to overcome areas of under performance

PI 3.1: There will be consistent strengthening of disease surveillance throughout the province. The service providers will be capacitated to meet the demands of service delivery.

PI 3.3: The three-year contract that the department has with the service providers will allow the orders issuing in the first quarter such that deliveries of production inputs take place in the second quarter. The department will await to implement the outcome of the court.

PI 3.4: The service provider that will conduct EIA and soil surveys will be engaged in the first quarter to start the process early. were not executed as planned by the service provider and that affected the planting of crops. Consistent continuous social facilitation will be implode to avert interests that can derailed service delivery.

PI 3.5, PI 3.6 and PI 3.8: Continuous weather forecasting and advices on drought restant cultivars will be explored.

Changes to planned targets

None.

LINKING PERFORMANCE WITH BUDGETS

The programme has achieved 8 out of 14 indicators with a total expenditure of R 805 544 million and under expenditure of R 5 732 million which was due to Compensation of Employees caused by attrition and retirements, Goods and Services due to non-completion of works as a result of heavy rains during the period of January to March 2018, and under expenditure in Capital was due to Senqu shearing shed that was not finished in Joe Gqabi, OR Tambo borehole that was not finalised and a fencing contractor that did not perform.

FARMER SUPPORT DEVELOPMENT		2017/2018			2016/2017		
		Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
3.1	Farmer Settlement	213 540	209 891	3 649	239 912	236 065	3 847
3.2	Extension and Advisory services	409 942	409 201	741	391 628	391 217	411
3.3	Food Security	162 547	161 349	1 198	179 736	178 262	1 474
TOTAL		786 029	780 441	5 588	811 276	805 544	5 732

4.4 Programme 4: Veterinary Services

Objective: To provide veterinary services to clients in order to ensure healthy animals, safe animal products and welfare of people of South Africa.

List of Sub-Programme

- Sub-Programme 4.1: Animal Health.
- Sub-Programme 4.2: Export Control.
- Sub-Programme 4.3: Veterinary Public Health.
- Sub-Programme 4.4: Veterinary Laboratory Services.

List of strategic Objectives

- SO 1.2 Improved livestock production.

FARMER SUPPORT DEVELOPMENT					
Strategic Objective	Annual Achievement	Planned Targets	Actual Achievement	Deviation from planned targets to Actual Achievement	Comment on deviation
Supported 2.3 million animals with veterinary services and animal feed in order to improve access to affordable animal product and fibre production by using the latest research technology outputs by 2019	1 640 134	1 616 136	1 640 134	23 998	Over performance

Sub-Programme 4.1: Animal Health

Objective: To facilitate and provide animal health services, in order to protect the animal and human population against identified zoonotic and/ diseases of economic importance, and primary animal health and welfare programme/projects and to allow for the export of animals and animal products.

SG 1: SO 1.2 Improved livestock production.								
Performance Indicator		Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to actual achievement for 2017/18	Comment on deviations
1.1	Number of epidemiological units visited for veterinary interventions.	New PI	10 091	14 012	14 566	13 810	(756)	Under performance
1.2	Number of animals vaccinated against controlled animal diseases according to Animal Disease Act (Act 35 of 1984).	1 674 354	1 577 925	1 857 490	1 616 136	1 644 230	28 094	Over performance
1.3	Number of official veterinary movement documents issued to facilitate movement of animals and animal products for disease control purposes.	2394	2 309	2 300	1 959	2 306	347	Over performance
1.4	Number of animals sampled/ tested for disease surveillance purposes.	279 793	186 037	165 409	170 772	112 417	(58 355)	Under performance
1.5	Number of treatments applied to sheep for the control of sheep scab to improve the quality and quantity of the wool clip.	7 690 803	7 968 206	8 329 734	7 843 008	8 619 799	776 791	Over performance
1.6	Number of treatments applied to animals for external parasites control	4 171 436	4 110 932	4 295 127	4 054 471	4 394 238	339 767	Over performance

Reasons for all deviations

PI 1.1: The visits to the epidemiological sites was limited by lack of provincial laboratory capacity to test for brucellosis, as visiting these units to collect samples that could not be test would be a fruitless exercise and was further exacerbate by heavy rains experienced during the year which resulted in cattle owners being unable to drive their cattle to the dipping facilities.

PI 1.2: The over achievement is as a result of rabies outbreaks which necessitated the revaccination of pets in the communities where outbreaks occurred.

PI 1.3: Movement between establishments in and outside the province has increased their movement is no longer confined to drier winter period and a noticeable buffalo trade has been noted with more establishment registering to keep buffalo.

PI 1.4: The slow progress in the accreditation of the provincial veterinary laboratory resulted in prioritisation of the high risk herd thus the targeted disease surveillance could not be totally carried out as testing of the samples were dependent on laboratory outside the province.

PI 1.5: There were more sheep treated as a result of sheep scab outbreaks in the commercial farmers, which were not targeted.

PI1.6: The slight over achievement is because of hot weather conditions that caused tick infestation that resulted into increased dipping occasions.

Strategy to overcome areas of under performance

P.I 1.1 The adverse weather conditions are unavoidable and will occur from time to time. When such an occurrence has happened, the epidemiological sides are visited again when the weather conditions have improved.

P. I 1.4 A surveillance plan that will prioritize TB and BR testing in all herds that are due to testing, once the laboratory capacity to conduct the test that require laboratory has been confirmed by the veterinary laboratory services .

Changes to planned targets

None.

Sub-Programme 4.2: Export Control

Objectives: To facilitate the export of animals and animal products through certification of health status.

SG 1: SO 1.2 Improved livestock production.								
Performance Indicator		Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/17	Annual Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to actual achievement for 2017/18	Comment on deviations
1.1	Number of clients serviced for animal and animal products export control	New PI	2 240	3 390	2 240	3 965	1 725	Over performance
1.2	Number of samples collected for residue monitoring at export establishments	51	70	57	70	18	(52)	Under performance
1.3	Number of reports issued on the development of a departmental Early Warning Unit dealing with adverse agricultural incidences and disasters.	12	12	12	12	12	-	No deviation
1.4	Number of Controlled disease awareness campaigns and visibility sessions facilitated to capacitate the communities, public and staff.	27	25	31	20	24	4	Over performance
1.5	Number of reports on early warning advisories issued.	12	12	12	12	12	-	No deviation

Reasons for all deviations

PI 1.1: The demand for export of animals and animal products exceeded expectation.

PI 1.2: The revised sample grid that was received from DAFF after targets have been set led to underperformance.

PI 1.4: The popularity of the departmental outreach programmes of the department led to more visibility sessions being organised via the MEC's office.

Strategy to overcome areas of under performance

PI 1.2: Downward adjustment of targets per the 2018/2019 Annual Performance Plan.

Changes to planned targets

None.

Sub-Programme 4.3: Veterinary Public Health

Objective: To promote the safety of meat and meat products at harvesting level through the registration and monitoring of abattoirs.

SG 1: SO 1.2 Improved livestock production.								
Performance Indicator		Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to actual achievement for 2017/18	Comment on deviations
1.1	Number of abattoirs registered as per Meat Safety Act (Act 40 of 2000).	111	107	104	109	17	(92)	Under performance
1.2	Number of abattoir inspections conducted as per Meat Safety Act (Act 40 of 2000).	852	826	974	990	925	(65)	Under performance
1.3	Number inspections of facilities processing animal products and by-products.	291	286	374	316	396	80	Over performance
1.4	Number of interactions on illegal slaughter to respond to Section 7 of the meat Safety Act (Act 40 of 2000).	1300	1 460	1 527	1 368	1 539	171	Over performance
1.5	Number of samples collected to monitor the safety of meat produced at abattoirs as per Meat Safety Act (Act 40 of 2000).	3040	2 504	3 165	3 139	3 445	306	Over performance
1.6	% level of abattoir compliance to meat safety legislation.	New PI	91.9%	90.7%	60%	91.5%	31.5%	Over performance

Reasons for all deviations

PI 1.1: The bulk of abattoir registrations was moved to the 1st Quarter of the subsequent financial year in response to the guidance from the Auditor General.

PI 1.2: Shortage of GG transport coupled with slow pace of delivery of replacement-subsidized vehicles hindered service delivery.

PI 1.3: There was an increase in inspections of cutting plants due to topical listeria outbreak in the human population.

PI 1.4: Public awareness on meat safety led to increased demand for assistance by the meat inspection services. More samples collected as a result of the listeria outbreak in the human population to find the source of the outbreak and as a result of follow up samples taken for noncompliant test results in abattoirs.

PI 1.5 and PI 1.6: Reflection of overall improvement in abattoirs is as a result of interventions implemented by dedicated Departmental officials.

Strategy to overcome areas of under performance

PI 1.1: A shift has been effected in registering abattoirs from the last quarter to the first quarter of the financial year so that all abattoirs registered during the year fall within the same financial year. This is to align with the 2018/2019 Annual Performance Plan and to respond to the Auditor General finding during the 2016/2017 audit.

PI 1.2: A slight downward adjustment in the 2018/2019 Annual Performance Plan has been effected to take into consideration transport challenges.

Changes to planned targets

None.

Sub-Programme 4.4: Veterinary Laboratory Services

Objective: To provide veterinary diagnostic, laboratory and investigative services that support and promote animal health and production towards the provision of safe food.

SG 1: SO 1.2 Improved livestock production.								
Performance Indicator		Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to actual achievement for 2017/18	Comment on deviations
1.1	Number of specimen tested for diagnostic purposes.	159 287	108 746	121 371	133 188	82 397	(50 791)	Under performance
1.2	Number of tests performed the quality of which meets the ISO 17025 standard and OIE requirements.	New PI	New PI	56 624	54 016	-	(54 016)	Under performance
1.3	Number of primary animal health care (PAHC) interactions held to minimize the impact of disease occurrence.	3 767	3 867	4 915	4 697	5 945	1 248	Over performance

Reasons for all deviations

PI 1.1: Fewer samples were submitted during the year because the Eastern Cape veterinary laboratories are currently not testing for controlled diseases due to lack of SANAS accreditation. Field officials were therefore informed not to submit samples for routine monitoring for controlled diseases to the laboratories.

PI 1.2: The tests performed do not meet the ISO 17025 standard & OIE requirements as the labs have no SANAS accreditation or DAFF approval.

PI 1.3: More CCS vets were allocated to the Eastern Cape during 2017 and 4 four-wheel drive vehicles were allocated to the CCS vets by DAFF which bolstered the performance of the CCS vets.

Strategy to overcome areas of under performance

PI 1.1 and PI 1.2: To overcome underperformance in these 2 PI's requires the Eastern Cape veterinary laboratories to be SANAS accredited. The Eastern Cape Laboratories are continuing to work towards obtaining SANAS accreditation. The application submitted by the Grahamstown laboratory to SANAS for consideration to be assessed for accreditation is still in process. Corrective measures to the manual that were suggested by the SANAS Assessor have been rectified. The manual will be resubmitted as at the end of the financial year. Once the manual is accepted by SANAS an assessment date will be set for the Grahamstown laboratory. The non-conformance findings of the Quality Implementation committee which conducted internal audits of Queenstown and Middelburg labs during the October – December 2017 quarter is being rectified by the 2 labs as they prepare to submit their initial applications for SANAS accreditation by June 2018.

Changes to planned targets

None.

LINK PERFORMANCE INDICATORS WITH THE BUDGETS

The programme spent R305 183 million of the allocated R306 050 million. This constituted 99% expenditure. This compares well to the 70% achieved performance.

VETERINARY SERVICES		2017 / 2018			2016 / 2017		
		Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
4.1	Animal Health	260 462	260 337	125	256 606	256 016	590
4.2	Export Control	9 475	9 403	72	8 613	8 491	122
4.3	Veterinary Public Health	15 106	14 955	151	14 901	14 650	251
4.4	Veterinary Laboratories	21 007	20 488	519	16 553	16 105	448
TOTAL		306 050	305 183	867	296 673	295 262	1 411

4.5 Programme 5: Research and Technology Development Services

Objective: To provide expert and needs based research, development and technology transfer services impacting on development objectives

List sub programmes

- Sub- Programme 5.1: Research.
- Sub-Programme 5.2: Technology Transfer Services.
- Sub-Programme 5.3: Infrastructure Services.

List Strategic Objectives

- SO 1.2: Improved livestock production.
- SO 1.3: Increased crop production.

Research and Technology Development Services					
Strategic Objective	Annual Achievement	Planned Targets	Actual Achievement	Deviation from planned targets to Actual Achievement	Comment on deviation
Research projects implemented	60	60	60	-	No Deviation

Sub Programme 5.1: Research

Objective: To improve the agricultural production through conducting, facilitating and coordinating medium to long term research and technology development projects.

SG 1: SO 1.2 Improved livestock production.								
SG 1: SO 1.3 Increased crop production.								
Performance Indicator		Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to actual achievement for 2017/18	Comment on deviations
1.1	Number of research and technology development projects implemented to improve agricultural production.	75	70	70	60	60	-	No Deviation
1.2	Number of profiling reports conducted for promotion of sustainable rural livelihoods in identified areas.	4	4	3	7	7	-	No Deviation
1.3	Time taken to analyse plant, soil and water samples and provision of results to the clients to make informed decisions (three weeks per client).	4	4	3	3	3	-	No Deviation
1.4	Number of spatial data disseminated to end users for planning purposes.	183	207	229	155	182	27	Over-performance

Reasons for all deviations

PI 1.4: This is demand driven output, the last two quarters of the financial year the department was by developing the business plan for drought management and was controlling fall armyworm in three districts.

Strategy to overcome areas of under performance

None.

Changes to planned targets

None.

Sub-Programme 5.2: Technology Transfer Services

Objective: To disseminate information on research and technology developed to clients, peers and scientific community.

SG 1: SO 1.2 Improved livestock production.								
SG 1: SO 1.3 Increased crop production.								
Performance Indicator		Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/17	Planned Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to actual achievement for 2017/18	Comment on deviations
1.1	Number of scientific papers published nationally or internationally.	22	4	3	5	9	4	Over-performance
1.2	Number of research presentations made nationally or internationally.	22	24	34	30	56	26	Over-performance
1.3	Number of presentations made at technology transfer events in order to impart knowledge to stakeholders.	30	18	37	35	40	5	Over-performance
1.4	Number of demonstration trials conducted with farmers in order to impart knowledge and skills on farming practices.	5	5	10	6	10	4	Over-performance
1.5	Number of information packs developed for dissemination to farmers and the general public.	8	12	8	10	10	-	No deviation
1.6	Evaluation report submitted on the functionality of the Agricultural Information System submitted.	New PI	1	1	1	1	-	No deviation

Reasons for all deviations

PI 1.1: The maturity of the professional staff and research work conducted in partnership with academic institution improved the productivity of scientist universities of Fort Hare and Stellenbosch.

PI 1.2: The new opportunities to present country wide provided scientists with more opportunities to present their research work relevant to new platforms i.e. International Association of Hydrological Scientist, 3rd Tanzania Chemical Society International Conference, 15th International Symposium on Soil and Plant Analysis and 3rd International Conference on Global Food Security.

PI 1.3: The inclement weather conditions resulted in the armyworm outbreak in certain parts of the Province forced the scientist to have more presentation as the farmers demanded more information.

PI 1.4: The partnership with the ARC in demonstration led to more sites identified to cover all environmental conditions of the Province for demonstration of new technologies.

Strategy to overcome areas of under performance

None.

Changes to planned targets

None.

Sub-Programme 5.3: Infrastructure Support Services

Objective: To provide and maintain infrastructure facilities for the line function to perform their research and other functions, i.e. experiment farms.

SG 1: SO 1.2 Improved livestock production.		SG 1: SO 1.3 Increased crop production						
Performance Indicator		Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/17	Annual Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to actual achievement for 2017/18	Comment on deviations
1.1	Number of research infrastructure managed	7	7	7	7	7	-	No deviation

Reasons for all deviations

None.

Strategy to overcome areas of under performance

None.

Changes to planned targets

None.

LINKING PERFORMANCE WITH BUDGETS

The Program achieved all its set targets for all sub-programs. The under expenditure is mainly due on compensation of employees, the process of filling of vacant post is strictly centralized by head office.

RESEARCH AND TECHNOLOGY DEVELOPMENT SERVICES		2017/2018			2016/2017		
		Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
5.1	Research	115 468	115 381	87	147 584	147 219	365
5.2	Technology Transfer Services	6 945	6 623	322	27 570	27 654	(84)
5.3	Infrastructure Support Services	1 497	1 486	11	1 478	1 408	70
TOTAL		123 910	123 490	420	176 632	176 281	351

4.6 Programme 6: Agricultural Economic Services

Objective: To provide timely and relevant agricultural economic services to the sector in support of sustainable agricultural and agri-business development to increase economic growth.

List of sub programmes

- Sub-Programme 6.1: Agri-business support and development.
- Sub-Programme 6.2: Macroeconomic support.

List strategic objectives

- SO 1.2 Improved livestock production.
- SO 1.3 Increased crop production

Agricultural Economic Services					
Strategic Objective	Annual Achievement	Planned Targets	Actual Achievement	Deviation from planned targets to Actual Achievement	Comment on deviation
Marketing of livestock and its by-products supporting 1500 agri-business with the ultimate goal to establish them as commercial farmers by 2019.	256	190	256	66	Over performance

Sub-Programme 6.1: Agri-Business Support and Development

Objective: To provide Agric-business support through entrepreneurial development, marketing services, value adding, production and resource economics.

SG 1: SO 1.2 Improved livestock production.								
SG 1: SO 1.3 Increased crop production								
Performance Indicator		Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/17	Annual Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to actual achievement for 2017/18	Comment on deviations
1.1	Number of Agri-Businesses supported with agricultural economic services towards accessing markets.	378	353	349	190	256	66	Over performance
1.2	Number of clients who have benefitted from agricultural economic advice provided	3 180	3 700	5 483	3 535	5 617	2 082	Over performance
1.3	Number of agricultural economic studies conducted to inform decision-making for business development.	478	423	512	311	496	185	Over performance

Reasons for all deviations

PI 1.1: The over-performance is as a result of the increased demand from farmers who registered their business as cooperatives.

PI 1.2: The demand for economic advice from beef producers significantly exceeded the projection on account of increased interest amongst beef producers in response to favourable beef prices and farmers responding to information on farm financial management with regard to tax reductions.

PI 1.3: Over-performance is ascribed to an increased demand from DRDLR, related to business plans for Land Reform farms also from beef farmers in response to the increased interest in participation due to more favourable beef value chain conditions.

Strategy to overcome areas of under performance

None.

Changes to planned targets

None.

Sub-Programme 6.2: Macroeconomics Support

Objective: To provide macroeconomic and statistical information on the performance of the agricultural sector in order to inform planning and decision making.

SG 1: SO 1.2 Improved livestock production.								
SG 1: SO 1.3 Increased crop production								
Performance Indicator		Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/17	Annual Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to actual achievement for 2017/18	Comment on deviations
1.1	Number of agricultural economic information responses provided to assist clients to make informed decisions on/or beyond farm gate	46	46	60	38	41	3	Over performance
1.2	Number of economic reports compiled to assist clients to make informed economic decisions for planning purposes	39	22	31	29	29	-	No deviation

Reasons for all deviations

PI 1.1: Over-performance is associated with the publication of the macro-economic updates through the DRDAR communications unit which increased the public requests for commodity information beyond which was projected.

Strategy to overcome areas of under performance

None.

Changes to planned targets

None.

LINKING PERFORMANCE WITH BUDGETS

The expenditure for the year is 100% spent that is consistent with the on or over performance for the year. The over performance arises from cooperation with the Department of Rural development and Land Reform contributing the increased value for money in some performance.

AGRICULTURAL ECONOMIC SERVICES		2017/2018			2016/2017		
		Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
6.1	Agri-Business Support and Development	48 749	48 714	35	9 186	9 093	93
6.2	Macroeconomics Support	25 538	25 538	-	25 383	24 746	637
TOTAL		74 287	74 252	35	34 569	33 839	730

4.7 Programme 7: Structured Agricultural Education and Training

Objective: To facilitate and provide structured agricultural education and training in line with the Agricultural Education and Training Strategy to all participants in the agricultural sector in order to establish a knowledgeable, prosperous and competitive sector.

List Sub-Programmes

- Sub-Programme 7.1: Higher Education and Training.
- Sub-Programme 7.2: Agricultural Skills Development.

Strategic Objectives

- SO 1.2 Improved livestock production.
- SO 1.3 Increased crop production.

Structured Agricultural Education and Training					
Strategic Objective	Annual Achievement	Planned Targets	Actual Achievement	Deviation from planned targets to Actual Achievement	Comment on deviation
Conducted training and development of 16 000 farmers in livestock management, crop production and extension advisory services with a village focus on smallholder and subsistence farmers.	2 240	2 043	2 240	2 649	409

Sub-Programme 7.1: Higher Education and Training

Objective: To provide tertiary agricultural education and training from NQF Levels 5 to anybody who meets the minimum requirements to study in agriculture and related fields.

SG 1: SO 1.2 Improved livestock production.		SG 1: SO 1.3 Increased crop production.						
Performance Indicator		Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/17	Annual Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to actual achievement for 2017/18	Comment on deviations
1.1	Number of students enrolled to complete accredited Higher Education and Training (HET) qualifications.	421	514	543	578	578	-	No deviation
1.2	Number of agricultural Higher Education and Training graduates	69	100	111	100	138	38	Over performance

Reasons for all deviations

PI 1.2: The over performance is because the throughput rate is seldom 100% for any given academic year. The trend is usually a 64% pass rate is recorded with a 10% drop-out rate for a variety of reasons and often a handful of students end up de-registered. Over the years, some of the students take longer to complete, return and become added-on to the planned target for potential graduates.

Strategy to overcome areas of under performance

None.

Changes to planned targets

None.

Sub-Programme 7.2: Agricultural Skills Development

Objective: To provide formal and non-formal training on NQF levels 1 to 4 through Further Education and Training (FET) structured education and training programmes to all interested agricultural role players.

SG 1: SO 1.2 Improved livestock production.								
SG 1: SO 1.3 Increased crop production								
Performance Indicator		Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/17	Annual Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to actual achievement for 2017/18	Comment on deviations
1.1	Number of participants trained in agricultural skills development programmes	2 168	2 259	2 043	2 240	2 649	409	Over performance
1.2	Number of Educators capacitated in agricultural science related fields to improve their understanding of the sector needs.	70	94	88	80	25	(55)	Under performance
1.3	Number of school going learners exposed to various fields in the agriculture and rural development sector in order to attract new entrants to the sectors.	1 045	288	255	200	242	42	Over performance
1.4	Number of out of school youth participated /trained in learnership program.	New PI	170	212	170	170	-	No deviation
1.5	Number of farms/projects mentored according to different commodities in order to make them profitable.	New PI	New PI	New PI	40	29	(11)	Under performance
1.6	Number of Farm-Workers completing accredited and/ or non-accredited training to develop skilled Farm-Workers.	114	191	188	200	200	-	No deviation
1.7	Number of infrastructure programs implemented in Agricultural Colleges developed to improve the farmer training capacity.	4	2	2	2	2	-	No deviation

Reasons for all deviations

PI 1.1: The partnership arrangements made through the Agricultural Economic Transformation Strategy as well as the implementation of the Rural Wealth Creation Centre at Fort Cox College enhanced the capacity for training leading to the over performance.

PI 1.2: Due to competing needs, the Department of Education did not release the educators as per agreed numbers and schedule.

PI 1.3: The demand for exposure of learners to agricultural careers as well as activities at Agricultural Colleges exceeded the expectations, as more learners are getting interested in the sector.

PI 1.5: The mentorship program was last implemented in 2011/12 and negative reports led to its re-evaluation. The implementation of the partnerships due to the Agriculture Economic Transformation Strategy has since allowed resuscitation of the program and this is the first year, hence, the underperformance.

Strategy to overcome areas of under performance

PI 1.2: Early engagements with the DoE as well as combined structuring of targets and schedule will be implemented to avoid the mishaps of this year.

PI 1.5: The continuation of the implementation of the partnerships in the pursuit of new ones in other commodities will ensure that the programme is fully implemented in the next financial year.

Changes to planned targets

None.

LINKING PERFORMANCE WITH BUDGETS

The under expenditure of R 3.47 million can largely be attributed to funds that could not be spent on machinery and equipment to the value of R 3.1 million. The delays with the commencement of the construction of the bulk water supply and water treatment plant in Fort Cox College as well as the delays with the civil works due to prolonged rains in the fourth quarter meant that the machinery and equipment for the water treatment plant could not be purchased and delivered on time. The rest of the funds that were not utilized were linked to the learnership programmes that had to be de-committed as they overlapped the financial year.

STRUCTURED AGRICULTURAL EDUCATION AND TRAINING		2017/2018			2016/2017		
		Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
7.1	Higher Education and Training.	54 795	54 795	-	47 464	47 464	-
7.2	Agricultural Skills Development.	94 942	91 468	3 474	95 505	94 075	1 430
TOTAL		149 737	146 263	3 474	142 969	141 539	1 430

4.8 Programme 8: Rural Development Coordination

Objective: To develop, plan, and monitor rural development coordination of the various departments and organize social facilitation in relation to community priorities and organizational structures.

List of sub-programs

- Sub-programme 8.1: Development planning and monitoring.
- Sub-programme 8.2: Social Facilitation.

List the strategic objectives

- SO 1.1 Rural development initiatives facilitated and coordinated.

RURAL DEVELOPMENT COORDINATION					
Strategic Objective	Annual Achievement	Planned Targets	Actual Achievement	Deviation from planned targets to Actual Achievement	Comment on deviation
Facilitate and co-ordinate the implementation of 20 rural development initiatives based on the land reform, agrarian transformation & food security, non-farm rural economy, infrastructure, social & human development (such as enterprise/ entrepreneurship development, use of appropriate technology, and access to credit of R 18 million) through developmental agencies, private sector, government and NGOs by 2019.	4	4	4	-	No deviation

Sub-Programme 8.1: Development Planning and Monitoring

Objective: To initiate, plan, and monitor development in specific rural areas across the three spheres of government in order to address needs that have been identified.

SG 1: SO 1.1 Rural development initiatives facilitated and coordinated.								
Performance Indicator		Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/17	Annual Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to actual achievement for 2017/18	Comment on deviations
1.1	Number of oversight reports consolidated on rural development projects supported through ECRDA.	New PI	New PI	4	4	4	-	No deviation
1.2	Number of innovations and appropriate technologies implemented on basic infrastructure.	4	5	6	2	4	2	Over performance
1.3	Number of non-farm rural economy (energy, tourism, clothing and textile, small-scale mining, construction and home industry) projects supported.	New PI	New PI	6	6	5	(1)	Under performance

Reasons for all deviations

PI 1.2: The program planned two innovations (VIP Toilets and Brick Making) for this financial year but due to the plight of communities on access to water the programme added water care technologies on Spring Protection and Water Harvesting hence the over performance.

PI 1.3: Construction of biogas digesters for renewable energy were not completed due to heavy rains in Joe Gqabi, which destroyed the access roads into Nomlengane and Dangershoek project sites. The rains have since subsided but the roads remain closed.

Strategy to overcome areas of under performance

The service provider (UFH) has made a formal request for the extension of contract by three months from the date the roads will reopened

Changes to planned targets

None.

Sub- Programme 8.2 Social Facilitation

Objective: To engage communities on priorities and to institutionalize and support community organizational structures.

SG 1: SO 1.1 Rural development initiatives facilitated and coordinated.								
Performance Indicator		Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/17	Annual Target 2017/18	Actual Achievement 2017/18	Deviation from planned target to actual achievement for 2017/18	Comment on deviations
1.1	Number of rural ICT projects facilitated.	New PI	New PI	6	6	5	(1)	Under performance
1.2	Number of land reform programmes supported.	New PI	New PI	6	6	6	-	No deviation
1.3	Number of rural skills programmes facilitated.	New PI	New PI	6	6	8	2	Over performance
1.4	Number of Outcome 7 reports consolidated and submitted.	New PI	4	4	4	4	-	No deviation
1.5	Number of IGR sessions conducted.	New PI	4	4	4	4	-	No deviation

Reasons for all deviations

PI 1.1: The plan was based on the collaboration with SEBATA Municipal Solutions to implement rural ICT projects but due to the partner's in-house challenges the target could not be met.

PI 1.3: Extra skills development training was offered by SEDA to address the lack of business skills identified as a risk during the training process.

Strategy to overcome areas of under performance

PI 1.1: Lobby other strategic partners to fund the project.

Changes to planned targets

None.

LINKING PERFORMANCE WITH BUDGETS

The programme has underspent by R136 000. An under expenditure of R96 000 was mainly caused by the suppliers that cancel the contracts on the last date of closing of issuing of orders which were supposed to deliver sewing machines and basic infrastructure equipment for appropriate technologies. The additional under spending of R40 000 was due to the vacated post during the financial year.

RURAL DEVELOPMENT COORDINATION		2017/2018			2016/2017		
		Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
8.1	Development planning and monitoring	191 354	191 258	96	156 204	156 203	1
8.2	Social Facilitation	1 658	1 618	40	25 992	25 918	74
TOTAL		193 012	192 876	136	182 196	182 121	75

5. TRANSFER PAYMENTS

5.1 Transfer payments to Public Entities

Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity R'000	Amount spent by the public entity R'000	Achievements of the public entity
ECRDA	ECRDA Operations & Programmes	R176 089	R176 089	The ECRDA has achieved 83% of performance targets and a clean audit report. Programmes include the RED Hubs, Forestry maintenance and expansion, Livestock and Renewable Energy solutions implemented.
	Magwa Tea Estate			Business Rescue Process, Tea Production Commenced and Labour Stability Achieved.
	Ncera Macadamia			Continued production underway and harvests & sales volume have steadily increased. Current harvest forecast is 80 tons. 160 Permanent Jobs created.
	Macadamia Out-growers Project			Feasibility studies for 33 potential outgrower farmers completed and outgrower scheme will be rolled out in 2018/19 for 8 selected farmers.
	Summerpride Pineapple Project			Continued support for transforming the pineapple industry focusing on small scale producers to expand their land for production.

5.2 Transfer payments to all organisations other than public entities

The table below reflects the transfer payments made for the period 1 April 2017 to 31 March 2018.

Name of transferee	Type of organisation	Purpose for which the funds were used	Compliance with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity (R'000)	Reasons for the funds unspent by the entity
Fort Cox College	Agricultural College	Salaries	Yes	50 396	50 396	N/A

The table below reflects the transfer payments that were budgeted for in the period 1 April 2017 to 31 March 2018, but no transfer payments were made.

Name of transferee	Type of organisation	Purpose for which the funds were to be used	Amount budgeted for (R'000)	Amount transferred (R'000)	Reasons why funds were not transferred
Not applicable	-	-	-	-	-

6. CONDITIONAL GRANTS

6.1 Conditional grants and earmarked funds paid

None.

6.2 Conditional grants and earmarked funds received

The table below details the conditional grants and ear marked funds received for the period 1 April 2017 to 31 March 2018.

COMPREHENSIVE AGRICULTURAL SUPPORT PROGRAMME GRANT:

DEPARTMENT WHO TRANSFERRED THE GRANT	DEPARTMENT OF AGRICULTURE, FORESTRY AND FISHERIES																											
Purpose of the grant	<ul style="list-style-type: none"> 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. To address damage to infrastructure caused by floods. 																											
Expected outputs of the grant	<ul style="list-style-type: none"> 31 subsistence farmers supported 4218 smallholder farmers supported 150 commercial farmers supported through CASP Youth and women farmers supported through CASP 4 230 jobs created On-off farm infrastructure provided Beneficiaries of CASP supported with SA GAP certification Beneficiaries of CASP trained on farming methods Beneficiaries of CASP with markets identified Extension personnel recruited and maintained in the system Extension officers upgrading qualifications in various institutions Agricultural colleges upgrading infrastructure Agricultural Information Management System (AIMS) implemented. 																											
Actual outputs achieved	<ul style="list-style-type: none"> Farmer supported per category (subsistence, smallholder and black commercial farmers) <table border="1"> <thead> <tr> <th colspan="3">Farmers supported with infrastructure</th> <th rowspan="3">Total</th> </tr> <tr> <th rowspan="2">Category</th> <th colspan="2">Existing</th> </tr> <tr> <th>Male</th> <th>Female</th> </tr> </thead> <tbody> <tr> <td>Subsistence</td> <td>131</td> <td>77</td> <td>208</td> </tr> <tr> <td>Smallholder</td> <td>1436</td> <td>1079</td> <td>2515</td> </tr> <tr> <td>Black Commercial</td> <td>58</td> <td>60</td> <td>118</td> </tr> <tr> <td>Total</td> <td>1216</td> <td>1364</td> <td>2841</td> </tr> </tbody> </table>			Farmers supported with infrastructure			Total	Category	Existing		Male	Female	Subsistence	131	77	208	Smallholder	1436	1079	2515	Black Commercial	58	60	118	Total	1216	1364	2841
Farmers supported with infrastructure			Total																									
Category	Existing																											
	Male	Female																										
Subsistence	131	77	208																									
Smallholder	1436	1079	2515																									
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DEPARTMENT WHO TRANSFERRED THE GRANT	DEPARTMENT OF AGRICULTURE, FORESTRY AND FISHERIES																																																																																																																																																																																																																																									
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Amount per amended DORA	R 248 046																																																																																																																																																																																																																																									
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Reasons if amount as per DORA not received	N/A																																																																																																																																																																																																																																									
Amount spent by the department	R 244 115																																																																																																																																																																																																																																									
Reasons for the funds unspent	R 4 881																																																																																																																																																																																																																																									
Reasons for deviation on performance	Delayed construction due to inclement weather and inadequate contractor capacity, Invoices received late from service providers and delayed delivery of equipment.																																																																																																																																																																																																																																									
Measures taken to improve performance	Weekly meetings are convened to scrutinize and closely monitor Project Plans. Close contract management is to ensure speedy delivery services																																																																																																																																																																																																																																									
Monitoring mechanism by the receiving department	Quarterly reporting meetings and site visits																																																																																																																																																																																																																																									

EXPANDED PUBLIC WORKS PROGRAMME GRANT:

The table below details the conditional grants and earmarked funds received during the period 1 April 2017 to 31 March 2018.

DEPARTMENT WHO TRANSFERRED THE GRANT	DEPARTMENT ROADS AND PUBLIC WORKS
Purpose of the grant	<p>To incentivize provincial departments to expand work creation efforts through the use of labor intensive delivery methods in the following identified focus areas, in compliance with the EPWP guidelines:</p> <ul style="list-style-type: none"> • road maintenance and the maintenance of buildings, • low traffic volume roads and rural roads, • other economic and social infrastructure, • tourism and cultural industries, • sustainable land based livelihoods, and • Waste management.
Expected outputs of the grant	<ul style="list-style-type: none"> • Improved quality of poor people and increased social stability through engaging the previously unemployed in paid and productive activities. • Reduced levels of poverty through use of R 2 000 000 for creation of public works employment opportunities. • Contribute 38 FTE's towards increased levels of employment. • Improved opportunities for sustainable work through experience and learning gained.
Actual outputs achieved	<ul style="list-style-type: none"> • Improved quality of poor people and increased social stability through engaging the previously unemployed in paid and productive activities. • Expenditure of R 3 961 112 (R 2 000 000 EPWP funds + R 1 961 112 voted funds and R 3 800 000 Land Care funds for creation of public works employment opportunities. • Contribute `154 FTE's towards increased levels of employment. <p>Improved opportunities for sustainable work through experience and learning gained</p>
Amount per amended DORA (R'000)	R 2 000
Amount received (R'000)	R 2 000
Reasons if amount as per DORA was not received	N/A
Amount spent by the Department (R'000)	R 2 000
Reasons for the funds unspent by the entity	N/A
Reasons for deviations on performance	Additional funds allocated from Voted funds contributed to over-performance.
Measures taken to improve performance	The quantum of performance is enhanced through allocation and expenditure of funds additional to the EPWP incentive grant and efficiencies of reporting through increased levels and screening of supporting documentation of workers within projects.
Monitoring mechanism by the receiving department	Daily Time sheets and performance reporting per project reported and administered through an accountability hierarchy from community project leaders, extension officers, managers, Directors and Chief Directors supported by Executive management of the Department and the Monitoring and Evaluation component of the Department.

ILIMA / LETSEMA CONDITIONAL GRANT:

DEPARTMENT WHO TRANSFERRED THE GRANT	DEPARTMENT OF AGRICULTURE, FORESTRY AND FISHERIES
Purpose of the grant	To assist vulnerable South African farming communities achieve an increase in agricultural production and increased income, invest in infrastructure that unlocks agricultural production and supply government markets with agricultural products thus releasing them from poverty.
Expected outputs of the grant	<ul style="list-style-type: none"> • Increased production efficiency. • Increased agricultural production at both household and national level • Improved farm income. • Maximized job opportunities and reduced poverty. • Increased number of households assisted to cope with the escalating food prices.
Actual outputs	<ul style="list-style-type: none"> • 21 101 Households supported • 34 727 ha Planted with maize • 2 269 ha supported on Horticultural crops
Amount per amended DORA (R'000)	An amount of R 67 356 million received from CASP & Ilima/ Letsema to support Food Security programme.
Amount received (R'000)	An amount of R 67 356 million received.
Reasons if amount as per DORA was not received	N/A
Amount spent by the Department (R'000)	Out of the allocated amount; R 67 282 million was spent
Reasons for the funds unspent by the entity	The court order which prevented the purchase of fertilizer in O.R. Tambo district resulted in under expenditure.
Reasons for deviations on performance	There was over performance in ha planted due to increase in demand in maize production, funds were diverted from Households to grain in Nkonkobe and Mquma municipalities.
Measures taken to improve performance	Improve planning to contract mechanisation on time and orders issued on time.
Monitoring mechanism by the receiving department	Monthly reports and project visits on regular basis.

LAND CARE GRANT:

DEPARTMENT WHO TRANSFERRED THE GRANT	DEPARTMENT OF AGRICULTURE FORESTRY AND FISHERIES
Purpose of the grant	To promote sustainable use and management of natural resources by engaging in 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"> • 2 223 Hectares of land protected and rehabilitated • 225 Junior Care participants involved in the programme • Number of hectares of land where water resources are protected and rehabilitated • 2 capacity building initiatives conducted for Junior Care • 17 capacity building initiatives conducted for Land Carers • 18 awareness campaigns conducted and attended by Land Carers • 42 kilometres of fence erected • 98 full time equivalent (FTE's) green jobs created <p>18 Land Care committees established</p>
Actual outputs achieved	<ul style="list-style-type: none"> • 2 219.6 Hectares of land protected and rehabilitated • 225 Junior Care participants involved in the programme • 2 capacity building initiatives conducted for Junior Care • 24 capacity building initiatives conducted for Land Carers • 24 awareness campaigns conducted and attended by Land Carers • 42 kilometres of fence erected • 154 full time equivalent (FTE's) green jobs created • 18 Land Care committees established
Amount per amended DORA (R'000)	R 11 812
Amount received (R'000)	R 11 812
Reasons if amount as per DORA was not received	N/A
Amount spent by the Department (R'000)	R 11 690
Reasons for the funds unspent by the entity	An amount of R 122 000 (1 % of the allocation), was unspent on account of final invoices for capital expenditure being below the committed amount and time being insufficient for use of the savings.
Reasons for deviations on performance	<p>Awareness campaigns conducted: over performance was due to additional awareness events required to address the roll-out of work associated with the allocation of additional funding received from equitable share funds.</p> <p>Capacity building initiatives conducted: over-performance is recorded in this financial year due to additional funding from EPWP programme to conduct more capacity buildings in the district of Amatole, Chris Hani and Alfred Nzo.</p> <p>Hectares of land protected and rehabilitated: under-performance was due to a slow rate of delivery of materials by service providers and damaged chain saws and repairs taking longer than expected that reduced the areas that could be completed.</p> <p>Full-time equivalent (FTE's) green jobs created: more jobs were created due to additional funding from equitable share and EPWP that enabled the creation of additional jobs.</p>

DEPARTMENT WHO TRANSFERRED THE GRANT	DEPARTMENT OF AGRICULTURE FORESTRY AND FISHERIES
Measures taken to improve performance	None
Monitoring mechanism by the receiving department	Performance reporting per project reported and administered through an accountability hierarchy from community project leaders, extension officers, managers, Directors and Chief Directors supported by Executive management of the Department and the Monitoring and Evaluation component of the Department.

CONDITIONAL GRANT DISASTER RISK MANAGEMENT

Department who transferred the grant	N/A
Purpose of the grant	N/A
Expected outputs of the grant	N/A
Actual outputs achieved	N/A
Amount per amended DORA (R'000)	N/A
Amount received (R'000)	N/A
Reasons if amount as per DORA was not received	N/A
Amount spent by the Department (R'000)	N/A
Reasons for the funds unspent by the entity	N/A
Reasons for deviations on performance	N/A
Monitoring mechanism by the receiving department	N/A

7. DONOR FUNDS

7.1 Donor Funds Received

Name of donor	N/A
Full amount of the funding	N/A
Period of the funding	N/A
Purpose of the funding	N/A
Expected outputs	N/A
Actual outputs achieved	N/A
Amount received (R'000)	N/A
Amount spent by the department (R'000)	N/A
Reasons for the funds unspent	N/A
Monitoring mechanism by the donor	N/A

8. CAPITAL INVESTMENT

8.1 Capital investments, maintenance and asset management plan

Infrastructure Projects	2017/18			2016/2017		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
New and replacement assets	162 735	131 145	31 590	124 799	123 268	1 531
Existing infrastructure assets	10 004	7 089	3 923	43 289	42 767	522
- Upgrades and additions	7 089	7 089	(1 008)	678	678	-
- Rehabilitation, renovations and refurbishments	-	-	-	40 055	39 694	361
- Maintenance and repairs	3 923	-	3 923	2547	2 386	161
Infrastructure transfer	21 958	21 958	-	12 000	12 000	-
- Current	-	-	-	12000	12000	-
- Capital	21 958	21 958	-	-	-	-
Total	185 697	160 192		180 088	178 035	2 053



MR. L. COETZEE
DDG: AGRICULTURE

PART C:

GOVERNANCE

1. INTRODUCTION

Commitment by the department to maintain the highest standards of governance is fundamental to the management of public finances and resources. Users want assurance that the department has good government structures in place to effectively, efficiently and economically utilise the state resources that are funded by the taxpayer.

2. RISK MANAGEMENT

Risk Management Policy and Strategy

The department continues to review the Risk Management Policy, which reflects the Accounting Officer's stance on ERM related matters. The ERM Strategy not only serves to complement the Risk Management Policy, but is also an important governance document supporting management and other employees in their operational activities, as it incorporates the Risk Management Methodology, responsibilities of management and other employees, among other things.

Risk Assessment and Development of Risk Registers

The department conducted Risk Assessments for the programmes to identify the key risks. The risks were prioritized and consolidated into a Risk Register, which was approved. The department developed the following registers: Strategic Risk Register, ICT Risk Register and Operational Risk Register. The approved Risk Register was forwarded to Internal Audit to develop their risk based Internal Audit Plan for 2018/19.

The Risk Management Committee (RMC)

The cross-functional nature of the RMC is central to its effectiveness. Chaired by an independent specialist, the RMC reflects the various matters that relate to risk and deliberates on the department's operational activities, including potential improvements to the ERM Strategy and mitigating plans. The fact that the department has reached a level of maturity where risk treatment plan reports are deliberated on, is evident based on the value added by this committee.

For the year under review, the Committee held four meetings and approved the following Risk Management Strategic documents: Enterprise Risk Management Framework and Policy, Enterprise Risk Management Methodology and Strategy, Enterprise Risk Management Implementation Plan, Strategic and Operational and Information Communication and Technology (ICT) Risk Registers. The documents were taken through a process of review within various functional components of the Department.

A collaborative Approach to Risk Management

A collaborative approach has been established between Risk Management and Internal Audit to share information and reports to enable us to identify new risks. Internal Audit has conducted an audit on Risk Management to identify weaknesses which may exist in its operations. Furthermore, risk management reports are presented at the Audit Committee meetings on a quarterly basis regarding the implementation of risk activities in the department.

Progress in terms of ERM

All the 8 programmes of the department have been risk-profiled and risk management is steadily improving. Deliberations on the prioritized risks for each programme as well as the department's Strategic Risk Register,

present a good opportunity for implementation plans to be assessed for both adequacy and effectiveness. The appointment of Risk Owners and Risk Champions and their involvement in all ERM related activities also contributes positively towards strengthening the mitigating plans and enhancing organizational planning and performance. Furthermore, Risk Management is a standing item on the agenda of Top Management to enhance monitoring.

The Risk Management unit, in collaboration with management and the Risk Management Committee, have quarterly interactions to review the risk management reports. The objective is to ensure that the risk profile of each programme remains current. The collaborative approach also presents an opportunity to exchange ideas on emerging risks, allowing DRDAR to promptly identify them and formulate mitigating plans in response to them.

3. FRAUD AND CORRUPTION

The department implemented the Fraud Implementation Plan by conducting awareness campaigns in the Districts and head office. The department established an Ethics Committee which facilitates ethics programme across the department. The disclosure of interests is implemented by all employees of the department.

The Anti-corruption hotline offers a 24/7 free call facility by encouraging the employees or third parties to anonymously blow the whistle on irregularities within the department. Internal reporting to the Anti-Corruption Practitioners is also encouraged.

Most cases are reported by internal staff, however, some cases did come through the Public Service Commission and the Office of the Premier.

All reported cases are investigated and reports are approved for implementation of recommendations. Disciplinary action is taken against the implicated officials and if there's any suspected criminal act then the matter is referred to the South African Police Service for criminal investigation.

Types of Anti Corruption Cases Investigated

TYPE	NUMBER
Corruption	2
Fraud	6
Financial Misconduct	2
Maladministration	2
Total	12

Nature of offences as per the total number of cases reported.

NATURE OF CASES	NUMBER
Fraud & Corruption	7
Forged Signature	-
Tender Irregularities	-
Nepotism	-
Payroll Fraud	-
Procurement Fraud	-
Travel Claims	1
Financial Misconduct	2
Maladministration	2
TOTAL	12

Status of cases:

Type	Status	Number
SAPS Anti-corruption unit	Inquiry stage	Nil
Departmental Anti-corruption unit	Reporting stage	2
Closed files		9
Pending cases still need to be finalised and closed		1
Recommended cases for finalisation to the Accounting Officer		1
Total		13

Pending cases still not finalised:

Type	Year	Number
Fraud and Corruption investigated by the Department's Crime Prevention Unit and Special Investigation Unit	2007	-
	2008	1
	2009	-
	2010	-
	2011	-
	2012	-
	2013	-
	2014	-
	2015	8
	2016	1
	2017	7
	2018	2

CHALLENGES FACED REGARDING THE CASES REPORTED (HOTLINE / DEPARTMENT)

Most matters are historical and as a result there is no documentation to substantiate the allegations and inadequate information supplied by reporting sources.

4. MINIMISING CONFLICT OF INTEREST

The unit conducts awareness sessions on the Code of Ethics for Public Service. Disclosures of interests during the procurement period is verified by SCM and not by Anti-corruption unit.

5. CODE OF CONDUCT

The code of conduct seeks to enhance the professional behaviour of employees in the public sector and to regulate the interaction between the employees and the public that they serve. It also enhances the relationship amongst employees in the performance of their duties by promoting professionalism when dealing with the public, executive and fellow employees. The department is at the forefront of implementing the code of conduct.

An employee is given a chance to explain the reasons for the breach. After the consideration of the explanation, a decision may be taken whether to proceed with the corrective measures or give a written warning to the employee.

6. HEALTH AND SAFETY AND ENVIRONMENTAL ISSUES

The department strives to ensure compliance with all Health and Safety legislation by conducting risk assessments, health and safety audits, appointing all Programme Managers as Section 16(2) delegates, health and safety representatives, first aiders and establishing health and safety and committees.

The nature of work in DRDAR may pose many threats to the health and safety of personnel for many reasons including the manual requirements of the job, exposure to the weather, noise or vibration, contact with animals and the possibility of contracting zoonotic diseases and exposure to hazardous chemicals or substances.

The Department continues to promote compliance with the Occupational Health and Safety Act and that resulted in thirty three (33) offices being inspected for compliance in the financial year. A total of 97 employees were trained as SHE Reps and 126 trained as First Aiders.

As an Occupational Health and Safety Act requirement, employees exposed to hazardous biological agents are expected to undergo medical surveillance of which 103 personnel were sent for observation.

In an effort to promote uniformity and also develop departmental standards on the management of waste, a Waste Management Plan was developed.

7. PORTFOLIO COMMITTEE

The Department met with the Portfolio Committee on 09 and 17 November 2017 to discuss the Annual Report and Financial Oversight Reports. The Portfolio Committee met on 22 November 2017 to finalise and adopt the report. The report was finalised and adopted on 22 November 2017.

RESOLUTIONS / RECOMMENDATIONS OF PORTFOLIO COMMITTEE ON DRDAR'S HALF-YEAR FINANCIAL AND PERFORMANCE OVERSIGHT REPORT FOR 2017

Programme 1: Administration

FINDINGS	RECOMMENDATIONS	RESPONSES FROM DRDAR
(a) There are a number of vacancies due to attritions and the PCMT delays the process of filling the vacant funded posts resulting in under expenditure in COE.	The Department must work closely with the PCMT in ensuring that the vacant funded posts are prioritised for the enhancement of service delivery programmes as this department is personnel driven.	The Department notes the recommendation and will engage with the PCMT to prioritize the vacant funded posts. Furthermore, the turnaround time on filling of approved posts will be improved.
(b) Although there is a Risk Management Unit, there are still challenges in the management of the accruals.	The Department must strengthen the effectiveness of its Risk Management Unit to ensure that there is proper management of accruals.	The recommendation is noted. The risk is mitigated through sufficient budget provision for the contractual obligations.
(c) The Department lacks proper financial management and planning and this is evidenced by the following: <ul style="list-style-type: none"> · All the programmes have underspent their budget allocations resulting in a total under expenditure of R30.6 million and this negatively affects service delivery. · The incorrect accounting treatment for the transaction of R20.1 million that was meant to clear prior year un-surrendered funds. · The number of Virements that were committed from one programme to another. 	The Department must develop a mechanism to minimize the risk of under spending the allocated budget and thus compromise service delivery. In addition, the Department must ensure strict adherence to Treasury Regulations to circumvent such deviations.	The recommendation is noted. The Department will ensure that all transactions are supervised by the senior personnel in compliance with the relevant legislation. The Department will capacitate all management on financial and non-financial matters to improve implementation of programmes to prevent under expenditure.

Programme 2: Sustainable Resource Management

FINDINGS	RECOMMENDATIONS	RESPONSES FROM DRDAR
(a) Despite the Portfolio Committee recommendation to prioritize the Land Care programmes, especially those that deal with soil erosion and the deforestation of the arable land, the Department has not put maximum effort to address these challenges and the impact on the ground is not visible.	The Department must ensure that efforts to address these challenges are maximised thus impact must be visible on the ground. A clear programme that will deal specifically with these challenges must be developed and be submitted to the Committee within 30 days.	The recommendation is noted and the Department will submit the report within 30 days.
(b) The Department still underperforms in the number of hectares protected/ rehabilitated to improve agricultural production, out of 3 978 targeted only 2 611 was achieved and this clearly demonstrates the lack of synergy between planning and performance.	(b) & (c) The Department must always achieve its set targets in ensuring that there is synergy between planning and performance.	The recommendation is noted. The Department will improve planning to ensure realistic targets.
(c) The programme still has challenges with regard to processing subdivision, change of agricultural land use and rezoning applications / recommendations, out of targeted 5 390 only 954 has been achieved and this retards economic development.	(b) & (c) The Department must always achieve its set targets in ensuring that there is synergy between planning and performance.	The recommendation is noted. The Department will improve planning to ensure realistic targets.
(d) Delays in the completion of the infrastructure projects due to the incapacity of the contracted service providers is still a challenge and this handicaps service delivery.	Department must closely monitor the work done by the contracted service providers for quality purposes and to ensure that completion dates are adhered to. Proper screening of contractor capability must be strengthened.	Contract Management will closely monitor the contractor performance and impose penalties for unnecessary delays. The department will also strengthen the functionality criteria for the bids to be advertised to ensure that only competent suppliers are attracted with a financial capacity to perform the required services. Reference checks and verifications will be done to check their previous performance.
(e) The Department has made a major investment into high technological infrastructure project at the Wittekleinbosch dairy parlour, a dairy with a high quality mechanisation in the Sarah Baartman District.	The Department is commended for this sterling work.	The recommendation is noted and appreciated.

Programme 3: Farmer Support Development

FINDINGS	RECOMMENDATIONS	RESPONSES FROM DRDAR
<p>(a) All the sub-programme in this programme have underspent their allocation resulting to the total under expenditure of R5.732 million and this impacts negatively on service delivery.</p> <ul style="list-style-type: none"> • Farmer Settlement and Development sub-programme underspent by R3 847 million. • Extension and Advisory Services underspent on sub-programme by R411 000. • Food Security sub-programme underspent by R1 474 million. 	<p>(a) The Department must plan properly and ensure that the allocation for this programme is utilised for the enhancement of the service delivery.</p>	<p>The recommendation is noted. The programme will improve the implementation of projects and in areas of underperformance, consequence management will be implemented to ensure effective accountability.</p>
<p>(b) The centralized procurement delays the delivery of inputs to farmers.</p>	<p>The Department must review the decision of centralizing the procurement as this delays the delivery of inputs to farmers. In addition, the different climatic conditions of the areas across the province must be considered.</p>	<p>Procurement is decentralised, however for all bids above R1m, evaluation is done by the Provincial Bid Evaluation Committee (BEC) together with the district SCM Managers. A presentation is then made to the Bid Adjudication Committee (BAC) in Head Office. The BEC and BAC sit as scheduled or as required by the need.</p>
<p>(c) The dilapidated condition of the dipping tanks, the absence of the dipping foremen and the quality dipping material in some deep rural areas are a challenge and negatively impacts on livestock improvement.</p>	<p>The Department must prioritize the construction and rehabilitation of the dipping tanks in those areas as well as employment of the dipping foremen. The available dipping facilities should be provided with sufficient and quality dipping material.</p>	<p>The recommendation is noted. The Department will work with the communities to ensure the construction and rehabilitation of dipping tanks. The Department will employ dipping foreman.</p>

Programme 4: Veterinary Services

FINDINGS	RECOMMENDATIONS	RESPONSES FROM DRDAR
(a) The Department could not meet its target on the number of animals sampled/tested for disease surveillance purposes, out of the set target of 242 002 only 165 409 was achieved.	A strategy to overcome this huge deviation must be developed to ensure that the testing of animals is conducted to combat and intercept the threat of the uncontrolled spread of diseases.	The recommendation is noted. The non-accreditation of the Laboratories limits the number the samples that can be processed, hence the underperformance. In the interim, the Department will utilize the services of other institutions nationally.
(b) The set targets in the Veterinary Laboratory Services sub-programme were not met due to the fact that the provincial laboratories are not SANAS accredited.	The Department must double its effort in ensuring that the provincial laboratories comply with SANAS requirements for accreditation.	The recommendation is noted. The Department will ensure that the requirements are met as follows: <ul style="list-style-type: none"> - The air emission license approval for incinerators will be obtained from the National Department of Environmental Affairs; - The 2 vacant posts of Veterinary Technologists and 3 posts of Quality Controller will be filled.

Programme 5: Research and Technology Development Services

FINDINGS	RECOMMENDATIONS	RESPONSES FROM DRDAR
(a) Latest scientific research findings to assist farmers on suitability of soil for certain crops and changing climatic conditions are still lacking.	The Department must ensure that relevant advice about suitable crops, planting seasons and changing climatic conditions is provided to farmers in order to improve the quality of produce.	The Department will make presentations of the latest research findings during farmer information days and through media fora, to advise farmers on the strategies to assist their agronomic practises to adapt to climate change effects.

Programme 6: Agricultural Economics Services

FINDINGS	RECOMMENDATIONS	RESPONSES FROM DRDAR
(a) The advocacy by the Department on high market demand of hides and skins is minimal.	The Department must double its effort in ensuring that awareness campaigns that seek to educate ordinary farmers about these markets are in place and vibrant across the entire province.	The recommendation is noted. The economic and market opportunity for hides and skins will be included all marketing information days. These will be extended to cover rural areas and reach rural communities across the Province.

Programme 7: Structured Agricultural Education and Training

FINDINGS	RECOMMENDATIONS	RESPONSES FROM DRDAR
(a) Despite the growing demand for training the emerging farmers in agricultural skills development for quality produce, the Department still underperforms in this programme.	The Department must work closely with the agricultural colleges in order to strengthen the farmer training programmes and to empower emerging farmers to improve the quality on crop and livestock production.	The recommendation of the Committee is noted. The Department has signed an SLA with Fort Cox to conduct some of the farmer training on its behalf. The Department is also investing in improving the capacity of Mpofu Training Centre to provide training to refurbish its water supply.
(b) Although the programme targeted 40 farms/projects to be mentored according to different commodities in order to make them profitable, nothing was achieved thus compromising quality of produce and profitability.	The Department must always ensure that it performs according to its plans and an action plan on strategies to overcome this under performance should be submitted to the Committee within 30 days.	The Department has formed a partnerships with accredited farmer commodity organizations who provide mentorship programmes for farmers across the Province.
(c) There is a concern about the delays in the completion of the infrastructure at Fort Cox College.	The Department must, as a matter of urgency, ensure that the infrastructure project at the college is closely monitored and there is significant progress.	The completion of the 2 hostels at Fort Cox has been prioritised in the 2018/19 CASP business plan, while one hostel will be completed in the 2017/18 financial year.
(d) The report presented by Fort Cox was scanty and financial accountability was lacking.	The Department, particularly programme7 must take full responsibility in ensuring that the college provides a detailed and comprehensive report to the Committee and complies with the submission dates of the document to the Legislature.	The Department has taken note of the recommendation by the Committee and the reports by the College will be quality checked and reviewed by the Programme Manager to align them with the Departmental submission.
(e) The fact that Agricultural Colleges are under the Department of Agriculture deprives learners' access to NSFAS.	The Department must review the current situation and must consider registering the agricultural colleges under Higher Education and Training in order for the learners to get access to NSFAS.	All Agricultural colleges in the country are funded by Provincial Departments of Agriculture and through conditional grants from DAFF. This national arrangement has since deprived these Colleges of the NSFAS funding which belongs to the Department of Higher Education and Training. Nonetheless, the two departments have since conducted due diligence to assess the possibility of transferring the administration of the Colleges to the DHET. The provinces are still awaiting the directive from the national departments on the outcomes of this exercise.
(f) Despite the growing demand for training the emerging farmers in agricultural skills development for quality produce, the Department still underperforms in this programme.	The Department must work closely with the agricultural colleges in order to strengthen the farmer training programmes and to empower emerging farmers to improve the quality on crop and livestock production.	The recommendation of the Committee is noted. The Department has signed an SLA with Fort Cox to conduct some of the farmer training on its behalf. The Department is also investing in improving the capacity of Mpofu Training Centre to provide training refurbish its water supply.

FINDINGS	RECOMMENDATIONS	RESPONSES FROM DRDAR
(g) Although the programme targeted 40 farms/projects to be mentored according to different commodities in order to make them profitable, nothing was achieved thus compromising quality of produce and profitability.	The Department must always ensure that it performs according to its plans and an action plan on strategies to overcome this under performance should be submitted to the Committee within 30 days	The Department has formed partnerships with accredited farmer commodity organizations who provide mentorship programmes for farmers across the Province.

Programme 8: Rural Development Coordination

FINDINGS	RECOMMENDATIONS	RESPONSES FROM DRDAR
(a) There is lack of coordination and facilitation of various departments to contribute to programmes that are rural development oriented as a result DRDAR is the only contributing department to ECRDA.	The Department must double its effort in strengthening the Intergovernmental Relations to ensure that DRDAR in collaboration with other departments and State Owned Companies, like Eskom, Telkom, Transnet and Post Office contribute to ECRDA for the realization of Rural Development concept.	The recommendation is noted. The Department will improve effectiveness of IGR to ensure all provincial departments and SOE's contribute to the rural development in the Province.
(b) The white maize produced by the primary cooperatives is not sufficient for the production at the RED Hubs and the farmers in the rural areas are concentrating on planting red maize as a result the RED hubs are supplied with white maize by Free State Farmers.	The Department must ensure that the hectorage of the primary cooperatives is increased and also the establishment of additional cooperatives will be necessary in order to get enough white maize for the production in the RED Hubs. The Department should also conduct awareness campaigns to the farmers across the province on the importance of planting white maize and selling to the Red Hubs thus up scaling them to be commercial business oriented.	The recommendation is noted. The Department and ECRDA will develop plans to increase the number of cooperatives supported to produce white maize.
(c) Social facilitation is still a challenge, the implementation is delayed by turmoil in some of the projects and this retards progress, these include the project of the feedlot at Mqanduli Red Hub.	The Department must, as a matter of urgency, engage all the affected stakeholders in the project and provide amicable and lasting solution to the encountered problems.	The recommendation is noted. The Department and ECRDA will develop plans to increase the number of cooperatives to produce white maize.
(d) The Department has established a marketing outlet for the products from the Red Hubs at Nicks Foods Super Spar, Boxer Supermarket and Umtiza Farmers Corporative Ltd.	The Department is commended for its marketing strategies and is further encouraged to extend its footprint to other retailing stores.	The recommendation is noted and appreciated.

General Findings

GENERAL FINDING	GENERAL RECOMMENDATION	RESPONSES FROM DRDAR
(a) There are still challenges with regard to the setting of targets, the Department either over performed or underperformed on its set targets and this can be attributed to lack of plan management.	The Department must ensure that its target settings are reasonable, realistic, informed by prior research and must be based on the previous trends.	The recommendation is noted.
(b) Lack of quality assurance is evident on the documents that were submitted to the Portfolio Committee. Some of them did not have page numbers and other programmes were not included in the document.	The Department must strengthen quality assurance in ensuring that all the documents that are submitted to the Committee are error free.	The recommendation is noted and the Department will improve its quality assurance.
(c) The Department obtained a clean audit in 2016/17 financial year.	The Department is commended for the sterling work.	The recommendation is noted and appreciated.

RESOLUTIONS / RECOMMENDATIONS OF PORTFOLIO COMMITTEE ON DRDAR FINANCIAL OVERSIGHT REPORT

Programme 1: Administration

FINDINGS	RECOMMENDATIONS	RESPONSES FROM DRDAR
(a) The programme has underspent its allocation for the period under review in compensation of employees due to attrition and the prolonged time taken by PCMT to fill the vacant posts.	The Department must engage the PCMT to prioritize the filling of the vacant funded posts.	The Department notes the recommendation and will engage with the PCMT to prioritize the vacant funded posts. Furthermore, the turnaround time on filling of approved posts will be improved.
(b) There are delays in the infrastructure development due to centralized procurement processes.	The Department must, as a matter of urgency, review the centralized procurement process as it delays the infrastructure development and negatively impacts on service delivery.	Procurement is decentralised, however, for all bids above R1m, evaluation is done by the Provincial Bid Evaluation Committee (BEC) together with the district SCM Managers. A presentation is then made to the Bid Adjudication Committee (BAC) in Head Office. The BEC and BAC sit as scheduled or as required.
(c) There are still challenges with regard to the management of accruals, especially on operations such as transport, telephones and other contracted services.	The Department must intensify the effectiveness of the Risk Management Unit to ensure proper management of accruals.	The recommendation is noted. The risk is mitigated through sufficient budget provision for the contractual obligations.
(d) The programme has underspent its allocation for the period under review in compensation of employees due to attrition and the prolonged time taken by PCMT to fill the vacant posts.	The Department must engage the PCMT to prioritize the filling of the vacant funded posts.	The Department notes the recommendation and will engage with the PCMT to prioritize the vacant funded posts. Furthermore, the turnaround time on filling of approved posts will be improved.

FINDINGS	RECOMMENDATIONS	RESPONSES FROM DRDAR
(e) There are delays in the infrastructure development due to centralized procurement processes.	The Department must, as a matter of urgency, review the centralized procurement process as it delays the infrastructure development and negatively impacts on service delivery.	Procurement is decentralised, however, for all bids above R1m, evaluation is done by the Provincial Bid Evaluation Committee (BEC) together with the district SCM Managers. A presentation is then made to the Bid Adjudication Committee (BAC) in Head Office. The BEC and BAC sit as scheduled or as required by the need.
(f) There are still challenges with regard to the management of accruals, especially on operations such as transport, telephones and other contracted services.	The Department must intensify the effectiveness of the Risk Management Unit to ensure proper management of accruals.	The recommendation is noted. The risk is mitigated through sufficient budget provision for the contractual obligations.

Programme 2: Sustainable Resource Management

FINDINGS	RECOMMENDATIONS	RESPONSES FROM DRDAR
(a) There is no synergy between over performance and under expenditure, the programme has over performed on Engineering sub-programme but underspent on its allocation.	The Department must always ensure that there is a significant relationship between planning, performance and expenditure.	The underspending is related to the Compensation of employees while the operational budget (Goods & Services) was overspent, being consistent with the one additional project completed more than what was projected. In future, greater attention will be given to expenditure and performance projections.
(b) The Department could not meet its target on capacity building exercises within approved land care projects to empower beneficiaries due to incapacity of the service providers.	The Department must adhere to supply chain management procurement policies and tender procedures when appointing service providers. Consequence management should be implemented when necessary.	The adoption of wider advertisement of bids will be pursued to enable more service providers to potentially bid and prevent bids for capacitation services not receiving bids. Consequence management will follow where inadequate work was done.
(c) Despite the high demand for the construction and rehabilitation of the dipping tanks, the Department has not attended them in the period under review.	The Department must prioritize the construction and rehabilitation of the dipping tanks to ensure livestock improvement.	In addition to dip tank rehabilitation included in projects for the year a portion of the savings realised from other projects can be used to provide materials for additional dip tank rehabilitation.

Programme 3: Farmer Support Development

FINDINGS	RECOMMENDATIONS	RESPONSES FROM DRDAR
(a) The mechanisation policy under which the Department operates is still a draft policy and the National Department has delayed the process of implementing it for more than five years.	The Department must liaise with the National Department to speed up the process of implementing this policy in order for it to be authentic.	The recommendation is noted. The Department will engage DAFF to ensure that the policy is approved and implemented without delay.
(b) The extension officers are not doing enough to provide the needed advice and support to the farmers in the rural areas and this is evidenced by: <ul style="list-style-type: none"> Farmers in other rural areas are not aware about the processes to be followed in order to get the bulls and rams in their areas. Farmers in Elliotdale, Ward 28 were supplied by urea instead of fertilizer resulting in crops being destroyed. 	The extension officers must double the effort in providing the needed support and advice to the farmers in the rural areas. Also an investigation must be conducted with regard the wrong supply of fertilizer and a report must be submitted to the committee within 30 days.	The process of beefing up the ICT infrastructure of the communications section has since been undertaken with the view to marketing programmes and products of DRDAR and reaching out a larger number of farmers. The customer call centre will enable farmers to access the department officials as and when required with respect to departmental programmes. The department notes the recommendation and will investigate the matter.
(c) There is a concern about the slow progress in the development of Ripplemead Citrus pack house.	The Department must closely monitor the progress in the development of the Ripplemead Citrus pack house and a progress report must be submitted to the Committee within 30 days.	The recommendation is noted and the department will provide the report as stipulated.

Programme 4: Veterinary Services

FINDINGS	RECOMMENDATIONS	RESPONSES FROM DRDAR
(a) The programme underperformed on the total number of animals which were sampled or tested for disease surveillance purposes due to the fact that laboratories are not SANAS accredited.	The Department must ensure that the laboratories meet the required standards in order to obtain formal recognition from SANAS.	The recommendation is noted. The Department will ensure that the requirements are met as follows: <ul style="list-style-type: none"> The air emission license approval for incinerators will be obtained from the National Department of Environmental Affairs; and The 2 vacant posts of Veterinary Technologists and 3 posts of Quality Controller will be filled.

Programme 5: Research and Technology Development Services

FINDINGS	RECOMMENDATIONS	RESPONSES FROM DRDAR
(a) Livestock auctions are lacking in the rural areas.	Department must ensure that the auctions are revived in the rural areas.	The Department will facilitate the revival of auctions in rural areas especially since there are 10 custom feed lots supported across the province supported by the department.
(b) Although the Department claims to have distributed rams and bulls across the entire province, their number, costs incurred and areas that benefited are not specified.	The Department must, within 30 days, provide the Committee with the specifics.	The recommendation is noted. The specifics will be submitted in a report to the Committee.

Programme 6: Agricultural Economics Services

FINDINGS	RECOMMENDATIONS	RESPONSES FROM DRDAR
(a) Despite the large sums of funds allocated to Agri-Business sub-programme, the Department stated that it only managed to develop a business plan for Amajinqi beneficiaries.	A detailed report containing the list of Agri-Business beneficiaries must be submitted to the committee within 30 days.	The recommendation is noted. The specifics will be submitted in a report to the Committee.

Programme 7: Structured Agricultural Education and Training

FINDINGS	RECOMMENDATIONS	RESPONSES FROM DRDAR
(a) The targeted number of farmers and farm workers trained in agricultural skills development is not met, out of 1 300, only 1038 was achieved.	The Department must double its effort in ensuring that farmers and farm workers receive training in order to acquire the needed agricultural skills for farming.	The recommendation of the committee is noted. During training sessions farmers and farm workers are continually encouraged to meet at least the minimum attendance required, which is 60 %. Training is also re-scheduled in consultation with local Extension officers and the farmers to catch up where targets were not met.
(b) There is a concern about the unemployed graduates from the agricultural colleges.	The unemployed graduates must be supported and encouraged to form cooperatives or assist in the available cooperatives as they have expertise in the agricultural field.	The Department is supporting the Rural Wealth Creation Centre at Fort Cox, whose intention is to capacitate the graduates and rural youth to form cooperatives. Furthermore, with support from CASP, the Department in the next financial year intends placing 120 graduates over a period of 2 years at commercial farms to gain hands-on experience in commercial farming and to encourage them to practice what they learnt at school rather than remaining job-seekers.

Programme 8: Rural Development Coordination

FINDINGS	RECOMMENDATIONS	RESPONSES FROM DRDAR
(a) The Department is not clear in terms of the ownership of the Red Hubs.	A clear model on how these Red Hubs will be owned must be developed and be submitted to the Committee within 30 days.	The business plans are in the process of being finalised and the ownership model will be detailed specific to each RED Hub.
(b) Awarding tenders to the service providers who are unable to render services due to financial constraints is a challenge and this negatively affects service delivery.	The Department must refrain from awarding tenders to service providers who do not have the capacity and proper screening of the contractor capability must be strengthened so as to avoid fruitless and wasteful expenditure.	The department will strengthen the functionality criteria for the bids to be advertised to ensure that only competent suppliers are attracted with a financial capacity to perform the required services. Reference checks and verifications will also be done to check their previous performance.
(c) ECRDA struggles to recover funds from MAFISA.	MEC must lobby the DAF Minister at MINMEC on the issue of funds that are not recovered by ECRDA from MAFISA.	ECRDA is continuing to pursue the recovery of these loans, mostly through taking legal action against the defaulting loans. In the event that loans are non-recoverable the last resort would be for the ECRDA to request DAFF to write off these non-recoverable loans.
(d) The marketing strategy that is utilised by the Department in assisting RED Hubs to sell maize produce to companies such as Nicks Spar and Boxer Supermarket is appreciated.	The Committee commends the Department for its marketing strategy and further encourages the Department to extend its footprint in establishing other retail stores.	The ECRDA is in the process of appointing a sales and merchandising agent that would extend the footprint of higher sales volumes.
(e) There are tensions between communities at Mkhambati and Sinawo forestry plantations due to land claims which have not yet been finalised.	Social facilitation must be strengthened and an amicable solution to the problems that are encountered there must be provided.	A 3-day consultative forum, led by King Zanozuko, is planned for February 2018 where participants would be seeking solutions to the problems in this area. The participants include; <ul style="list-style-type: none"> • King Zanozuko • ECRDA • DRDLR • Mayor Mdingi • Speaker • Ward councillors
(f) The Department took a decision to establish a RED Hub in Tshabo without first conducting a feasibility study and this could contribute to fruitless expenditure.	The Department should make use of its personnel like Soil Scientists when it seeks to initiate projects of this magnitude to avoid unnecessarily rising hopes of community members.	ECRDA did an initial feasibility, however it did not sufficiently cover all aspects required. In continuation of this DRDAR was approached and assisted with providing a Soil Scientist that did the soil surveys at Tshabo. This resulted in the business plans being developed.

General Findings

GENERAL FINDING	GENERAL RECOMMENDATION	RESPONSES FROM DRDAR
(a) There is a concern about the number of proposed virements that the department intends to effect to curb over/under expenditure.	The virements must comply with section 43(2) of the PFMA.	The recommendation is noted and the department will ensure compliance with the relevant section.
(b) The linkage between planning, performance and budget allocation is lacking and this can be attributed to poor planning.	The department must improve on its planning to ensure that the set targets are performed accordingly utilising the allocated budget.	The recommendation is noted. Planning will be improved by thorough analysis of the costs of delivering outputs, analysis of previous trends on actual outputs / targets achieved and appropriate linkage to the budget allocation undertaken.

RESOLUTIONS / RECOMMENDATIONS OF PORTFOLIO COMMITTEE ON DRDAR FINANCIAL OVERSIGHT REPORT

8. SCOPA RESOLUTIONS

RESOLUTION NO.	SUBJECT (FINDING)	DETAILS (RECOMMENDATION)	RESPONSE BY THE DEPARTMENT	RESOLVED (YES/ NO)
N/A	N/A	N/A	N/A	N/A

9. PRIOR MODIFICATION TO AUDIT REPORTS

The Department took all the matters raised by the Auditor General seriously by strengthening monitoring of the implementation of the Audit Intervention Plan. Management continues to recognise Internal Audit and Audit Committee as well as Risk Management Committee as strategic partners in the accountability chain by;

- Ensuring that these governance structures are appropriately resourced,
- Improved turnaround time to implement and respond to the findings and recommendation of the structures.

The department is confident that it will maintain the audit status as in the previous financial year the department received unqualified opinion with no material findings

10. INTERNAL CONTROL UNIT (ICU)

During the year under review, Internal Control Unit reviewed and monitored the implementation of audit action plans to address internal control deficiencies that were identified by the Office of Auditor-General. Successful implementation of the Audit Intervention Plan reviewed by Provincial Treasury monthly resulted in completed action plans as at 31 March 2018. Audit Intervention Plans were also submitted to the Audit committee and Risk Management Committee quarterly.

The Audit Intervention Plan is also a standing item in the agenda at the monthly Top Management meetings held by the department. Enforcement of compliance with relevant prescripts and periodical review of internal controls and maintenance of Financial BAS systems are always an on-going process. Due to the stringent controls introduced and the quarterly awareness programmes provided to all district offices by the Pre-audit office (Head Office), the irregular expenditure of the department is minimal as from last years' analysis.

11. INTERNAL AUDIT AND AUDIT COMMITTEES

Internal Audit provides management with independent, objective assurance and consulting services designed to add value and continuously improve the operations of the Department. It assist 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 following key activities are performed in this regards:

- Assess and make recommendations for improving the governance processes in achieving the department's objectives;

- Evaluate the adequacy and effectiveness and contribute to the improvement of the risk management process;
- Assist the Accounting Officer in maintaining efficient and effective controls by evaluating those controls to determine their effectiveness and efficiency, and by developing recommendations for enhancement or improvement.

Internal Audit activities were carried out in line with the approved internal audit plan as approved by the Audit Committee. The development of the approved plan has taken into account the risk profile of the Department to ensure that the work of internal audit is addressing the Department's operations in line with the set objectives.

The Audit Committee is established as an oversight body, providing independent oversight over governance, risk management and control processes in the Department, which will include oversight and review of the following:

- Internal Audit function;
- External Audit function (Auditor General of South Africa – AGSA);
- Departmental Accounting and reporting;
- Departmental Accounting policies;
- AGSA management and audit report;
- Departmental In year Monitoring;
- Departmental Risk Management;
- Internal Control;
- Pre-determined objectives;
- Ethics and Forensic Investigations.

The table below discloses relevant information on the Audit Committee members:

Name	Qualifications	Internal or external	Chairperson/ Ordinary member	Date appointed	Date Resigned	No. of Meetings attended
Previous members						
G Diutwileng	Bachelor of Commerce	External	Chairperson	1 August 2014	31 July 2017 (Contract expired)	3
T Cumming	Chartered Accountant CA(SA)	External	Ordinary member	1 August 2014	31 July 2017 (Contract expired)	3
Prof. G Mayende	Doctorate of Philosophy	External	Ordinary member	1 August 2014	31 July 2017 (Contract expired)	2
Adv. Nzuzo	LLB	External	Ordinary member	1 August 2014	31 July 2017 (Contract expired)	1
Current members						
T Cumming	B.Comm CTA - Chartered Accountant	External	Ordinary member	1 August 2017	N/A	5
M. Mbedhli	B Tech – Internal Audit	External	Chairperson	1 August 2017	N/A	5

Name	Qualifications	Internal or external	Chairperson/ Ordinary member	Date appointed	Date Resigned	No. of Meetings attended
Bayethe	High Education Diploma Bachelor of AgEconomics Degree Project Management Diploma MBA Honours Degree	External	Ordinary member	1 August 2017	N/A	5
Adv Gugwini - Peter	Bachelor of Laws degree (LLB) Practical Legal Training (Legal Education and Training) Master of Laws degree	External	Ordinary member	1 August 2017	N/A	4

12. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2018.

Audit Committee Responsibility

The Audit Committee reports that it has complied with the responsibilities arising from **Section 38 (1) (a) (ii) of the Public Finance Management Act and Treasury Regulation 3.1**. The Committee has adopted an 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

The Effectiveness of Internal Control

The review of the effectiveness of the system of internal controls by the Audit Committee is informed by reports submitted by external audit, internal audit and management. The development and maintenance of an effective internal control system is the responsibility of management.

The Audit Committee was concerned about the following issues amongst others:

- Performance information – quarterly reports not validated on time and lack of portfolio of evidence,
- Internal audit tracking tool – lack of effective monitoring over the findings that have been raised by internal audit resulting in delays or non-implementations,

The above issues were brought to the attention of management and commitment was made by management to urgently address them as some of the issues may have significant impact on the audit outcome. Apart from the issues noted the Department's internal controls were partially effective through the year.

Risk management

The Department has development the systems of risk management having undertaken the risk and control assessment. The Risk Management Committee is chaired by the independent person outside the employment of the Department, which strengthen the monitoring role over the risk management activities.

The Audit Committee was concerned about the limited capacity within the risk management unit which may impact the effectiveness thereof. Based on the risk register it was noted that some of the risks were uninsured, the following serve as examples amongst others:

1. Inability to optimally deliver the departmental strategic mandate,
2. Non-alignment of Human Resource Plan to the strategy,

3. Inadequate adherence to Occupational Health and Safety Act,
4. Low rate of success in farms obtained through land reform programme (After care), and
5. Low livestock productivity in small holder and subsistence farmers.

Investigations/ Fraud management

Efforts were noted by the Audit Committee to deal with fraud and corruption reported matters were investigated and reported accordingly to the Accounting Officer and Audit Committee. However, the Committee was concerned with regards to the delay on the implementations of the recommendations emanating from the investigations reports which undermined the Department's efforts. The delays were chiefly as a result of lack of presiding officers within the Department, management has provided training to the senior management members to be able to actively preside over the matters with a view of expediting the process.

In-Year Management and Monthly/ Quarterly Reports

The Department has monthly and quarterly reporting system to Treasury as required by the Public Finance Management Act (PFMA) and these reports were standing items of the agenda of the Audit Committee for review and considerations as part of its oversight.

Evaluation of Financial Statements and Annual Performance Report

The Audit Committee has:

- Reviewed and discussed the unaudited annual financial statements to be included in the annual report with management;
- Reviewed and discussed the unaudited information on pre-determined objectives to be included in the annual report with management;
- Reviewed for changes in accounting policies and practices;
- Advised management that the financial statements and performance report may not be free from material misstatements due to the failure of internal controls during the preparation process;
- Reviewed the Department's compliance with legal and regulatory provisions; and
- Received and considered reports from the internal auditors.

Following its review of the annual financial statements for the year ended 31 March 2018, the Audit Committee is of the view that they comply with relevant provisions of the PFMA and that they are fairly present the results of the operations, cash flow and financial position of the Department.

Appreciation

The Committee would like to take this opportunity to express its sincere appreciation to the Member of Executive Council, Head of Department, the management of the Department, Internal Audit, Provincial Treasury and the AG (SA) for their support and co-operation during the year under review.



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Mr M Mbedli

Chairperson of the Audit Committee
Eastern Cape Department of Rural Development and Agrarian Reform
31 August 2018



MS. Z. MAKINA
DDG: ADMIN

PART D:

HUMAN RESOURCE MANAGEMENT



**DIPLOMA IN ANIMAL HEALTH
GRADUATION 2018**

TSOLO AGRICULTURE AND RURAL DEVELOPMENT INSTITUTE



1. INTRODUCTION

The department consider employees as the most valuable assets and are the foremost contributors to the achievement of departmental goals. Service excellence depends on the wellbeing of our organisation and its people. Hence, the department views people management to be the responsibility of everyone.

The human resource management function is steadily transforming from being a transactional and predominantly procedure bound process into a role of being a strategic partner, change agent, an employee champion and an administrative expert.

2. OVERVIEW OF HUMAN RESOURCES

Employees are a key pillar in achieving the strategic objectives of the Department. Therefore, human resource planning aims to ensure that the Department has the right people, with the right skills, at the right place at the right time, all the time.

HR planning is currently being utilised to identify optimal strategies for HR management functions, such as recruitment, retention, learning, development, employment relations and employment equity, amongst others.

Set HR priorities for the year under review and the impact of these priorities

To ensure that department's future human resource needs are met, the following HR priorities were identified and implemented to address the recognised gaps in current and future human resource requirements:-

NO	HR PRIORITY	IMPACT
1.	Development of an organisational structure that is aligned to the service delivery model that provides framework which clearly determines the nature, scope, extent and level of work that constitute the manner in which the agriculture and rural development services must be provided.	Enhance service delivery efficiencies and effectiveness
2.	Build an appropriately sized, adequately competent and sufficiently skilled human capital that will enhance service delivery.	Skilled workforce to improve departmental performance.
3.	Implement a planned approach to reduce the level of skills gaps and shortages that are being experienced in the following occupational classifications i.e. Specialist Agricultural Scientists, Veterinarians, Agricultural Engineers etc.	Increase the supply of critical and scarce skills to the department
4.	Implement employee development practices such as job shadowing, mentoring of younger employees among others to encounter loss institutional memory due to staff turnover.	Preserved institutional memory through documented process and procedures.
5.	Implementation of employment equity specific measures that will ensure adherence of 50% of females in SMS level and 2% for people living with disabilities.	Diverse organisation to increase quality of performance. Fair representation of people with disability in the workplace.
6.	Develop a wellness culture in the Department that will ensure employees achieve optimum levels of performance whilst feeling cared for and supported in their respective workplace.	Decrease poor performance due to absenteeism.
7.	Enhancing and maintenance of sound labour relations in the Department	Capacitated workforce that is able to apply the applicable policies, procedures and legislation pertaining to Labour Relations.

Challenges faced by the Department

The department has to contend with increasing budget constraints and this enforces department to continue prioritising the filling of critical posts at the coalface of service delivery out of savings that have been realised through natural attrition.

The department experiences challenges in attracting critical and scarce skills in Specialist Agricultural Scientists, Veterinarians, and Agricultural Engineers.

The department is characterized by high staff turnover due to aging workforce, this have a negative effect on productivity levels within the department.

Non-adherence to set Employment Equity goals and targets, as per Employment Equity Plan, as well as national targets of 50% for women in senior management service (SMS) and 2% for people with disabilities.

Future HR plans / goals

An appropriate organisational structure has been developed to ensure effective response to the agricultural economic transformation strategy. This will have a positive influence in HR Planning, by assisting in upskilling, correctly placing employees and appropriately utilising them according to their skills and competencies.

The Department will continue prioritising attraction and retention of dire skills shortages, especially in the highly technical and specialised occupations. Further maintain measures to develop, transfer and retain skills through bursaries, internships and learnerships) aimed at addressing the core, critical and scarce skills.

Developing a wellness culture in the Department to ensure that employees achieve optimum levels of performance whilst feeling cared for and supported in their respective work environment.

The Department will continue implementing employment equity specific focussed measures i.e. Training intervention aimed at females on Middle Management levels in order to create a pool of suitable candidates for filling of Senior Management posts.

3. HUMAN RESOURCES OVERSIGHT STATISTICS

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 owner's allowances and medical aid.

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2017 and 31 March 2018

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services Expenditure (R'000)	Personnel Expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Administration	453 739	291 948	2 265 050	-	64,3	10 620,2
Sustainable resource manage	124 747	87 396	99 567	-	70,1	3 179,2
Farmer support & development	780 441	342 341	734 648	-	43,9	12 453,1
Veterinary services	305 183	233 885	238 846	-	76,6	8 508,0
Research & techno development services	123 490	102 068	545 537	-	82,7	3 713,0
Agricultural economics services	74 252	25 799	39 549	-	34,7	938,4
Structured agriculture education & train	146 263	55 894	467 029	-	38,2	2 033,2
Rural development coordination	192 876	15 391	12 656	-	8	559,8
TOTAL	2 200 991	1 154 722	4 402 882	-	52,5	42 004,9

Table 3.1.2 Personnel costs by salary band for the period 1 April 2017 and 31 March 2018

Salary band	Personnel Expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	46 395	2,9	293	158 345
Skilled (level 3-5)	104 614	6,4	470	222 583
Highly skilled production (levels 6-8)	506 191	31,2	1261	401 420
Highly skilled supervision (levels 9-12)	419 792	25,9	668	401 420
Senior and Top management (levels 13-16)	77 730	4,8	57	1 363 684
Total	1 154 722	71,2	2749	420 052

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2017 and 31 March 2018

Programme	Basic Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Administration	24 2348	77,7	1 380	0,4	10 696	3,4	13 538	4,3
Sustainable resource management	73 428	76,6	28	-	2 438	2,5	3 577	3,7
Farmer support & development	284 506	77,6	25	-	10 201	2,8	15 719	4,3
Veterinary services	192 640	77	87	-	7 345	2,9	10 947	4,4
Technology research & development services	80 093	73,8	2 262	2,1	5 293	4,9	5 838	5,4
Agricultural economics	21 857	79,2	-	-	639	2,3	889	3,2
Structured agricultural training	44 018	77	1 340	2,3	2 610	4,6	3 089	5,4
Rural development coordination	11 885	83,6	-	-	558	3,9	604	4,2
TOTAL	950 775	77,2	5 121	0,4	39 779	3,2	54 201	4,4

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2017 and 31 March 2018

Salary Bands	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (level 1-2)	34 229	73,8	1 702	3,7	4 076	8,8	4 712	10,2
Skilled (level 3-5)	76 821	73,4	2 135	2	6 962	6,7	7 758	7,4
Highly skilled production (levels 6-8)	433 882	85,7	759	0,1	18 201	3,6	28 293	5,6
Highly skilled supervision (levels 9-12)	384 457	91,6	526	0,1	8 152	1,9	12 459	3
Senior management (level 13-16)	66 405	85,4	-	-	2 388	3,1	979	1,3
Total	995 794	86,2	5 122	0,4	39 779	3,4	54 201	4,7

3.2 Employment and Vacancies

The tables in this section summarise the position with regard to employment and vacancies.

Table 3.2.1 Employment and vacancies by programme as on 31 March 2018

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Programme 1	776	731	5,80	-
Programme 2	197	185	6,10	-
Programme 3	759	724	4,60	-
Programme 4	570	533	6,50	-
Programme 5	334	321	3,90	-
Programme 6	44	43	2,30	-
Programme 7	189	176	6,90	-
Programme 8	39	36	7,70	-
TOTAL	2 908	2 749	5,50	-

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2018

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Interns	-	-	-	-
Lower skilled (1-2)	304	293	3,60	-
Skilled (3-5)	499	470	5,80	-
Highly skilled production (6-8)	1 324	1 261	4,80	-
Highly skilled supervision (9-12)	722	668	7,50	-
Senior management (13-16)	59	57	3,40	-
Total	2 908	2749	5,50	-

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2018

Critical Occupations	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Artisans	45	43	4,4	-
Agriculture advisors	606	574	5,3	-
Animal Health Technicians	301	295	2	-
Engineering Technicians	40	39	2,5	-
Engineers	10	9	10	-
Meat Inspectors	26	24	7,7	-
Scientist	37	37	0	-
Scientific Technicians	74	69	6,8	-
State Veterinarian Technologist	9	7	22,2	-
State Veterinarians	39	29	25,6	-
TOTAL	1 187	1 126	5,1	-

3.3 Filling of SMS Posts

Table 3.3.1 SMS post information as on 31 March 2018

SMS Level	Total number of funded SMS Posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Executing Authority	1	1	100	-	-
Head of Department	1	1	100	-	-
Salary Level 15	3	3	100	-	-
Salary Level 14	14	14	100	-	-
Salary Level 13	40	38	96.6	2	3.3
Total	59	57	96.6	2	3.3

Table 3.3.2 SMS post information as on 30 September 2017

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
Executive Authority	1	1	100	-	-
Salary Level 16	1	1	100	-	-
Salary Level 15	3	3	100	-	-
Salary Level 14	14	14	100	-	-
Salary Level 13	40	35	88	5	12
Total	59	54	91,5	5	8,5

Table 3.3.3: Advertising and filling of SMS posts for the period 1 April 2017 and 31 March 2018

SMS Level	Advertising	Filling of posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Executive Authority	-	-	-
Head of Department	-	-	-
Salary Level 16	-	-	-
Salary Level 15	-	-	-
Salary Level 14	-	-	-
Salary Level 13	5	3	-
Total	5	3	-

Table 3.3.4: Reasons for not having complied with the filling of funded vacant SMS - Advertised posts within six months and filled within 12 months after becoming vacant for the period 1 April 2017 and 31 March 2018

Reasons for vacancies not advertised within six months
One (1) positions could not be filled due to budget reprioritisation in lieu of critical posts at the coalface of service delivery.

Reasons for vacancies not filled within twelve months
Not applicable. All SMS posts were advertised upon receipt of intention to vacate the position.

Table 3.3.5: Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2017 and 31 March 2018

Reasons for vacancies not advertised within six months
One (1) positions could not be filled due to budget reprioritisation in lieu of critical posts at the coalface of service delivery.

Reasons for vacancies not filled within six months
Not applicable

3.4 Job Evaluation

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

Table 3.4.1: Job Evaluations by Salary band for the period 1 April 2017 and 31 March 2018

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 (1-2)	293	-	-	-	-	-	-
Skilled (3-5)	470	-	-	-	-	-	-
Highly skilled production (6-8)	1 261	-	-	-	-	-	-
Highly skilled supervision (9-12)	668	-	-	-	-	-	-
Senior management (13-16)	57	-	-	-	-	-	-
Total	2 749	-	-	-	-	-	-

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

Table 3.4.2: Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2017 and 31 March 2018

Gender	African	Asian	Coloured	White	Total
Female	-	-	-	-	-
Male	-	-	-	-	-
Total	-	-	-	-	-
Employees with a disability	-	-	-	-	-

The following table summarises the number of cases where remuneration bands exceeded the grade determined by job evaluation. Reasons for the deviations 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 2017 and 31 March 2018

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
-	Nil	-	-	-
-	Nil	-	-	-
Total number of employees whose salaries exceeded the level determined by job evaluation				Nil
Percentage of total employed				Nil

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2017 and 31 March 2018

Gender	African	Asian	Coloured	White	Total
Female	-	-	-	-	-
Male	-	-	-	-	-
Total	-	-	-	-	-
Employees with a disability	-	-	-	-	-
Total number of Employees whose salaries exceeded the grades determine by job evaluation					Nil

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 critical occupations.

Table 3.5.1: Annual turnover rates by salary band for the period 1 April 2017 and 31 March 2018

Salary Band	Number of employees at beginning of period (1 April 2017)	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Lower skilled (Levels 1-2)	361	32	11	3,00
Skilled (Levels 3-5)	496	6	47	9,50
Highly skilled production (Levels 6-8)	1 251	18	46	3,70
Highly skilled supervision (Levels 9-12)	640	21	61	9,50
Senior Management Service Band A	45	2	2	4,40
Senior Management Service Band B	17	1	-	0,00
Senior Management Service Band C	3	-	-	0,00
Senior Management Service Band D	2	-	-	0,00
TOTAL	2 815	80	167	5,90

Table 3.5.2: Annual turnover rates by critical occupation for the period 1 April 2017 and 31 March 2018

Critical Occupation	Number of employees at beginning of period (1 April 2017)	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Artisans	43	1	4	9,3
Agriculture advisors	574	7	14	2,4
Animal Health Technicians	295	3	4	1,4
Engineering Technicians	9	-	-	-
Engineers	39	2	-	-
Meat Inspectors	24	-	-	-
Scientist	37	-	-	-
Scientific Technicians	69	1	3	4,3
State Veterinarian Technologist	7	1	1	14,3
State Veterinarians	29	8	2	6,9
TOTAL	1 126	23	28	2,5

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 2017 and 31 March 2018

Termination Type	Number	% of Total Terminations
Death	26	0,9
Resignation	44	1,6
Expiry of contract	9	0,3
Dismissal – operational changes	-	-
Dismissal – misconduct	1	-
Dismissal – inefficiency	-	-
Discharged due to ill health	2	0,1
Retirement	85	3,1
Transfers to other Public Service Departments	-	-
Other		
TOTAL	167	6,1
Total number of employees who left as a % of total employment	-	6,10%

The following tables provide a summary of promotions by critical occupation and salary band.

Table 3.5.4: Promotions by critical occupation for the period 1 April 2017 and 31 March 2018

Occupation	Employees (1 April 2017)	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
Artisans	43	-	-	11	25,6
Agriculture advisors	574	4	0,7	621	108,2
Animal Health Technicians	295	-	-	353	119,7
Engineering Technicians	39	0	-	24	61,5
Engineers	9	1	11,1	11	122,2
Meat Inspectors	24	1	4,2	12	50
Scientist	37	-	-	4	10,8
Scientific Technicians	69	1	1,4	24	34,8
State Veterinarian Technologist	7	-	-	2	28,6
State Veterinarians	29	1	3,4	17	58,6
TOTAL	1 126	8	0,7	554	49,2

Table 3.5.5: Promotions by salary band for the period 1 April 2017 and 31 March 2018

Salary Band	Employees (1 April 2017)	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary band
Lower skilled (Levels 1-2)	361	-	0,00	95	26,30
Skilled (Levels 3-5)	496	2	0,40	432	87,10
Highly skilled production (Levels 6-8)	1 251	2	0,20	981	78,40
Highly skilled supervision (Levels 9-12)	640	17	2,70	499	78,00
Senior management (Levels 13-16)	67	1	1,50	14	20,90
TOTAL	2 815	22	0,80	2 021	71,80

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 2018

Occupational Category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, Professionals, Senior Managers	278	1	2	23	241	3	2	14	564
Technicians & Associate Professionals	609	5	1	21	419	4	1	15	1075
Labourers & Related Workers	300	8	-	-	175	6	0	0	489
Plant & Machine Operators & Assemblers	40	-	-	-	-	0	0	0	40
Service & Sales Workers	55	3	-	-	39	0	0	0	97
Clerks	104	3	-	1	311	11	1	10	441
Craft, Related Trade Workers	43	-	-	-	-	0	0	0	43
TOTAL	1 429	20	3	45	1 185	24	4	39	2 749
Employees with disabilities	8				7				15

Table 3.6.2: Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2018

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	3	-	-	1	1	-	-	-	5
Senior Management	29	-	1	8	23	-	1	1	63
Professionally qualified and experienced specialists and mid-management	400	1	2	31	204	3	2	14	657
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	559	5	-	5	656	9	1	23	1 258
Semi-skilled and discretionary decision making	296	10	-	-	157	9	-	1	473
Unskilled and defined decision making	142	4	-	-	144	3	-	-	293
TOTAL	1 429	20	3	45	1 185	24	4	39	2 749

Table 3.6.3: Recruitment for the period 1 April 2017 to 31 March 2018

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	-	-	-	-	-	-	-	-	-
Senior Management	1	-	-	-	1	-	-	-	2
Professionally qualified and experienced specialists and mid-management	9	-	-	-	10	-	-	2	21
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	8	-	-	-	10	-	-	-	18
Semi-skilled and discretionary decision making	3	-	-	-	3	-	-	-	6
Unskilled and defined decision making	14	-	-	-	18	-	-	-	32
TOTAL	35	-	-	-	42	-	-	2	79
Employees with disabilities	-	-	-	-	-	-	-	-	-

Table 3.6.4: Promotions for the period 1 April 2017 and 31 March 2018

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	-	-	-	-	1	-	-	-	1
Senior Management	5	-	1	4	4	-	-	-	14
Professionally qualified and experienced specialists and mid-management	325	1	-	15	160	2	1	12	516
Skilled technical and academically qualified workers, junior management, supervisors, foremen	429	3	-	1	522	9	1	18	983
Semi-skilled and discretionary decision making, Permanent	279	9	-	-	136	9	-	1	434
Unskilled and defined decision making	38	2	-	-	53	2	-	-	95
TOTAL	1 076	15	1	20	876	22	2	31	2 043
Employees with disabilities	5	-	-	-	5	-	-	-	10

Table 3.6.5: Terminations for the period 1 April 2017 and 31 March 2018

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	-	-	-	-	-	-	-	-	-
Senior Management	2	-	-	1	1	-	-	-	4
Professionally qualified and experienced specialists and mid-management	45	-	-	-	14	-	-	1	60
Skilled technical and academically qualified workers, junior management, supervisors, foremen	25	-	-	1	20	-	-	-	46
Semi-skilled and discretionary decision making	32	-	-	-	14	-	-	-	46
Unskilled and defined decision making	8	-	-	-	4	-	-	-	12
TOTAL	112	-	-	2	53	-	-	1	168
Employees with disabilities	1	-	-	-	-	-	-	-	1

Table 3.6.6: Disciplinary action for the period 1 April 2017 and 31 March 2018

Disciplinary Action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	3	-	-	-	1	-	-	-	4
Senior Management	2	-	-	-	2	-	-	-	4
Professionally qualified and experienced specialists and mid-management	3	-	-	-	1	-	-	-	4
Skilled technical and academically qualified workers, junior management, supervisors, foremen	-	-	-	-	-	-	-	-	-
Semi-skilled and discretionary decision making, Permanent	11	-	-	-	3	-	-	-	14
Unskilled and defined decision making	6	-	-	-	2	-	-	-	8
TOTAL	25	-	-	-	9	-	-	-	34
Employees with disabilities	-	-	-	-	-	-	-	-	-

Table 3.6.7: Skills development for the period 1 April 2017 and 31 March 2018

Occupational Categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	41	-	2	2	22	-	3	--	70
Professionals	75	-	-	2	65	2	1	2	147
Technicians and associate professionals	185	1	-	1	142	1	-	-	330
Clerks	193	1	-	-	250	3	-	-	447
Service and sales workers	-	-	-	-	-	-	-	-	-
Craft and related trades workers	-	-	--	-	-	-	-	-	-
Plant and machine operators and assemblers	-	-	-	-	-	-	-	-	-
Elementary occupations	26	-	-	-	45	-	-	-	71
Total	520	2	2	5	524	6	4	2	1 065
Employees with disabilities	-	-	-	-	-	-	-	-	-

3.7 Signing of Performance Agreements by SMS Members

All members of the SMS must conclude and sign performance agreements within specific timeframes. Information regarding the signing of performance agreements by 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 on 31 May 2017

SMS Level	Total number of funded SMS posts	Total number of SMS members	Signed agreements	Signed performance agreements as a %
Head of Department (Salary level 16)	1	1	1	100%
Salary level 15	3	3	3	100
Salary level 14	14	14	14	100
Salary level 13	40	35	35	100
Total	58	53	53	-

Table 3.7.2: Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2017

Reasons
None.

Table 3.7.3: Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2017

Reasons
None.

3.8 Performance Rewards

Table 3.8.1: Performance Rewards by race, gender and disability for the period 1 April 2017 and 31 March 2018

Race and Gender	Beneficiary Profile			Cost	
	Number of Beneficiaries	Number of employees	% of total within groups	Cost (R'000)	Average Cost per employee
African, Female	668	1178	56,70	7 997,31	11 972,00
African, Male	686	1421	48,30	8 610,79	12 552,00
Asian, Female	2	4	50,00	33,80	16 902,00
Asian, Male	1	3	33,30	25,67	25 665,00
Coloured, Female	18	24	75,00	204,25	11 347,00
Coloured, Male	12	20	60,00	110,71	9 226,00
White, Female	30	39	76,90	568,95	18 965,00
White, Male	28	45	62,20	600,97	21 463,00
TOTAL	1 445	2 734	58	18 152	16 012,00
Employees with a disability	7	15	46,70	87,54	12 505,00
TOTAL	1 452	2 749	52,80	18 239,99	12 562,00

Table 3.8.2: Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2017 and 31 March 2018

Salary Band	Beneficiary Profile			Costs		Total cost as a % of the total personnel expenditure
	Number of Beneficiaries	Number of employees	% of Total within salary bands	Cost (R'000)	Average Cost per employees (R)	
Lower skilled (Levels 1-2)	112	293	38,2	564,18	5 037	3,26
Skilled (Levels 3-5)	289	470	61,5	1 965,91	6 802	11,34
Highly skilled production (Levels 6-8)	717	1 261	56,9	9 279,20	12 942	53,55
Highly skilled supervision (Levels 9-12)	306	657	46,6	5 519,44	18 037	31,85
TOTAL	1 424	2 681	53,1	17 328,74	12 169	100,00

Table 3.8.3: Performance Rewards by critical occupation for the period 1 April 2017 and 31 March 2018

Critical Occupations	Beneficiary Profile			Cost	
	Number of Beneficiaries	Number of employees	% of Total within occupation	Cost (R'000)	Average Cost per employee
Artisans	24	43	55,8	210,6	8 775
Agriculture advisors	133	574	23,2	1636,83	12 307
Animal Health Technicians	49	295	16,6	679,117	13 860
Engineering Technicians	21	39	53,8	269,34	12 826
Engineers	5	9	55,6	130,985	26 197
Meat Inspectors	10	24	41,7	217,112	21 711
Scientist	33	69	47,8	743,809	22 540
Scientific Technicians	7	37	18,9	125,447	17 921
State Veterinarian Technologist	1	7	14,3	13,326	13 326
State Veterinarians	6	29	20,7	135,866	22 644
TOTAL	289	1 126	25,7	4 162,432	14 403

Table 3.8.4: Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2017 and 31 March 2018

Salary Band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of Beneficiaries	Number of employees	% of total within salary bands	Total cost (R'000)	Average Cost per employee	
Band A	17	45	37,80	492,10	28 947,30	0,90
Band B	8	18	44,40	288,56	36 069,50	1,20
Band C	2	3	66,70	79,14	39 569,90	1,70
Band D	1	2	50,00	51,45	51 452,80	1,30
TOTAL	28	68	41,20	911,25	32 544,70	1,10

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 2017 and 31 March 2018

Salary Band	1 April 2017		31 March 2018		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	-	-	1	4,50	1	-50
Highly skilled production (lev6-8)	21	87,50	18	81,80	-3	150
Highly skilled supervisor (Lev 9-12)	3	12,50	3	13,60	-	-
TOTAL	24	100	22	100	-2	100

Table 3.9.2: Foreign workers by major occupation for the period 1 April 2017 and 31 March 2018

Major Occupation	01 April 2017		31 March 2018		Change	
	Number	% of total	Number	% of total	Number	% Change
Professionals and managers	24	100	21	95,50	-3	150
Technicians and associated professionals	-	-	1	4,50	1	-50
TOTAL	24	100	22	100	-2	100

3.10 Leave utilisation

The Public Service Commission has 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 2017 to 31 December 2017

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)	1 800	88,3	216	12,8	8	919
Skilled (Levels 3-5)	2 547	86,8	310	18,4	8	1 840
Highly skilled production (Levels 6-8)	5 624	85,20	739	43,80	8	8 100,00
Highly skilled supervision (Levels 9-12)	2 701	87,10	387	22,90	7	6 335,00
Top and Senior management (Levels 13-16)	185	81,10	37	2,20	5	711,00
TOTAL	12 857	86,30	1689	100	8	17 905,00

Table 3.10.2: Disability leave (temporary and permanent) for the period 1 January 2017 to 31 December 2017

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)	208	100	8	15,7	26	111
Skilled (Levels 3-5)	271	100	9	17,6	30	214
Highly skilled production (Levels 6-8)	847	100	23	45,10	37	1 285
Highly skilled supervision (Levels 9-12)	412	100	10	19,60	41	1 043
Senior management (Levels 13-16)	79	100	1	2,00	79	293
Total	1 817	100	51	100	36	2 946

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

Table 3.10.3: Annual Leave for the period 1 January 2017 to 31 December 2017

Salary Band	Total days taken	No of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	5 879,42	18	318
Skilled (Levels 3-5)	11 484,25	21	537
Highly skilled production (Levels 6-8)	29 712,25	23	1308
Highly skilled supervision (Levels 9-12)	15 849	22	706
Senior management (Levels 13-16)	1 260	17	74
TOTAL	64 184,92	22	2 943

Table 3.10.4: Capped leave for the period 1 January 2017 to 31 December 2017

Salary band	Total days of capped leave taken	No of employees using capped leave	Av no of days taken per employee	Av capped leave per employee as on (31 December 2016)
Lower Skilled (Levels 1-2)	3	1	3	14
Skilled (Levels 3-5)	76	17	4	73
Highly skilled production (Levels 6-8)	115	16	7	111
Highly skilled supervision (Levels 9-12)	67	15	4	119
Senior Management (Level 13-16)	-	-	-	115
TOTAL	261	49	5	345

The following table summarise 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 2017 and 31 March 2018

Reason	Total Amount (R'000)	Number of Employees	Average per Employee (R'000)
Leave pay out for 2016/17 due to non-utilisation of leave for the previous cycle	-	-	-
Capped leave pay out on termination of service for 2017/18	18 048,00	110	164 073,00
Current leave pay out on termination of service for 2017/18	112,00	5	22 400,00
TOTAL	18 160,00	115	157 913,00

3.11 HIV/AIDS & Health Promotion Programmes

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

Units/categories of employees identified to be at high risk of contracting HIV-related diseases (if any)	Key steps taken to reduce the risk
All employees are regarded to be at risk.	<ul style="list-style-type: none"> HCT and Wellness screenings sessions were conducted throughout the year. Educational training, counselling services were offered to employees as part of preventative approach in managing HIV and AIDS, including distribution of condoms.

Table 3.11.2: Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
1. Has the Department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	Yes		Nonzwakazi L Shitlhelani-Director
2. Does the Department have a dedicated unit or have you designated specific staff members to promote health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	Yes		The Department does have an Employee Health and Wellness Unit with a total of nine (10) employees. A budget of R350 000 was allocated for 2017\18 financial year.
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.	Yes		HIV&AIDS workshops ,Substance abuse, Financial Wellness, Stress Management, Sport and Recreation sessions and Counselling services.
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.	Yes		All Chief Directors
5. Has the Department reviewed the employment policies and practices of your department to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	Yes		The department is currently implementing the following policies <ul style="list-style-type: none"> Health and Productivity management. HIV/AIDS&TB Managements Safety & Health Environment Wellness Management Policy

Question	Yes	No	Details, if yes
6. Has the Department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	Yes		Awareness sessions were conducted for employees on HIV constantly promote respect for dignity and non-discrimination of infected and affected people. Other key elements that addressed anti HIV&AIDS discrimination issues were: Wellness Screenings and TB Testing Sessions were conducted, distribution of posters and pamphlets. The policy on HIV,AIDS and TB Management also has a clause on non-discrimination of such employees
7. Does the Department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	Yes		213 employees Tested and screened for HIV.
8. Has the Department developed measures/indicators to monitor & evaluate the impact of your health promotion programme? If so, list these measures/indicators.			The impact of health promotion programmes are indicated through information provided by the Health Risk manager. The EHWP is monitored through Quarterly and Annual reporting including SMT tool is used to measure the impact.

3.12 Labour Relations

Table 3.12.1: Collective agreements for the period 1 April 2017 and 31 March 2018

Subject matter	Date
<i>Nil</i>	-

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

Total number of Collective agreements	
--	--

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 2017 and 31 March 2018

Outcomes of disciplinary hearings	Number	Percentage of Total
Correctional counselling	8	23,5
Verbal warning	-	0,0
Written warning	1	2,9
Final written warning	13	38,2
Suspended without pay	8	23,5
Fine	-	0,0
Demotion	1	2,9
Dismissal	1	2,9
Not guilty	1	2,9
Case withdrawn	1	2,9
Total	34	100

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

Total number of Disciplinary hearing finalised	34
--	----

Table 3.12.3: Types of misconduct addressed at disciplinary hearings for the period 1 April 2017 and 31 March 2018

Type of misconduct	Number	Percentage of Total
Alleged Fraud	2	7,7
Absence Without Authority	11	42,3
Alleged poor work performance	-	0,0
Misuse of Govt. vehicles	2	7,7
Wilful damage or negligence of government property	1	3,8
Alleged Financial Mismanagement	6	23,1
Alleged Assault	-	0,0
Alleged Insubordination	4	15,4
Alleged under influence of alcohol	-	0,0
TOTAL	26	100

Table 3.12.4: Grievances logged for the period 1 April 2017 and 31 March 2018

Grievances	Number	% of Total
Number of grievances resolved	5	50%
Number of grievances not resolved	5	50%
Total number of grievances lodged	10	100%

Table 3.12.5: Disputes logged with Councils for the period 1 April 2017 and 31 March 2018

Disputes	Number	% of total
Number of disputes upheld	3	37.5%
Number of disputes dismissed	5	62.5%
Total number of disputes lodged	8	100%

Table 3.12.6: Strike actions for the period 1 April 2017 and 31 March 2018

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

Table 3.12.7: Precautionary suspensions for the period 1 April 2017 and 31 March 2018

Number of people suspended	4
Number of people whose suspension exceeded 30 days	-
Average number of days suspended	125
Cost (R'000) of suspensions	R1 10 766.18

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 2017 and 31 March 2018

Occupational Categories	Gender	Number of employees as at 1 April 2017	Training needs identified at the start of the reporting period			Total
			Learnerships	Skills Programmes & other short courses	Other forms of training	
Legislators, senior officials and managers	Female	25	-	22	-	22
	Male	30	-	41	-	41
Professionals	Female	241	-	60	-	60
	Male	286	-	75	-	75
Technicians and associate professionals	Female	439	-	135	-	135
	Male	636	-	175	-	175
Clerks	Female	333	-	233	-	233
	Male	108	-	180	-	180
Service and sales workers	Female	39	-	-	-	-
	Male	58	-	-	-	-
Craft and related trades workers	Female	-	-	-	-	-
	Male	43	-	-	-	-
Plant and machine operators and assemblers	Female	-	-	-	-	-
	Male	40	-	-	-	-
Elementary occupations	Female	162	-	40	-	40
	Male	308	-	20	-	20
Sub totals	Female	1239	-	490	-	490
	Male	1510	-	491	-	491
Total		2 749	-	981	-	981

Table 3.13.2: Training provided for the period 1 April 2017 and 31 March 2018

Occupational Categories	Gender	Number of employees as at 1 April 2017	Training provided within the reporting period			Total
			Learnerships	Skills Programmes & other short courses	Other forms of training	
Legislators, senior officials and managers	Female	25	-	25	-	25
	Male	30	-	45	-	45
Professionals	Female	241	-	68	-	68
	Male	286	-	77	-	77
Technicians and associate professionals	Female	439	-	145	-	145
	Male	636	-	187	-	187
Clerks	Female	333	-	253	-	253
	Male	108	-	194	-	194
Service and sales workers	Female	39	-	-	-	-
	Male	58	-	-	-	-
Craft and related trades workers	Female	-	-	-	-	-
	Male	43	-	-	-	-
Plant and machine operators and assemblers	Female	-	-	-	-	-
	Male	40	-	-	-	-
Elementary occupations	Female	162	-	45	-	45
	Male	308	-	26	-	26
Sub Gender Totals	Female	1239	-	536	-	536
	Male	1510	-	529	-	529
Total		2 749	-	1 065	-	1 065

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 2017 and 31 March 2018

Nature of injury on duty	Number	% of total
Required basic medical attention only	2	0.07%
Temporary Total Disablement	2	0.07%
Permanent Disablement	-	-
Fatal	-	-
Total	2	0.07%

3.15 Utilisation of Consultants

The following tables relate information on the utilisation of consultants in the Department.

In terms of the Public Service Regulations “consultant” means a natural or juristic person or a partnership who or which provides in terms of a specific contract on an ad hoc basis any of the following professional services to a department against remuneration received from any source:

- (a) The rendering of expert advice;
- (b) The drafting of proposals for the execution of specific tasks; and
- (c) The execution of a specific task which is of a technical or intellectual nature, but excludes an employee of a department.

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2017 and 31 March 2018

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
None			

Total number of projects	Total individual consultants	Total duration work days	Total contract value in Rand
None			

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2017 and 31 March 2018

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
None			

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 20YY and 31 March 20ZZ

Project title	Total Number of consultants that worked on project	Duration (Work days)	Donor and contract value in Rand
None			

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
None			

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 20YY and 31 March 2018

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
None			

3.16 Severance Packages

Table 3.16.1: Granting of employee initiated severance packages for the period 1 April 2017 and 31 March 2018

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



MS. N. TUNGATA
CFO

PART E:

FINANCIAL INFORMATION

REPORT OF THE AUDITOR-GENERAL TO EASTERN CAPE PROVINCIAL LEGISLATURE ON VOTE NO. 8 EASTERN CAPE DEPARTMENT OF RURAL DEVELOPMENT AND AGRARIAN REFORM

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

1. I have audited the financial statements of the Eastern Cape Department of Rural Development and Agrarian Reform set out on pages 144 to 218, which comprise the appropriation statement, the statement of financial position as at 31 March 2018, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Eastern Cape Department of Rural Development and Agrarian Reform as at 31 March 2018, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS), and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2017 (Act No. 3 of 2017) (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 this auditor's report.
4. I am independent of the department in accordance with the International Ethics Standards Board for Accountants' Code of ethics for professional accountants (IESBA code) and the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of accounting officer for the financial statements

6. 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 and Dora, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, the accounting officer is responsible for assessing the Eastern Cape Department of Rural Development and Agrarian Reform'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 accounting officer 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

8. 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.
9. 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

10. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
11. My procedures address the reported performance information, which must be based on the approved performance planning documents of the department. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
12. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the department for the year ended 31 March 2018:

PROGRAMMES	PAGES IN THE ANNUAL PERFORMANCE REPORT
Programme 2 – sustainable resource management	42 - 47
Programme 3 – farmer support and development	48 - 53
Programme 4 – veterinary services	54 - 60
Programme 8 – rural development coordination	72 - 75

13. 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.

Programme 4 - veterinary services and programme 8 - rural development coordination

14. I did not raise any material findings on the usefulness and reliability of the reported performance information for programme 4: veterinary services and programme 8: rural development coordination.
15. The material findings in respect of the reliability of programme 2: sustainable resource management and programme 3: farmer support and development are as follows:

Programme 2 – sustainable resource management

Various indicators

16. I was unable to obtain sufficient appropriate audit evidence for the reported achievements of eight of the fifteen indicators relating to this programme. This was due to limitations placed on the scope of my work. I was unable to confirm the reported achievements by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievements in the annual performance report of the indicators listed below:

PERFORMANCE INDICATOR		REPORTED ACHIEVEMENT
Sub-programme 2.1: engineering services		
1.2	Number of clients provided with engineering advice during official visits to enable clients to operate and maintain infrastructure machinery or equipment	1 048
Sub-programme 2.2: land care		
2.1	Number of awareness campaigns conducted on land care to promote conservation of natural resources	24
2.2	Number of capacity-building exercises conducted within approved land care projects to empower beneficiaries/organised structures to implement conservation measures for natural resources	24
Sub-programme 2.3: land use management		
3.1	Number of agricultural land management use plans developed at municipal level	6
3.2	Number of complaints attended to for agricultural land and boundary disputes in communal areas	52
3.3	Number of sites demarcated for development purposes in rural/communal areas	1 715
3.4	Number of hectares of agricultural land protected through guiding subdivision/rezoning/change of agricultural land use	6829.75
3.5	Number of farm plans and management plans developed	222

Various indicators

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

Consequently, I was unable to determine whether any further adjustments were required to the reported achievements of the indicators listed below:

PERFORMANCE INDICATOR		REPORTED ACHIEVEMENT
Sub-programme 2.2: land care		
2.3	Number of hectares protected/rehabilitated to improve agricultural production	2 219.6
2.4	Number of beneficiaries adopting/practising sustainable production technologies and practices for improved livelihoods	733
2.5	Number of green jobs created through land care	412
Sub-programme 2.3: land use management		
3.6	Number of natural/agricultural resources maps produced for planning and decision making purposes	377

Programme 3 – farmer support and development

Various indicators

18. The systems and processes to enable reliable reporting for the achievement of seven of the fourteen indicators relating to this programme were not adequately designed and implemented. I was unable to obtain sufficient appropriate audit evidence to support the reported achievements of the indicators listed below due to these limitations placed on the scope of my work. I was unable to confirm the reported achievements by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievements in the annual performance report of the indicators listed below:

PERFORMANCE INDICATOR		REPORTED ACHIEVEMENT
Sub-programme 3.3: food security		
3.1	Number of households benefiting from agricultural food security initiatives	21 101
3.3	Number of hectares cultivated for food production in communal areas and land reform projects	34 727
3.4	Number of hectares supported to horticultural crops to produce for export and for commercial purposes	2 269
3.5	Number of hectares planted to fodder crops to support livestock	37
3.6	Number of hectares planted to industrial crops (Hemp, chicory, canola etc.)	91
3.7	Number of livestock enterprises supported to increase production and for value addition	81
3.8	Number of tons produced from hectares of maize planted.	88 651

19. I did not raise any material findings on the usefulness of the reported performance information for programme 2: sustainable resource management and programme 3: farmer support and development.

Other matters

20. I draw attention to the matters below.

Achievement of planned targets

21. Refer to the annual performance report on pages 1 to 134 and 34 to 73 for information on the achievement of planned targets for the year and explanations provided for the under/overachievement of a significant number of targets. This information should be considered in the context of the material findings on the reliability of the reported performance information in paragraphs 15 and 18 of this report

Adjustment of material misstatements

22. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of programme 4: Veterinary services. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information for programme 4: Veterinary services.

Report on the audit of compliance with legislation

Introduction and scope

23. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the department with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

24. The material finding on compliance with specific matters in key legislation is as follows:

Expenditure management

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

26. Effective steps were not taken to prevent fruitless and wasteful expenditure of R1 048 000 disclosed in note 26.1 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 interest charged by suppliers due to the late payment of invoices.

Other information

27. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, which includes the accounting officer's report and the audit committee's 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.

28. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

29. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Internal control deficiencies

31. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the annual performance report and the findings on compliance with legislation included in this report.
- The controls to monitor and evaluate the reporting on performance achievements were not effective during the year as the accuracy, validity and completeness of the quarterly performance reports were not validated in a timely manner.
 - Requested information relating to certain performance indicators were submitted late due to an inadequate record keeping system. Population lists supporting the reported achievements of some of the indicators could not be reconciled to the performance report. The lack of adequate validation and reconciliation of the population lists to the performance report, and an inadequate record keeping system, resulted in supporting evidence not being submitted and documents being inaccurate, which led to the material findings in the annual performance report of the department.
 - Oversight of the budget implementation and spending was not effective throughout the year as the budget to pay certain suppliers was depleted, resulting in late payments and interest being charged. This led to fruitless and wasteful expenditure.

Auditor General

East London

31 July 2018



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

ANNEXURE – AUDITOR-GENERAL’S RESPONSIBILITY FOR THE AUDIT

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

Financial statements

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

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

APPROPRIATION PER PROGRAMME											
2017/18											2016/17
APPROPRIATION STATEMENT	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
PROGRAMMES											
1. Administration	446 453	-	6 615	453 068	451 761	1 307	99,7%	453 557	433 493	453 557	433 493
2. Sustainable Resource Management	128 530	-	(3 986)	124 544	124 747	(203)	100,2%	115 211	114 516	115 211	114 516
3. Farmer Support & Development	786 772	-	(743)	786 029	780 441	5 588	99,3%	811 276	805 544	811 276	805 544
4. Veterinary Services	306 725	-	(675)	306 050	305 183	867	99,7%	296 673	295 262	296 673	295 262
5. Research and Technology	123 786	-	124	123 910	123 490	420	99,7%	176 632	176 281	176 632	176 281
6. Agricultural Economics Services	75 699	-	(1 412)	74 287	74 252	35	100,0%	34 569	33 839	34 569	33 839
7. Structured Agricultural Education and Training	148 825	-	912	149 737	146 263	3 474	97,7%	142 969	141 539	142 969	141 539
8. Rural Development	193 629	-	(617)	193 012	192 876	136	99,9%	182 196	182 121	182 196	182 121
Subtotal	2 210 412	-	218	2 210 638	2 199 013	11 625	99,5%	2 213 083	2 182 595	2 213 083	2 182 595
Statutory Appropriation	2 204	-	(218)	1 978	1 978	-	99,6%	2 039	1 934	2 039	1 934
Provincial MEC	2 204	-	(218)	1 978	1 978	-	99,6%	2 039	1 934	2 039	1 934
TOTAL	2 212 616	-	-	2 212 616	2 200 991	11 625	99,5%	2 215 122	2 184 529	2 215 122	2 184 529

	2017/18		2016/17	
	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
TOTAL (brought forward)	2 212 616		2 215 122	
Reconciliation with statement of financial performance				
ADD				
Departmental receipts			-	
Actual amounts per statement of financial performance (total revenue)				
ADD				
Aid assistant	2 212 616		19 575	
Prior year unauthorised expenditure without funding				
Actual amounts per statement of financial performance (total expenditure)	2 212 616	2 200 991	2 234 697	2 184 529

APPROPRIATION PER ECONOMIC CLASSIFICATION										
	2017/18					2016/17				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Economic classification										
Current payments	1 643 702	(1 293)	(15 203)	1 627 206	1 623 833	3 373	99,8%	1 671 814	1 669 561	
Compensation of employees	1 163 021	-	(7 593)	1 155 428	1 154 722	706	99,9%	1 115 071	1 112 748	
Salaries and wages	1 004 465	(124)	(6 446)	997 895	995 794	2 101	99,8%	964 784	960 658	
Social contributions	158 556	124	(1 147)	157 533	158 928	(1 395)	100,9%	150 287	152 090	
Goods and services	479 744	(1 293)	(7 610)	470 841	468 174	2 667	99,4%	556 743	556 760	
Administrative fees	2 163	(440)	(83)	1 640	1 513	127	92,3%	1 386	1 343	
Advertising	8 893	(368)	(275)	8 250	8 633	(384)	104,6%	9 825	8 995	
Minor assets	3 512	(630)	(277)	2 605	1 658	947	63,7%	3 031	3 403	
Audit costs: External	6 780	1 000	-	7 780	7 572	208	97,3%	5 371	5 371	
Bursaries: Employees	635	(460)	-	175	175	-	100,0%	320	320	
Catering: Departmental activities	8 212	269	(669)	7 812	7 430	382	95,1%	8 546	8 217	
Communication	19 371	(171)	(17)	19 183	18 661	522	97,3%	20 045	19 900	
Computer services	21 871	809	(46)	22 634	22 567	67	99,7%	22 068	21 850	
Consultants: Business and advisory services	4 172	(2 094)	(5)	2 073	1 870	203	90,2%	1 462	1 365	
Infrastructure and planning services	4 686	473	(291)	4 868	4 208	660	86,4%	6 039	5 778	
Laboratory services	378	107	-	485	463	22	95,5%	1	-	
Legal services	2 234	(480)	-	1 754	1 721	33	98,1%	2 083	1 782	
Contractors	29 340	(811)	(1 753)	26 776	26 641	135	99,5%	32 391	32 252	
Agency and support / outsourced services	74	2 523	-	2 597	2 584	13	99,5%	-	-	
Entertainment	231	7	1	239	148	91	61,9%	228	210	
Fleet services	23 863	6 801	(843)	29 821	29 772	49	99,8%	23 061	22 451	
Inventory: Clothing material and supplies	135	(2)	-	133	151	(18)	113,5%	-	-	
Inventory: Farming supplies	123 105	1 775	(1 935)	122 945	121 705	1 240	99,0%	228 902	226 482	
Inventory: Food and food supplies	545	(63)	-	482	471	11	97,7%	404	389	
Inventory: Fuel, oil and gas	788	205	-	993	810	183	81,6%	749	727	
Inventory: Learner and teacher support material	30	-	(24)	6	6	-	100,0%	31	28	
Inventory: Materials and supplies	11 533	302	(1 149)	10 686	10 359	327	96,9%	3 151	2 947	
Inventory: Medical supplies	1 503	(390)	-	1 113	1 096	17	98,5%	315	310	

APPROPRIATION PER ECONOMIC CLASSIFICATION									
2017/18									
Economic classification	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Inventory: Medicine	32 284	644	(585)	32 343	32 202	141	99,6%	29 343	29 046
Inventory: Other supplies	9 560	(1 543)	403	8 420	8 235	185	97,8%	2 809	2 670
Consumable supplies	9 151	(2 364)	(20)	6 767	6 137	630	90,7%	19 125	19 714
Consumable: Stationery, printing and office supplies	7 650	(244)	(59)	7 347	6 758	589	92,0%	6 664	6 392
Operating leases	14 895	68	(591)	14 372	13 659	713	95,0%	12 464	11 921
Property payments	15 628	(1 121)	(187)	14 320	16 391	(2 071)	114,5%	13 534	14 591
Transport provided: Departmental activity	673	2)	-	671	671	-	100,0%	-	-
Travel and subsistence	74 675	4 010	826	79 511	83 308	(3 797)	104,8%	75 329	80 791
Training and development	22 185	(3 217)	(1 136)	17 832	17 053	779	95,6%	12 033	12 739
Operating payments	9 531	(3 262)	(295)	5 974	5 580	394	93,4%	7 886	8 167
Venues and facilities	5 097	(1 252)	109	3 954	3 729	225	94,3%	4 319	4 203
Rental and hiring	4 363	(1 372)	1 291	4 282	4 237	45	99,0%	3 829	2 406
Interest on rent on land	937	-	-	937	937	-	100,0%	-	53
Interest paid	937	-	-	937	937	-	100,0%	-	53
Transfers and subsidies	358 458	-	(201)	358 257	357 959	298	99,9%	279 241	278 370
Departmental agencies and accounts	235 107	-	-	235 107	234 806	301	99,9%	197 793	197 767
Departmental agencies and accounts(non-business entities)	235 107	-	-	235 107	234 806	301	99,9%	197 793	197 767
Higher education institutions	54 795	-	-	54 795	54 795	-	100,0%	47 464	47 464
Public corporations and private enterprises	35 476	-	(512)	34 964	34 964	-	100,0%	-	-
Private enterprises	35 476	-	(512)	34 964	34 964	-	100,0%	-	-
Non-profit institutions	7 480	-	-	7 480	7 480	-	100,0%	-	-
Households	25 600	-	311	25 911	25 914	(3)	100,0%	33 984	33 139
Social benefits	21 700	(53)	311	21 958	21 961	(3)	100,0%	27 377	26 532
Other transfers to households	3 900	53	-	3 953	3 953	-	100,0%	6 607	6 607
Payments for capital assets	210 456	1 293	7 404	219 153	211 199	7 954	96,4%	235 046	227 577
Buildings and other fixed structures	141 811	1 304	(5 105)	138 010	137 213	797	99,4%	124 147	122 781
Buildings	93 399	1 411	(4 845)	89 965	89 491	474	99,5%	-	-
Other fixed structures	48 412	(107)	(260)	48 045	47 722	323	99,3%	124 147	122 781

APPROPRIATION PER ECONOMIC CLASSIFICATION									
	2017/18					2016/17			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Economic classification									
Machinery and equipment	68 645	22	12 446	81 113	73 986	7 127	91,2%	78 240	74 009
Transport equipment	30 068	1 397	5 333	36 798	36 658	140	99,6%	28 432	28 547
Other machinery and equipment	38 577	(1 375)	7 113	44 315	37 328	6 987	84,2%	49 808	45 462
Biological assets	-	(33)	63	30	-	30	-	32 659	30 787
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	8 000	8 000	8 000	-	100,0%	29 021	9 021
TOTAL	2 212 616	-	-	2 212 616	2 200 991	11 625	99,5%	2 215 122	2 184 529

STATUTORY APPROPRIATION PER ECONOMIC CLASSIFICATION									
	2017/18					2016/17			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Economic classification									
Current payments	2 204	-	(218)	1 978	1 978	-	100%	2 039	1 934
Compensation of employees	2 204	-	(218)	1 978	1 978	-	100%	2 039	1 934
TOTAL	2 204	-	(218)	1 978	1 978	-	100%	2 039	1 934

PROGRAMME 1: ADMINISTRATION										
	2017/18					2016/17				
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000	
1.1 Office of the MEC	11 428	-	366	11 794	11 788	6	99,9%	10 927	11 020	
1.2 Senior Management	47 650	-	1 848	49 498	49 450	48	99,9%	62 532	41 937	
1.3 Corporate Services	214 219	-	(3 940)	210 279	209 846	433	99,8%	216 261	216 194	
1.4 Financial Management	163 378	-	8 655	172 033	171 819	214	99,9%	155 013	155 511	
1.5 Communication Services	9 778	-	(314)	9 464	8 858	606	93,6%	8 824	8 831	
Total for sub programmes	446 453	-	6 615	453 068	451 761	1 307	99,7%	453 557	433 493	
Economic classification										
Current payments	408 340	(30)	(1 824)	406 486	405 816	670	99,8%	389 001	390 325	
Compensation of employees	292 691	-	(2 238)	290 453	289 970	483	99,8%	282 873	283 657	
Salaries and wages	252 904	-	(1 986)	250 918	250 361	557	99,8%	244 423	245 360	
Social contributions	39 787	-	(252)	39 535	39 609	(74)	100,2%	38 450	38 297	
Goods and services	115 614	(30)	414	115 998	115 810	188	99,8%	106 128	106 668	
Administrative fees	414	(13)	(50)	351	324	27	92,3%	232	294	
Advertising	6 213	641	(199)	6 655	6 609	46	99,3%	7 135	7 159	
Minor assets	803	(29)	-	774	212	562	27,4%	423	299	
Audit costs: External	6 780	-	-	6 780	6 583	197	97,1%	5 371	5 371	
Bursaries: Employees	635	(460)	-	175	175	-	100,0%	320	320	
Catering: Departmental activities	1 952	1	1	1 954	1 902	52	97,3%	2 112	2 020	
Communication	13 819	(155)	(17)	13 647	13 184	463	96,6%	13 412	13 321	
Computer services	15 402	1 267	-	16 669	16 635	34	99,8%	15 690	15 651	
Consultants: Business and advisory services	1 196	465	(5)	1 656	1 458	198	88,0%	1 462	1 365	
Infrastructure and planning services	-	-	-	-	-	-	-	-	-	
Laboratory services	-	-	-	-	-	-	-	-	-	

PROGRAMME 1: ADMINISTRATION										
	2017/18					2016/17				
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000	
Legal services	2 234	(480)	-	1 754	1 721	33	98,1%	2 083	1 782	
Contractors	1 294	(150)	(280)	864	620	244	71,8%	1 175	1 036	
Agency and support / outsourced services										
Entertainment	126	23	1	150	88	62	58,7%	144	133	
Fleet services	5 662	2 022	752	8 436	8 441	(5)	100,1%	3 503	2 964	
Inventory: Clothing material and supplies	-	-	-	-	-	-	-	-	-	
Inventory: Farming supplies	-	142	-	142	32	110	22,5%	75	75	
Inventory: Food and food supplies	100	(12)	-	88	89	(1)	101,1%	50	51	
Inventory: Fuel, oil and gas	30	(19)	-	11	2	9	17,9%	-	-	
Inventory: Materials and supplies	800	(92)	(30)	678	541	137	79,8%	197	162	
Inventory: Medical supplies	72	-	-	72	59	13	81,9%	-	-	
Inventory: Other supplies	-	93	-	93	57	36	61,3%	-	-	
Consumable supplies	1 344	(127)	(2)	1 215	1 008	207	83,0%	1 263	1 125	
Consumable: Stationery, printing and office supplies	2 714	(170)	(26)	2 518	2 112	406	83,9%	2 329	2 084	
Operating leases	11 063	(101)	(66)	10 896	10 392	504	95,4%	9 976	9 800	
Property payments	11 812	(633)	(73)	11 106	13 548	(2 442)	122,0%	10 340	11 616	
Travel and subsistence	20 239	154	468	20 861	21 740	(879)	104,2%	19 634	20 614	
Training and development	5 107	(546)	-	4 561	4 561	-	100,0%	4 037	4 029	
Operating payments	2 898	(1 551)	(189)	1 158	1 165	(7)	100,6%	1 674	1 936	
Venues and facilities	2 626	(285)	129	2 470	2 298	172	93,0%	2 902	2 821	
Rental and hiring	279	(15)	-	264	254	10	96,3%	589	587	
Interest and rent on land	35	-	-	35	36	(1)	102,9%	-	53	
Interest paid	35	-	-	35	36	(1)	102,9%	-	53	

PROGRAMME 1: ADMINISTRATION									
2017/18									
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	21 700	-	311	22 011	22 014	(3)	100,0%	27 377	26 532
Households	21 700	-	311	22 011	22 014	(3)	100,0%	27 377	26 532
Social benefits	21 700	(53)	311	21 958	21 961	(3)	100,0%	27 377	26 532
Other transfers to households	-	53	-	53	53	-	100,0%	-	-
Payments for capital assets	16 414	30	128	16 572	15 931	641	96,1%	17 179	16 636
Machinery and equipment	16 414	30	128	16 572	15 931	641	96,1%	17 179	16 636
Transport equipment	7 179	300	(41)	7 438	7 440	(2)	100,0%	8 186	8 158
Other machinery and equipment	9 235	(270)	169	9 134	8 491	643	93,0%	8 993	8 478
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	8 000	8 000	8 000	-	100,0%	20 000	0
TOTAL	446 453	-	6 615	453 068	451 761	1 307	99,7%	453 557	433 493

1.1 OFFICE OF THE MEC									
2017/18									
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification	11 363	-	383	11 746	11 740	6	100,0%	10 873	11 007
Current payments	4 763	-	(152)	4 611	4 606	5	99,9%	4 696	4 679
Compensation of employees	4 763	-	(152)	4 611	4 606	5	99,9%	4 696	4 679
Goods and services	6 600	-	535	7 135	7 134	1	100,0%	6 177	6 328
Payments for capital assets	65	-	(17)	48	48	-	100,0%	54	13
Machinery and equipment	65	-	(17)	48	48	-	100,0%	54	13
TOTAL	11 428	-	366	11 794	11 788	6	99,9%	10 927	11 020

1.2 SENIOR MANAGEMENT									
2017/18					2016/17				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	47 455	-	1 863	49 318	49 269	49	99,9%	42 346	41 784
Compensation of employees	34 700	-	1 400	36 100	36 088	12	100,0%	31 333	31 332
Goods and services	12 755	-	463	13 218	13 181	37	99,7%	11 013	10 452
Payments for capital assets	195	-	(15)	180	181	(1)	100,6%	186	153
Machinery and equipment	195	-	(15)	180	181	(1)	100,6%	186	153
Payments for financial assets								20 000	0
TOTAL	47 650	-	1 848	49 498	49 450	48	99,9%	62 532	41 937

1.3 CORPORATE SERVICES									
2017/18					2016/17				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	184 485	-	(4 379)	180 106	180 102	4	100,0%	180 352	181 518
Compensation of employees	110 594	-	(3 627)	106 967	106 944	23	100,0%	109 122	110 143
Goods and services	73 864	-	(752)	73 112	73 131	(19)	100,0%	71 230	71 375
Interest and rent on land	27	-	-	27	27	-	100,0%	-	-
Transfers and subsidies	21 700	-	311	22 011	22 014	(3)	100,0%	27 377	26 532
Households	21 700	-	311	22 011	22 014	(3)	100,0%	27 377	26 532
Payments for capital assets	8 034	-	128	8 162	7 730	432	94,7%	8 532	8 144
Machinery and equipment	8 034	-	128	8 162	7 730	432	94,7%	8 532	8 144
TOTAL	214 219	-	(3 940)	210 279	209 846	433	99,8%	216 261	216 194

1.4 FINANCIAL MANAGEMENT									
2017/18							2016/17		
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	155 456	-	593	156 049	155 925	124	99,9%	146 823	147 399
Compensation of employees	136 731	-	(160)	136 571	136 477	94	99,9%	131 434	131 315
Goods and services	18 717	-	753	19 470	19 439	31	99,8%	15 389	16 084
Interest and rent on land	8	-	-	8	9	(1)	112,5%	-	-
Payments for capital assets	7 922	-	62	7 984	7 894	90	98,9%	8 190	8 112
Machinery and equipment	7 922	-	62	7 984	7 894	90	98,9%	8 190	8 112
Software and other intangible assets			8 000	8 000	8 000	-	100,0%	-	-
TOTAL	163 378	-	8 655	172 033	171 819	214	99,9%	155 013	155 511

1.5 COMMUNICATION SERVICES									
2017/18							2016/17		
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	9 580	(30)	(284)	9 266	8 780	486	94,8%	8 607	8 617
Compensation of employees	5 902	-	301	6 203	5 855	348	94,4%	6 288	6 188
Goods and services	3 678	(30)	(685)	3 063	2 925	138	95,5%	2 319	2 429
Payments for capital assets	198	30	(30)	198	78	120	39,4%	217	214
Machinery and equipment	198	30	(30)	198	78	120	39,4%	217	214
TOTAL	9 778	-	(314)	9 464	8 858	606	93,6%	8 824	8 831

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT										
	2017/18					2016/17				
	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 Engineering Service	60 870	-	(2 500)	58 370	58 325	45	99,9%	57 608	57 157	
2.2 Land Care	17 412	-	-	17 412	17 295	117	99,3%	11 632	11 621	
2.3 Land use management	50 248	-	(1 486)	48 762	49 127	(365)	100,7%	45 971	45 738	
Total for sub programmes	128 530	-	(3 986)	124 544	124 747	(203)	100,2%	115 211	114 516	
Economic classification										
Current payments	122 495	-	(4 219)	118 276	118 771	(495)	100,4%	109 461	108 847	
Compensation of employees	90 939	-	(3 500)	87 439	87 396	43	100,0%	82 580	82 360	
Salaries and wages	79 291	(124)	(3 500)	75 667	75 804	(137)	100,2%	71 504	71 431	
Social contributions	11 648	124	-	11 772	11 592	180	98,5%	11 076	10 929	
Goods and services	31 556	-	(719)	30 837	31 375	(538)	101,7%	26 881	26 487	
Administrative fees	293	(115)	(20)	158	152	6	96,2%	175	166	
Advertising	293	(120)	-	173	168	5	97,1%	377	368	
Minor assets	247	(69)	(29)	149	148	1	99,3%	321	242	
Catering: Departmental activities	1 062	(104)	-	958	928	30	96,9%	569	563	
Communication(G&S)	3	(2)	-	1	-	1	-	5	3	
Computer services	770	(108)	-	662	663	(1)	100,1%	962	937	
Infrastructure and planning services								87	87	
Contractors	6 281	2 022	-	8 303	8 212	91	98,9%	6 576	6 560	
Entertainment	5	(3)	-	2	2	-	100,0%	4	2	
Fleet services	2 469	1 049	(377)	3 141	3 141	-	100,0%	2 656	2 607	
Inventory: Farming supplies	3 117	202	-	3 319	3 626	(307)	109,2%	1 414	1 397	
Inventory: fuel, oil and gas	63	268	-	331	211	120	63,7%	78	74	

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT										
	2017/18					2016/17				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
Inventory: Materials and supplies	2 381	(1 024)	-	1 357	1 355	2	99,9%	819	818	
Inventory: Other supplies	652	-	-	652	652	-	100,0%	200	198	
Consumable supplies	2 007	(1 324)	-	683	628	55	91,9%	2 068	2 054	
Consumables: Stationery, printing and office supplies	749	39	-	788	777	11	98,6%	898	823	
Operating leases	572	202	(198)	576	545	31	94,6%	172	132	
Property payments	-	-	-	-	-	-	-	2	-	
Travel and subsistence	8 630	(506)	(34)	8 090	8 687	(597)	107,4%	8 342	8 387	
Training and development	937	(162)	(14)	761	780	(19)	102,5%	317	305	
Operating payments	513	(157)	(47)	309	286	23	92,6%	598	550	
Venues and facilities	177	(87)	-	90	86	4	95,6%	121	97	
Rental and hiring	335	(1)	-	334	328	6	98,2%	120	117	
Payments for capital assets	6 035	-	233	6 268	5 976	292	95,3%	5 750	5 669	
Buildings and other fixed structures	400	-	-	400	400	-	100,0%	-	-	
Other fixed structures	400	-	-	400	400	-	100,0%	-	-	
Machinery and equipment	5 635	-	233	5 868	5 576	292	95,0%	5 750	5 669	
Transport equipment	2 025	286	(2)	2 309	2 307	2	99,9%	1 576	1 812	
Other machinery and equipment	3 610	(286)	235	3 559	3 269	290	91,9%	4 174	3 857	
Total	128 530	-	(3 986)	124 544	124 747	(203)	100,2%	115 211	114 516	

SUB -PROGRAMME 2.1: ENGINEERING SERVICES									
2017/18					2016/17				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	58 026	-	(2 499)	55 527	55 483	44	99,9%	53 946	53 544
Compensation of employees	50 327	-	(2 500)	47 827	47 784	43	99,9%	45 900	45 680
Goods and services	7 699	-	1	7 700	7 699	1	100,0%	8 046	7 864
Payments for capital assets	2 844	-	(1)	2 843	2 842	1	100,0%	3 662	3 613
Buildings and other fixed structures									
Machinery and equipment	2 844	-	(1)	2 843	2 842	1	100,0%	3 662	3 613
Total	60 870	-	(2 500)	58 370	58 325	45	99,9%	57 608	57 157

SUB -PROGRAMME 2.2: LAND CARE									
2017/18					2016/17				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	16 037	-	-	16 037	16 130	(93)	100,6%	11 632	11 621
Goods and services	16 037	-	-	16 037	16 130	(93)	100,6%	11 632	11 621
Payments for capital assets	1 375	-	-	1 375	1 165	210	84,7%	-	-
Buildings and other fixed structures	400	-	-	400	400	-	100,0%	-	-
Machinery and equipment	975	-	-	975	765	210	78,5%	-	-
Total	17 412	-	-	17 412	17 295	117	99,3%	11 632	11 621

SUB -PROGRAMME 2.3: LAND USE MANAGEMENT										
2017/18										2016/17
	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	R'000
Economic classification										
Current payments	48 432	-	(1 720)	46 712	47 158	(446)	101,0%	43 883	43 682	
Compensation of employees	40 612	-	(1 000)	39 612	39 612	-	100,0%	36 680	36 680	
Goods and services	7 820	-	(720)	7 100	7 546	(446)	106,3%	7 203	7 002	
Payments for capital assets	1 816	-	234	2 050	1 969	81	96,0%	2 088	2 056	
Machinery and equipment	1 816	-	234	2 050	1 969	81	96,0%	2 088	2 056	
Total	50 248	-	(1 486)	48 762	49 127	(365)	100,7%	45 971	45 738	

PROGRAMME 3: FARMER SUPPORT AND DEVELOPMENT									
2017/18									
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.1 Farmer Settlement	214 473	-	(933)	213 540	209 891	3 649	98,3%	239 912	236 065
3.2 Extension and Advisory Service	410 820	-	(878)	409 942	409 201	741	99,8%	391 628	391 217
3.3 Food Security	161 479	-	1 068	162 547	161 349	1 198	99,3%	179 736	178 262
Total for sub programmes	786 772	-	(743)	786 029	780 441	5 588	99,3%	811 276	805 544
Economic classification									
Current payments	562 968	(1 400)	(4 968)	556 600	554 186	2 414	99,6%	648 474	646 086
Compensation of employees	344 698	-	(2 299)	342 399	342 341	58	100,0%	328 566	327 312
Salaries and wages	296 112	-	(1 759)	294 353	294 507	(154)	100,1%	283 150	281 820
Social contributions	48 586	-	(540)	48 046	47 834	212	99,6%	45 416	45 492
Goods and services	218 270	(1 400)	(2 669)	214 201	211 845	2 356	98,9%	319 908	318 774
Administrative fees	293	(58)	(12)	223	222	1	99,6%	227	228
Advertising	1 990	(820)	(76)	1 094	1 560	(466)	142,6%	1 952	1 113
Minor assets	1 042	(332)	(165)	545	435	110	79,8%	593	562
Catering: Departmental activities	2 033	19	-	2 052	2 069	(17)	100,8%	2 195	2 124
Communication	5 389	13	-	5 402	5 401	1	100,0%	6 523	6 512
Computer services	4 893	(394)	-	4 499	4 499	-	100,0%	3 193	3 193
Consultants: Business and advisory services	2 971	(2 559)	-	412	412	-	100,0%	-	-
Infrastructure and planning services	2 735	483	-	3 218	3 180	38	98,8%	5 618	5 509
Contractors	16 136	(863)	(32)	15 241	14 617	624	95,9%	20 133	20 532
Agency and support / outsourced services	62	2 523	-	2 585	2 582	3	99,9%	-	-
Entertainment	16	(4)	-	12	8	4	66,7%	16	16
Fleet services	9 351	2 515	(945)	10 921	10 921	-	100,0%	8 696	8 693
Inventory: Clothing material and supplies	71	1	-	72	88	(16)	122,2%	-	-

PROGRAMME 3: FARMER SUPPORT AND DEVELOPMENT										
2017/18										
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	2016/17
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Inventory: Farming supplies	117 950	(538)	(1 921)	115 491	114 528	963	99,2%	221 027	219 463	
Inventory: Food and food supplies	359	(17)	-	342	340	2	99,4%	299	292	
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	158	158	
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-	
Inventory: Materials and supplies	5 804	1 597	(1 032)	6 369	6 261	108	98,3%	847	843	
Inventory: Medical supplies	-	2	-	2	2	-	100%	-	-	
Inventory: Medicine	-	-	-	-	-	-	-	-	-	
Inventory: Other supplies	5 931	(1 994)	284	4 221	3 729	492	88,3%	108	101	
Consumable supplies	3 104	(325)	-	2 779	2 717	62	97,8%	13 900	13 713	
Consumable: Stationery, printing and office supplies	2 085	(49)	-	2 036	2 014	22	98,9%	1 894	1 942	
Operating leases	2 523	(383)	(120)	2 020	2 035	(15)	100,7%	1 621	1 451	
Property payments	1 997	(126)	-	1 871	1 726	145	92,3%	2 078	2 048	
Transport provided: Departmental activity	673	(2)	-	671	671	-	100,0%	-	-	
Travel and subsistence	20 281	3 930	(50)	24 161	24 177	(17)	100,1%	21 736	23 684	
Training and development	3 260	(1 347)	-	1 913	1 913	-	100,0%	692	1 489	
Operating payments	2 575	(483)	-	2 092	1 762	330	84,2%	2 668	2 652	
Venues and facilities	1 843	(801)	-	1 042	1 030	12	98,9%	1 223	1 221	
Rental and hiring	2 904	(1 388)	1 400	2 916	2 946	(30)	101,0%	2 511	1 235	
Transfers and subsidies	65 514	-	(512)	65 002	65 002	-	100,0%	18 157	18 157	
Departmental agencies and account	20 658	-	-	20 658	20 658	-	100,0%	14 550	14 550	
Departmental agencies and account(non-business entities)	20 658	-	-	20 658	20 658	-	100,0%	14 550	14 550	
Public corporations and private enterprises	35 476	-	(512)	34 964	34 964	-	100,0%	-	-	
Private enterprises	35 476	-	(512)	34 964	34 964	-	100,0%	-	-	
Other transfers to private enterprises	35 476	-	(512)	34 964	34 964	-	100,0%	-	-	

PROGRAMME 3: FARMER SUPPORT AND DEVELOPMENT									
2017/18									
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Non-Profit institutions	7 480	-	-	7 480	7 480	-	100,0%		
Households	1 900	-	-	1 900	1 900	-	100,0%	3 607	3 607
Other transfers to households	1 900	-	-	1 900	1 900	-	100,0%	3 607	3 607
Payments for capital assets	158 290	1 400	4 737	164 427	161 253	3 174	98,1%	144 645	141 301
Buildings and other fixed structures	129 450	1 400	(4 790)	126 060	125 417	643	99,5%	107 674	106 436
Buildings	88 275	1 507	(4 734)	85 048	84 611	437	99,5%	-	-
Other fixed structures	41 175	(107)	(56)	41 012	40 806	206	99,5%	107 674	106 436
Machinery and equipment	28 840	-	9 527	38 367	35 836	2 531	93,4%	36 971	34 865
Transport equipment	11 975	77	5 436	17 488	17 347	141	99,2%	11 411	11 403
Other machinery and equipment	16 865	(77)	4 091	20 879	18 489	2 390	88,6%	25 560	23 462
Total	786 772	-	(743)	786 029	780 441	5 588	99,3%	811 276	805 544

SUB - PROGRAMME 3.1: FARMER SETTLEMENT									
2017/18									
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	56 949	(1 400)	(122)	55 427	54 658	769	98,6%	117 913	116 818
Compensation of employees	15 837	-	103	15 940	15 943	(3)	100,0%	14 969	14 969
Goods and services	41 112	(1 400)	(225)	39 487	38 715	772	98,0%	102 944	101 849
Transfer and subsidies	21 958	-	-	21 958	21 958	-	100,0%	12 000	12 000
Departmental agencies and accounts	13 658	-	-	13 658	13 658	-	100,0%	12 000	12 000
Public corporations and private enterprises	8 300	-	-	8 300	8 300	-	100,0%	-	-

SUB -PROGRAMME 3.1: FARMER SETTLEMENT									
2017/18							2016/17		
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
Payments for capital assets	135 566	1 400	(811)	136 155	133 275	2 880	97,9%	109 999	107 247
Buildings and other fixed structures	128 467	1 400	(4 790)	125 077	124 460	617	99,5%	96 373	95 305
Machinery and equipment	7 099	-	3 979	11 078	8 815	2 263	79,6%	13 626	11 942
Total	214 473	-	(933)	213 540	209 891	3 649	98,3%	239 912	236 065

SUB -PROGRAMME 3.2: EXTENSION AND ADVISORY SERVICES									
2017/18							2016/17		
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	389 332	-	(3 050)	386 282	385 761	521	99,9%	366 566	366 287
Compensation of employees	326 257	-	(2 000)	324 257	324 195	62	100,0%	311 080	310 216
Goods and services	63 075	-	(1 050)	62 025	61 566	459	99,3%	55 486	56 071
Transfer and subsidies								3 607	3 607
Payments for capital assets	21 488	-	2 172	23 660	23 440	220	99,1%	21 455	21 323
Machinery and equipment	21 488	-	2 172	23 660	23 440	220	99,1%	21 455	21 323
Total	410 820	-	(878)	409 942	409 201	741	99,8%	391 628	391 217

SUB -PROGRAMME 3.3: FOOD SECURITY									
2017/18					2016/17				
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	116 687	-	(1 796)	114 891	113 767	1 124	99,0%	163 995	162 961
Compensation of employees	2 604	-	(402)	2 202	2 203	(1)	100,0%	2 517	2 127
Goods and services	114 083	-	(1 394)	112 689	111 564	1 125	99,0%	161 478	160 854
Transfers and subsidies	43 556	-	(512)	43 044	43 044	-	100,0%	2 550	2 550
Departmental agencies and accounts	7 000	-	-	7 000	7 000	-	100,0%	2 550	2 550
Public corporations and private enterprises	27 176	-	(512)	26 664	26 664	-	100,0%	-	-
Non-profit institutions	7 480	-	-	7 480	7 480	-	100,0%	-	-
Households	1 900	-	-	1 900	1 900	-	100,0%	-	-
Payments for capital assets	1 236	-	3 376	4 612	4 538	74	98,4%	13 191	12 731
Buildings and other fixed structures	983	-	-	983	957	26	97,4%	11 301	11 131
Machinery and equipment	253	-	3 376	3 629	3 581	48	98,7%	1 890	1 600
Total	161 479	-	1 068	162 547	161 349	1 198	99,3%	179 736	178 262

PROGRAMME 4: VETERINARY SERVICES										
2017/18										
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	2016/17
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
1.1 Animal Health	261 061	-	(599)	260 462	260 337	125	100,0%	256 606	256 016	
4.2 Export Control	9 541	87	(153)	9 475	9 403	72	99,2%	8 613	8 491	
4.3 Veterinary Public Health	16 190	-	(1 084)	15 106	14 955	151	99,0%	14 901	14 650	
4.4 Veterinary Laboratory Services	19 933	(87)	1 161	21 007	20 488	519	97,5%	16 553	16 105	
Total for sub programmes	306 725	-	(675)	306 050	305 183	867	99,7%	296 673	295 262	
Economic classification										
Current payments	297 566	87	(754)	296 899	296 453	446	99,8%	278 671	277 721	
Compensation of employees	233 119	-	809	233 928	233 885	43	100,0%	219 932	219 723	
Salaries and wages	202 170	-	809	202 979	201 662	1 317	99,4%	190 654	189 829	
Social contributions	30 949	-	-	30 949	32 223	(1 274)	104,1%	29 278	29 894	
Goods and services	63 779	87	(1 563)	62 303	61 899	404	99,4%	58 739	57 998	
Administrative fees	530	(185)	-	345	290	55	84,2%	285	274	
Advertising	292	(80)	-	212	182	30	86,1%	359	354	
Minor assets	757	(61)	(83)	613	572	41	93,4%	1 353	296	
Catering: Departmental activities	214	333	(335)	212	224	(12)	105,7%	391	384	
Communication	67	(9)	-	58	30	28	52,2%	51	36	
Computer services	51	-	-	51	50	1	98,0%	50	48	
Infrastructure and planning services										
Laboratory services	378	107	-	485	463	22	95,5%	1	-	
Contractors	1 020	(468)	-	552	416	136	75,4%	259	234	
Entertainment	6	-	-	6	6	-	100,0%	9	9	
Fleet services	4 454	497	(2)	4 949	4 946	3	99,9%	4 917	4 914	

PROGRAMME 4: VETERINARY SERVICES										
	2017/18					2016/17				
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000	
Inventory: Farming supplies	1	6	-	7	7	-	100,0%	51	32	
Inventory: Food and food supplies	30	(4)	-	26	26	-	100,0%	-	-	
Inventory: Fuel, oil and gas	155	(44)	-	111	110	1	99,1%	110	109	
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	3	-	
Inventory: Materials and supplies	37	31	-	68	60	8	88,2%	23	18	
Inventory: Medical supplies	1 431	(392)	-	1 039	1 035	4	99,6%	305	301	
Inventory: Medicine	31 983	505	(585)	31 903	31 793	110	99,7%	28 951	28 717	
Inventory: Other supplies	786	(44)	(46)	696	793	(97)	113,9%	828	719	
Consumable supplies	892	(376)	(3)	513	458	55	89,3%	322	1 340	
Consumable: Stationery, printing and office supplies	1 088	(21)	(13)	1 054	973	81	92,3%	822	869	
Operating leases	318	160	(10)	468	333	135	71,2%	290	191	
Property payments	289	(5)	-	284	244	40	85,9%	202	202	
Travel and subsistence	15 696	916	(424)	16 188	16 505	(318)	102,0%	16 854	16 623	
Training and development	260	(100)	-	160	160	-	100,0%	-	-	
Operating payments	2 495	(633)	(42)	1 820	1 738	82	95,5%	2 252	2 283	
Venues and facilities	344	(29)	(20)	295	295	-	100,0%	3	2	
Rental and hiring	207	(17)	-	190	188	2	98,9%	48	43	
Interest and rent on land	669	-	-	669	669	-	100,0%	-	-	
Interest (Incl. interest on unitary payments (PPP))	669	-	-	669	669	-	100,0%	-	-	
Payments for capital assets	9 159	(87)	79	9 151	8 730	421	95,4%	8 981	8 520	
Building and other fixed structures	96	(96)	56	56	55	1	98,2%	568	566	
Machinery and equipment	9 063	9	23	9 095	8 675	420	95,4%	8 413	7 954	

PROGRAMME 4: VETERINARY SERVICES									
2017/18					2016/17				
	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	5 420	-	(34)	5 386	5 386	-	100,0%	4 106	4 029
Other machinery and equipment	3 643	9	57	3 709	3 289	420	88,7%	4 307	3 925
Payment of financial assets	-	-	-	-	-	-	-	9 021	9 021
Total	306 725	-	(675)	306 050	305 183	867	99,7%	296 673	295 262

SUB-PROGRAMME 4.1: ANIMAL HEALTH									
2017/18					2016/17				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	253 281	-	(585)	252 696	252 697	(1)	100,0%	240 956	240 557
Compensation of employees	198 647	-	(61)	198 586	198 587	(1)	100,0%	190 292	190 292
Goods and services	53 965	-	(624)	53 441	53 441	-	100,0%	50 664	50 265
Payments for capital assets	7 780	-	(14)	7 766	7 640	126	98,4%	6 629	6 438
Machinery and equipment	7 780	-	(14)	7 766	7 640	126	98,4%	6 629	6 438
Payment of financial assets	-	-	-	-	-	-	-	9 021	9 021
Total	261 061	-	(599)	260 462	260 337	125	100,0%	256 606	256 016

SUB -PROGRAMME 4.2: EXPORT CONTROL									
2017/18					2016/17				
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	9 416	87	(159)	9 344	9 277	67	99,3%	8 331	8 309
Compensation of employees	7 659	-	(65)	7 594	7 594	0	100,0%	6 596	6 597
Goods and services	1 757	87	(94)	1 750	1 683	67	96,2%	1 735	1 712
Payments for capital assets	125	-	6	131	126	5	96,2%	282	182
Machinery and equipment	125	-	6	131	126	5	96,2%	282	182
Total	9 541	87	(153)	9 475	9 403	72	99,2%	8 613	8 491

SUB -PROGRAMME 4.3: VETERINARY PUBLIC HEALTH									
2017/18					2016/17				
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	15 958	-	(1 084)	14 874	14 809	65	99,6%	14 680	14 471
Compensation of employees	12 972	-	(724)	12 248	12 249	(1)	100,0%	12 178	12 177
Goods and services	2 986	-	(360)	2 626	2 560	66	97,5%	2 502	2 294
Payments for capital assets	232	-	-	232	146	86	62,9%	221	179
Machinery and equipment	232	-	-	232	146	86	62,9%	221	179
Total	16 190	-	(1 084)	15 106	14 955	151	99,0%	14 901	14 650

SUB - PROGRAMME 4.4: VETERINARY LAB SERVICE									
2017/18					2016/17				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	18 911	-	1 074	19 985	19 670	315	98,4%	14 704	14 384
Compensation of employees	13 840	-	1 659	15 499	15 455	44	99,7%	10 866	10 657
Goods and services	5 071	-	(585)	4 486	4 215	271	94,0%	3 838	3 727
Payments for capital assets	1 022	(87)	87	1 022	818	204	80,0%	1 849	1 721
Building and other fixed structure	96	(96)	56	56	55	1	98,2%	568	566
Machinery and equipment	926	9	31	966	763	203	79,0%	1 281	1 155
Total	19 933	(87)	1 161	21 007	20 488	519	97,5%	16 553	16 105

PROGRAMME 5: RESEARCH AND TECHNOLOGY DEVELOPMENT									
2017/18					2016/17				
	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
5.1 Research	115 032	(45)	481	115 468	115 381	87	99,9%	147 584	147 219
5.2 Technology Transfer Services	7 192	45	(292)	6 945	6 623	322	95,4%	27 570	27 654
5.3 Infrastructure Support Service	1 562	-	(65)	1 497	1 486	11	99,3%	1 478	1 408
Total for sub programmes	123 786	-	124	123 910	123 490	420	99,7%	176 632	176 281
Economic classification									
Current payments	117 605	(8)	137	117 734	117 705	29	100,0%	117 662	119 526
Compensation of employees	102 901	-	(824)	102 077	102 068	9	100,0%	101 359	101 357
Salaries and wages	88 460	-	(694)	87 766	87 618	148	99,8%	87 731	86 844
Social contributions	14 441	-	(130)	14 311	14 450	(139)	101,0%	13 628	14 513
Goods and services	14 704	(8)	961	15 657	15 637	20	99,9%	16 303	18 169

PROGRAMME 5: RESEARCH AND TECHNOLOGY DEVELOPMENT										
	2017/18					2016/17				
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000	
Administrative fees	521	-	-	521	501	20	96,2%	349	302	
Advertising	33	-	-	33	33	-	100,0%	-	-	
Minor assets	331	-	-	331	170	161	51,4%	239	1914	
Catering: Departmental activities	46	-	-	46	37	9	80,4%	91	76	
Communication	31	-	-	31	7	24	22,6%	20	12	
Computer services	755	44	(46)	753	720	33	95,6%	1 978	1 827	
Consultants: Business and advisory services	5	-	-	5	-	5	-	-	-	
Infrastructure and planning services	650	-	-	650	360	290	55,4%	317	165	
Contractors	1 894	(900)	(21)	973	790	183	81,2%	2 056	1 846	
Entertainment	37	-	-	37	17	20	45,9%	23	18	
Fleet services	345	360	(5)	700	660	40	94,3%	339	323	
Inventory: Clothing material and supplies	-	-	-	-	-	-	-	-	-	
Inventory: Farming supplies	1 494	500	(14)	1 980	1 678	302	84,7%	2 775	2 128	
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-	
Inventory: Fuel, oil and gas	515	-	-	515	477	38	92,6%	403	386	
Inventory: Learner and teacher support material	30	-	(24)	6	6	-	100,0%	28	28	
Inventory: Materials and supplies	608	-	(27)	581	519	62	89,3%	635	457	
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-	
Inventory: Medicine	217	150	-	367	350	17	95,4%	336	275	
Inventory: Other supplies	42	-	-	42	42	-	100,0%	66	57	
Consumable supplies	829	84	(51)	862	638	224	74,0%	641	600	
Consumable: Stationery, printing and office supplies	373	31	-	404	389	15	96,3%	315	304	
Operating leases	52	-	(27)	25	25	-	100,0%	56	50	

PROGRAMME 5: RESEARCH AND TECHNOLOGY DEVELOPMENT										
2017/18										
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	2016/17
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Property payments	629	(193)	-	436	258	178	59,2%	385	199	
Travel and subsistence	4 418	(67)	1 193	5 544	7 159	(1 615)	129,1%	4 214	6 352	
Training and development	5	-	-	5	-	5	-	-	-	
Operating payments	297	(75)	(17)	205	280	(75)	136,6%	451	401	
Venues and facilities	-	38	-	38	-	38	-	30	29	
Rental and hiring	547	20	-	567	521	46	91,9%	556	420	
Transfers and subsidies	3 301	-	-	3 301	3 000	301	90,9%	20 700	20 700	
Departmental agencies and accounts	3 301	-	-	3 301	3 000	301	90,9%	20 700	20 700	
Departmental accounts(non-business entities)	3 301	-	-	3 301	3 000	301	90,9%	20 700	20 700	
Payments for capital assets	2 880	8	(13)	2 875	2 785	90	96,9%	38 270	36 055	
Buildings and other fixed structures	125	-	-	125	110	15	88,0%	2 310	2 304	
Other fixed structures	125	-	-	125	110	15	88,0%	2 310	2 304	
Machinery and equipment	2 755	8	(13)	2 750	2 675	75	97,3%	3 301	2 964	
Transport equipment	738	519	(6)	1 251	1 251	-	100,0%	703	700	
Other machinery and equipment	2 017	(511)	(7)	1 499	1 424	75	95,0%	2 598	2 264	
Biological assets								32 659	30 787	
Total	123 786	-	124	123 910	123 490	420	99,7%	176 632	176 281	

SUB -PROGRAMME 5.1: RESEARCH										
	2017/18					2016/17				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Current payments	112 277	(53)	494	112 718	112 706	12	100,0%	109 326	111 140	
Compensation of employees	100 279	-	(694)	99 585	99 584	1	100,0%	96 841	96 840	
Goods and services	11 998	(53)	1 188	13 133	13 122	11	99,9%	12 485	14 300	
Payments for capital assets	2 755	8	(13)	2 750	2 675	75	97,3%	38 258	36 079	
Buildings and fixed structures								2 310	2 304	
Machinery and equipment	2 755	8	(13)	2 750	2 675	75	97,3%	3 289	2 988	
Biological assets								32 659	30 787	
Total	115 032	(45)	481	115 468	115 381	87	99,9%	147 584	147 219	

SUB -PROGRAMME 5.2: TECHNOLOGY TRANSFER SERVICES										
	2017/18					2016/17				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Current payments	3 766	45	(292)	3 519	3 513	6	99,8%	6 858	6 942	
Compensation of employees	2 622	-	(130)	2 492	2 484	8	99,7%	4 518	4 517	
Goods and services	1 144	45	(162)	1 027	1 029	(2)	100,2%	2 340	2 425	
Transfers and subsidies	3 301	-	-	3 301	3 000	301	90,9%	20 700	20 700	
Departmental agencies and accounts	3 301	-	-	3 301	3 000	301	90,9%	20 700	20 700	
Payments for capital assets	125	-	-	125	110	15	88,0%	12	12	
Machinery and equipment								12	12	
Total	7 192	45	(292)	6 945	6 623	322	95,4%	27 570	27 654	

SUB -PROGRAMME 5.3: INFRASTRUCTURE SUPPORT SERVICES									
2017/18					2016/17				
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	1 562	-	(65)	1 497	1 486	11	99,3%	1 478	1 444
Compensation of employees									-
Goods and services	1 562	-	(65)	1 497	1 486	11	99,3%	1 478	1 444
Payments for capital assets	-	-	-	-	-	-	-	-	(36)
Machinery and equipment	-	-	-	-	-	-	-	-	(36)
Total	1 562	-	(65)	1 497	1 486	11	99,3%	1 478	1 408

PROGRAMME 6: AGRICULTURAL ECONOMICS									
2017/18					2016/17				
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
6.1 Agri-business Development & Support	48 982	51	(284)	48 749	48 714	35	99,9%	9 186	9 093
6.2 Macro-Economics and Statistics	26 717	(51)	(1 128)	25 538	25 538	-	100,0%	25 383	24 746
Total for sub programmes	75 699	-	(1 412)	74 287	74 252	35	100,0%	34 569	33 839
Economic classification									
Current payments	30 028	58	(1 482)	28 604	28 585	19	99,9%	29 296	28 623
Compensation of employees	26 925	-	(1 127)	25 798	25 799	(1)	100,0%	25 315	24 526
Salaries and wages	23 516	-	(982)	22 534	22 496	38	99,8%	22 125	21 390
Social contributions	3 409	-	(145)	3 264	3 303	(39)	101,2%	3 190	3 136
Goods and services	3 103	58	(355)	2 806	2 786	20	99,3%	3 981	4 097
Administrative fees	68	(37)	(1)	30	8	22	26,7%	53	52
Advertising	-	60	-	60	59	1	98,3%	-	-

PROGRAMME 6: AGRICULTURAL ECONOMICS									
2017/18									
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Minor assets	125	(91)	-	34	26	8	76,5%	13	12
Catering: Departmental activities	199	(47)	(3)	149	141	8	94,6%	49	47
Computer services								195	194
Infrastructure and planning services	10	(10)	-	-	-	-	-	17	17
Contractors								30	29
Entertainment	6	(2)	-	4	4	-	100,0%	6	6
Fleet services	177	358	(265)	270	269	1	99,6%	1 198	1 198
Inventory: Farming supplies								-	-
Inventory: Food and food supplies	6	(6)	-	-	-	-	-	-	-
Inventory: Materials and supplies								-	-
Consumable supplies	94	(86)	-	8	8	-	100,0%	82	37
Consumable: Stationery, printing and office supplies	185	(40)	-	145	124	21	85,5%	114	114
Property payments									
Travel and subsistence	1 760	92	(86)	1 766	1 825	(59)	103,3%	2 054	2 228
Operating payments	366	(45)	-	321	302	19	94,1%	160	153
Venues and facilities	107	(88)	-	19	20	(1)	105,3%	10	10
Rental and hiring								-	-
Transfers and subsidies	45 059	-	-	45 059	45 059	-	100,0%	4 818	4 814
Departmental agencies and accounts	45 059	-	-	45 059	45 059	-	100,0%	4 818	4 814
Departmental agencies	45 059	-	-	45 059	45 059	-	100,0%	4 818	4 814
Payments for capital assets	612	(58)	70	624	608	16	97,4%	455	402
Building and other fixtures	-	-	-	-	-	-	-	-	-
Machinery and equipment	612	(58)	70	624	608	16	97,4%	455	402
Transport equipment	131	265	(4)	392	392	-	100,0%	44	44
Other machinery and equipment	481	(323)	74	232	216	16	93,1%	411	358
Total	75 699	-	(1 412)	74 287	74 252	35	100,0%	34 569	33 639

SUB -PROGRAMME 6.1: AGRICULTURE DEVELOPMENT AND SUPPORT									
2017/18					2016/17				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	3 671	51	(311)	3 411	3 406	5	99,9%	4 141	4 079
Compensation of employees	2 982	-	11	2 993	2 994	(1)	100,0%	2 933	2 882
Goods and services	689	51	(322)	418	412	6	98,6%	1 208	1 197
Transfers and subsidies	45 059	-	-	45 059	45 059	-	100,0%	4 818	4 814
Departmental agencies and accounts	45 059	-	-	45 059	45 059	-	100,0%	4 818	4 814
Payments for capital assets	252	-	27	279	249	30	89,2%	227	200
Building and other fixtures									
Machinery and equipment	252	-	27	279	249	30	89,2%	227	200
Total	48 982	51	(284)	48 749	48 714	35	99,9%	9 186	9 093

SUB -PROGRAMME 6.2: MACRO-ECONOMICS AND STATISTICS									
2017/18					2016/17				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	26 357	7	(1 171)	25 193	25 179	14	99,9%	25 155	24 544
Compensation of employees	23 943	-	(1 138)	22 805	22 805	-	100,0%	22 382	21 644
Goods and services	2 414	7	(33)	2 388	2 374	14	99,4%	2 773	2 900
Payments for capital assets	360	(58)	43	345	359	(14)	104,1%	228	202
Machinery and equipment	360	(58)	43	345	359	(14)	104,1%	228	202
Total	26 717	(51)	(1 128)	25 538	25 538	-	100,0%	25 383	24 746

PROGRAMME 7: STRUCTURED AGRICULTURAL TRAINING									
2017/18									
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
7.1 Higher education and Training	54 795	-	-	54 795	54 795	-	100,0%	47 464	47 464
7.2 Further Education and Training	94 030	-	912	94 942	91 468	3 474	96,3%	95 505	94 075
Total for sub programmes	148 825	-	912	149 737	146 263	3 474	97,7%	142 969	141 539
Economic classification									
Current payments	78 594	-	(1 377)	77 217	77 058	159	99,8%	76 363	75 719
Compensation of employees	53 994	-	1 934	55 928	55 894	34	99,9%	56 916	56 389
Salaries and wages	45 879	-	1 934	47 813	47 934	(121)	100,3%	49 292	48 274
Social contributions	8 115	-	-	8 115	7 960	155	98,1%	7 624	8 115
Goods and services	24 367	-	(3 311)	21 056	20 932	124	99,4%	19 447	19 330
Administrative fees	12	-	-	12	12	-	100,0%	34	27
Advertising	69	(46)	-	23	22	1	95,7%	0	-
Minor assets	175	(21)	-	154	91	63	59,1%	89	78
Catering: Departmental activities	2 420	-	(155)	2 265	2 001	264	88,3%	3 028	2 892
Communication	60	(18)	-	42	38	4	90,5%	33	16
Computer services									
Consultants: Business and advisory services									
Infrastructure and planning services	1 291	-	(291)	1 000	668	332	66,8%	-	-
Contractors	1 606	36	(1 270)	372	1 515	(1 143)	407,3%	1 262	1 130
Agency and support / outsourced services	12	-	-	12	2	10	16,7%	-	-
Entertainment	9	(1)	-	8	4	4	50,0%	9	9
Fleet services	1 405	-	(1)	1 404	1 394	10	99,3%	1 540	1 540
Inventory: Farming supplies	543	1 463	-	2 006	1 834	172	91,4%	3 560	3 387

PROGRAMME 7: STRUCTURED AGRICULTURAL TRAINING										
	2017/18					2016/17				
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000	
Inventory: Food and food supplies	50	(24)	-	26	16	10	61,5%	55	46	
Inventory: Fuel, oil and gas	25	-	-	25	10	15	40,0%	-	-	
Inventory: Learner and teacher support material										
Inventory: Materials and supplies	246	32	(60)	218	217	1	99,5%	21	21	
Inventory: Medical supplies								10	9	
Inventory: Medicine	84	(11)	-	73	59	14	80,8%	56	54	
Inventory: Other supplies	89	(7)	(56)	26	272	(246)	1046,2%	271	259	
Consumable supplies	236	(3)	-	233	211	22	90,6%	304	300	
Consumable: Stationery, printing and office supplies	229	(8)	-	221	206	15	93,2%	109	78	
Operating leases	307	213	(170)	350	329	21	94,0%	348	296	
Property payments	264	-	(114)	150	140	10	93,3%	87	86	
Travel and subsistence	2 264	(238)	(72)	1 954	2 233	(279)	114,3%	1 596	2 019	
Training and development	12 586	(1 062)	(1 122)	10 402	9 611	791	92,4%	6 888	6 887	
Operating payments	374	(305)	-	69	47	22	68,1%	73	192	
Rental and hiring	11	-	-	11	-	11	-	-	-	
Interest and rent on land	233	-	-	233	232	1	99,6%	5	4	
Transfers and subsidies	54 795	-	-	54 795	54 795	-	100,0%	47 464	47 464	
Non-profit institutions	-	-	-	-	-	-	-	-	-	
Higher Education	54 795	-	-	54 795	54 795	-	100,0%	47 464	47 464	
Payments for capital assets	15 436	-	2 289	17 725	14 410	3 315	81,3%	19 142	18 356	
Buildings and other fixed structures	10 240	-	(204)	10 036	9 901	135	98,7%	13 595	13 475	
Buildings	3 528	-	-	3 528	3 495	33	99,1%	-	-	
Other fixed structures	6 712	-	(204)	6 508	6 406	102	98,4%	13 595	13 475	

PROGRAMME 7: STRUCTURED AGRICULTURAL TRAINING									
2017/18									
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Machinery and equipment	5 196	33	2 430	7 659	4 509	3 150	58,9%	5 547	4 881
Transport equipment	2 600	(50)	(16)	2 534	2 535	(1)	100,0%	2 178	2 178
Other machinery and equipment	2 596	83	2 446	5 125	1 974	3 151	38,5%	3 369	2 703
Biological Assets	-	(33)	63	30	-	30	-	-	-
Total	148 825	-	912	149 737	146 263	3 474	97,7%	142 969	141 539

SUB -PROGRAMME 7.1: HIGHER EDUCATION AND TRAINING									
2017/18									
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification	54 795	-	-	54 795	54 795	-	100,0%	47 464	47 464
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Non-profit institutions	54 795	-	-	54 795	54 795	-	100,0%	47 464	47 464
Higher education	54 795	-	-	54 795	54 795	-	100,0%	47 464	47 464
Total	54 795	-	-	54 795	54 795	-	100,0%	47 464	47 464

SUB -PROGRAMME 7.2: FURTHER EDUCATION AND TRAINING									
2017/18									
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification	78 594	-	(1 377)	77 217	77 058	159	99,8%	76 363	75 719
Current payments	53 994	-	1 934	55 928	55 894	34	99,9%	56 916	56 389
Compensation of employees									

SUB -PROGRAMME 7.2: FURTHER EDUCATION AND TRAINING									
2017/18									
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Goods and services	24 367	-	(3 311)	21 056	20 932	124	99,4%	19 447	19 330
Interest and rent on land	233	-	-	233	232	1	99,6%	-	-
Payments for capital assets	15 436	-	2 289	17 725	14 410	3 315	81,3%	19 142	18 356
Buildings and other fixed structures	10 240	-	(204)	10 036	9 901	135	98,7%	13 595	13 475
Machinery and equipment	5 196	33	2 430	7 659	4 509	3 150	58,9%	5 547	4 881
Total	94 030	-	912	94 942	91 468	3 474	96,3%	95 505	94 075

PROGRAMME 8: RURAL DEVELOPMENT									
2017/18									
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
8.1 Development Planning and Monitoring	190 348	(73)	1 079	191 354	191 258	96	99,9%	156 204	156 203
8.2 Social Facilitation	3 281	73	(1 696)	1 658	1 618	40	97,6%	25 992	25 918
Total for sub programmes	193 629	-	(617)	193 012	192 876	136	99,9%	182 196	182 121
Economic classification									
Current payments	23 910	-	(498)	23 412	23 281	131	99,4%	20 847	20 780
Compensation of employees	15 559	-	(130)	15 429	15 391	38	99,8%	15 491	15 490
Salaries and wages	14 025	-	(50)	13 975	13 727	248	98,2%	14 141	14 059
Social contributions	1 534	-	(80)	1 454	1 664	(210)	114,4%	1 350	1 431
Goods and services	8 351	-	(368)	7 983	7 890	93	98,8%	5 356	5 290
Administrative fees	32	(32)	-	-	4	(4)	-	31	-

PROGRAMME 8: RURAL DEVELOPMENT										
	2017/18					2016/17				
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000	
Advertising	3	(3)	-	-	-	-	-	2	1	
Minor assets	32	(27)	-	5	4	1	80,0%	-	-	
Audit costs: External	-	1 000	-	1 000	989	11	98,9%	-	-	
Catering: Departmental activities	286	67	(177)	176	128	48	72,7%	111	111	
Communication	2	-	-	2	1	1	50,0%	1	-	
Computer services										
Consultants: Business and advisory services										
Infrastructure and planning services										
Legal services										
Contractors	1 109	(488)	(150)	471	471	-	100,0%	900	885	
Entertainment	26	(6)	-	20	19	1	95,0%	17	17	
Fleet services	-	-	-	-	-	-	-	212	212	
Inventory: Clothing material and accessories	64	(3)	-	61	61	-	100,0%	-	-	
Inventory: Material and supplies	1 657	(242)	-	1 415	1 406	9	99,4%	609	628	
Inventory: Other supplies	2 060	409	221	2 690	2 690	-	100,0%	1 336	1 336	
Consumable supplies	645	(207)	36	474	469	5	98,9%	545	545	
Consumable: Stationery, printing and office supplies	227	(26)	(20)	181	163	18	90,1%	183	178	
Operating leases	60	(23)	-	37	-	37	-	1	1	
Property payments	637	(164)	-	473	475	(2)	100,4%	440	440	
Travel and subsistence	1 388	(271)	(169)	948	982	(34)	103,6%	899	884	
Training and development	30	-	-	30	28	2	93,3%	29	29	
Operating payments	13	(13)	-	-	-	-	-	10	-	
Venues and facilities	-	-	-	-	-	-	-	30	23	

PROGRAMME 8: RURAL DEVELOPMENT									
	2017/18					2016/17			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Rental and hiring	80	29	(109)	-	-	-	-	-	-
Transfers and subsidies	168 089	-	-	168 089	168 089	-	100,0%	160 725	160 703
Departmental agencies and accounts	166 089	-	-	166 089	166 089	-	100,0%	157 725	157 703
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	2 000	-	-	2 000	2 000	-	100,0%	3 000	3 000
Payments for capital assets	1 630	-	(119)	1 511	1 506	5	99,7%	624	638
Building and other fixed structures	1 500	-	(167)	1 333	1 330	3	99,8%	-	-
Machinery and equipment	130	-	48	178	176	2	98,9%	624	638
Transport equipment	-	-	-	-	-	-	-	228	223
Other machinery and equipment	130	-	48	178	176	2	98,9%	396	415
Total	193 629	-	(617)	193 012	192 876	136	99,9%	182 196	182 121

SUB -PROGRAMME 8.1: DEVELOPMENT PLANNING AND MONITORING									
	2017/18					2016/17			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	20 739	(73)	1 159	21 825	21 734	91	99,6%	-	-
Compensation of employees	13 178	-	953	14 131	14 131	-	100,0%	-	-
Goods and services	7 561	(73)	206	7 694	7 603	91	98,8%	-	-
Transfers and subsidies	168 089	-	-	168 089	168 089	-	100,0%	156 204	156 203
Departmental agencies and accounts	166 089	-	-	166 089	166 089	-	100,0%	155 204	155 203

SUB -PROGRAMME 8.1: DEVELOPMENT PLANNING AND MONITORING									
2017/18					2016/17				
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
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	2 000	-	-	2 000	2 000	-	100,0%	1 000	1 000
Payment for Capital assets	1 520	-	(80)	1 440	1 435	5	99,7%	-	-
Buildings and other fixed structure	1 500	-	(167)	1 333	1 330	3	99,8%	-	-
Machinery and equipment	20	-	87	107	105	2	98,1%	-	-
Total	190 348	(73)	1 079	191 354	191 258	96	99,9%	156 204	156 203

SUB -PROGRAMME 8.2: SOCIAL FACILITATION									
2017/18					2016/17				
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	3 171	73	(1 657)	1 587	1 547	40	97,5%	20 847	20 780
Compensation of employees	2 381	-	(1 083)	1 298	1 260	38	97,1%	15 491	15 490
Goods and services	790	73	(674)	289	287	2	99,3%	5 356	5 290
Transfers and subsidies	-	-	-	-	-	-	-	4 521	4 500
Departmental agencies and accounts	-	-	-	-	-	-	-	2 521	2 500
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	2 000	2 000
Payments for capital assets	110	-	(39)	71	71	-	100,0%	624	638
Machinery and equipment	110	-	(39)	71	71	-	100,0%	624	638
Total	3 281	73	(1 696)	1 658	1 618	40	97,6%	25 992	25 918

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

Detail of these transactions can be viewed in the note on Transfers and subsidies, disclosure notes and Annexure 1 (A-E) 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. Material variances

An explanation will be provided for all variances above the threshold of R5 million. All variances below R5 million will be considered immaterial.

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

5.1 Per programme	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Administration	455 046	453 739	1 307	0.28%
Sustainable Resource Management	124 544	124 747	(203)	(0.16)%
Farmer Support and Development	786 029	780 441	5 588	0.71%
Veterinary Services	306 050	305 183	867	0.28%
Research and Technology	123 910	123 490	420	0.34%
Agricultural Economics Services	74 287	74 252	35	0.05%
Structure Education and Training	149 737	146 263	3 474	2.32%
Rural Development	193 012	192 876	136	0.07%
Totals	2 212 616	2 200 991	11 625	0.53%

5.2 Per economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Current payments				
Compensation of employees	1 155 428	1 154 722	706	0.06%
Goods and services	470 841	468 174	2 667	0.57%
Interest and rent on land	937	937	-	0%
Transfers and subsidies				
Departmental agencies and accounts	235 107	234 806	301	0.13%
Higher education institutions	54 795	54 795	-	0%
Public corporations and private enterprises	34 964	34 964	-	0%
Non-profit institutions	7 480	7 480	-	0%
Households	25 911	25 914	(3)	(0.01)%
Payments for capital assets				
Buildings and other fixed structures	138 010	137 213	797	0.58%
Machinery and equipment	81 113	73 986	7 127	8.79%
Biological assets	30	-	30	100%
Payments for financial assets	8 000	8 000	-	0%

5.3. Conditional Grants	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Comprehensive Agricultural Support Grant	248 996	244 115	4 881	1.96%
Ilima/ Letsema	67 356	67 282	74	0.10%
Land Care	11 812	11 690	122	1.03%
Extended Public Works Programme	2 000	2 000	-	0%
TOTAL	330 164	325 087	5 077	1.5%

Explanations for variances:

1) Farmer Support and Development

- Delays in the finalizing/equipping (installation of wing turbines) for the Chris Hani boreholes owing to contractor abandoning the site due to dispute between contractor and subcontractor (reconciliation list specification against actual work performed).
- Construction of water and sanitation upgrades resulting from non-delivery of materials for the water works project at the Fort Cox Agricultural College
- Delays in the completion of Elundini and Alfred Nzo fencing projects due to heavy rains
- Aqua culture development project (Karoo Catch Fish project) – An amount of R9.7m was allocated and R8.3m was actually spent, resulting in an under expenditure of R1.4m. The budget had a training portion. The service provider was not ready with the training plan and there the training portion of the funds could not be transferred.

2) Comprehensive Agricultural Support Grant

- Delays in the delivery of Lab equipment (insect cabinets) for Dohne Research Centre due to delays in delivery by supplier (the supplier was delayed by the shipment which arrived later than anticipated from Netherlands);
- Construction of water and sanitation upgrades resulting from non-delivery of material for the water works project at the Fort Cox Agricultural College
- Delays in the commencement of learnership resulting from training providers not adhering to the pricing schedule which then affected the threshold for awarding or did not meet the accreditation criteria

	<i>Note</i>	2017/18 R'000	2016/17 R'000
STATEMENT OF FINANCIAL PERFORMANCE			
REVENUE			
Annual appropriation	<u>1</u>	2 210 638	2 213 083
Statutory appropriation	<u>2</u>	1 978	2 039
Departmental revenue	<u>3</u>	-	19 575
TOTAL REVENUE		2 212 616	2 234 697
EXPENDITURE			
Current expenditure			
Compensation of employees	<u>4</u>	1 154 722	1 112 748
Goods and services	<u>5</u>	468 174	556 760
Interest paid	<u>6</u>	937	53
Total current expenditure		1 623 833	1 669 561
Transfers and subsidies			
Transfers and subsidies	<u>8</u>	357 959	278 370
Total transfers and subsidies		357 959	278 370
Expenditure for capital assets			
Tangible assets	<u>9</u>	211 199	227 577
Intangible asset		-	-
Total expenditure for capital assets		211 199	227 577
Payment of financial assets	<u>7</u>	8 000	9 021
TOTAL EXPENDITURE		2 200 991	2 184 529
SURPLUS FOR THE YEAR		11 625	50 168
Reconciliation of Net Surplus for the year			
Voted funds		11 625	30 593
Annual appropriation		6 548	26 965
Conditional grants		5 077	3 628
Departmental revenue		-	19 575
Aid assistant	<u>15</u>	-	-
SURPLUS FOR THE YEAR		11 625	50 168

	<i>Note</i>	2017/18 R'000	2016/17 R'000
STATEMENT OF FINANCIAL POSITION			
ASSETS			
Current assets		8 497	34 718
Cash and cash equivalents	<u>10</u>	4 084	33 614
Receivables	<u>11</u>	4 413	1 104
Non-current assets		10 040	4 655
Receivables	<u>11</u>	4 655	4 655
Loan	<u>13</u>	5 385	-
Investment	<u>12</u>	-	-
TOTAL ASSETS		18 537	39 373
LIABILITIES			
Current liabilities		13 152	39 373
Voted funds to be surrendered to the Revenue Fund	<u>14</u>	11 625	30 593
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	<u>15</u>	296	279
Payables	<u>16</u>	1 231	8 501
TOTAL LIABILITIES		13 152	39 373
NET ASSETS		5 385	-
Represented by:			
Recoverable revenue		5 385	-
TOTAL		5 385	-
STATEMENT OF CHANGES IN NET ASSETS			
	<i>Note</i>	2017/18 R'000	2016/17 R'000
Recoverable Revenue			
Opening balance		-	-
Transfers:		-	-
Debt raised		5 385	-
Closing balance		5 385	-
TOTAL		5 385	-

	<i>Note</i>	2017/18 R'000	2016/17 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		2 217 813	2 243 238
Annual appropriated funds received	<u>1.1</u>	2 210 638	2 213 083
Statutory appropriated funds received	<u>2</u>	1 978	2 039
Departmental revenue received	<u>3</u>	5 195	28 114
Interest received	<u>3.3</u>	2	2
Net increase in working capital		(10 579)	20 971
Surrendered to Revenue Fund	<u>14</u>	(36 576)	(65 847)
Current payments		(1 622 896)	(1 669 508)
Interest paid	<u>6</u>	(937)	(53)
Payment of financial assets	<u>7</u>	(8 000)	(9 021)
Transfers and subsidies paid	<u>8</u>	(357 959)	(278 370)
Net cash flow available from operating activities	<u>17</u>	180 866	241 410
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	<u>9</u>	(211 199)	(227 577)
Proceeds from sale of capital assets	<u>3.4</u>	803	1 044
Increase in loans	<u>13</u>	(5 385)	-
Net cash flows from investing activities	<u>17</u>	(215 781)	(226 533)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in net assets	<u>13</u>	5 385	-
Net cash flows from financing activities		5 385	-
Net decrease in cash and cash equivalents		(29 530)	14 877
Cash and cash equivalents at beginning of period		33 614	18 737
Cash and cash equivalents at end of period	<u>18</u>	4 084	33 614

Summary of significant accounting policies	
<i>The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated.</i>	
<i>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.</i>	
<i>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.</i>	
1	Basis of preparation <i>The financial statements have been prepared in accordance with the Modified Cash Standard.</i>
2	Going concern <i>The financial statements have been prepared on a going concern basis.</i>
3	Presentation currency <i>Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.</i>
4	Rounding <i>Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).</i>
5	Foreign currency translation <i>Cash flows arising from foreign currency transactions are translated into South African Rand using the spot exchange rates prevailing at the date of payment / receipt.</i>
6	Comparative information
6.1	Prior period comparative information <i>Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.</i>
6.2	Current year comparison with budget <i>A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.</i>
7	Revenue
7.1	Appropriated funds <i>Appropriated funds comprise of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation). Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective. The net amount of any appropriated funds due to the Provincial revenue fund at the reporting date is recognised as a payable/ receivable in the statement of financial position.</i>
7.2	Departmental revenue <i>Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise. Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.</i>
7.3	Accrued departmental revenue <i>Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:</i> <ul style="list-style-type: none"> <i>• it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and</i> <i>• The amount of revenue can be measured reliably.</i> <i>The accrued revenue is measured at the fair value of the consideration receivable. Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents. Write-offs are made according to the department's debt write-off policy</i>
8	Expenditure

8.1	Compensation of employees
8.1.1	Salaries and wages <i>Salaries and wages are recognised in the statement of financial performance on the date of payment.</i>
8.1.2	Social contributions <i>Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.</i> <i>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.</i>
8.2	Other expenditure <i>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.</i>
8.3	Accruals and payables not recognised <i>Accruals and payables not recognised are recorded in the notes to the financial statements when the goods are received or, in the case of services, when they are rendered to the department or in the case of transfers and subsidies when they are due and payable.</i> <i>Accruals and payables not recognised are measured at cost.</i>
8.4	Leases
8.4.1	Operating leases <i>Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment.</i> <i>The operating lease commitments are recorded in the notes to the financial statements.</i>
8.4.2	Finance leases <i>Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment.</i> <i>The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.</i> <i>Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:</i> <ul style="list-style-type: none"> • <i>cost, being the fair value of the asset; or</i> • <i>The sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.</i>
9	Cash and cash equivalents <i>Cash and cash equivalents are stated at cost in the statement of financial position.</i> <i>Bank overdrafts are shown separately on the face of the statement of financial position as current liability.</i> <i>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</i>
10.	Investments <i>Investments are recognised in the statement of financial position at cost.</i>
11	Loans and receivable <i>Loan and receivables are recognised in the statement of financial position at cost plus current interest, where interest is charged, less amount already settled or written off. Write-offs are made according to the department's write-off policy</i>
12	Financial Assets

12.1	<p>Financial assets (not covered elsewhere)</p> <p><i>A financial asset is recognised initially at its cost plus transaction costs that are directly attributed to the acquisition or issue of the financial asset.</i></p> <p><i>At the reporting date, a department shall measure its financial asset at cost ,less amounts already settled or written-off ,except for recognised loan and receivables ,which are measured at cost plus accrued interest ,where interest is charged ,less amount already settled or written-off</i></p>
12.2	<p>Impairment</p> <p><i>Where there is indication of impairment of financial asset, an estimate of reduction in the recorded carrying value, to reflect the best estimate of the amount of future economic benefits expected to be received from the asset, is recorded in the notes to the financial statements.</i></p>
13	<p>Payables</p> <p><i>Payables are recognised in the statement of financial position at cost.</i></p>
14	<p>Capital Assets</p>
14.1	<p>Immovable capital assets</p> <p><i>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.</i></p> <p><i>Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.</i></p> <p><i>Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.</i></p>
14.2	<p>Movable capital Assets</p> <p><i>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.</i></p> <p><i>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.</i></p> <p><i>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</i></p> <p><i>Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</i></p> <p><i>Biological assets are subsequently carried at fair value.</i></p> <p><i>Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.</i></p>
14.3	<p>Intangible assets</p> <p><i>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.</i></p> <p><i>Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.</i></p> <p><i>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.</i></p> <p><i>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</i></p> <p><i>Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.</i></p> <p><i>Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.</i></p>
14.4	<p>Project Costs: Work-in-progress</p> <p><i>Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid.</i></p> <p><i>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.</i></p> <p><i>Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion</i></p>
15	<p>Provisions and Contingents</p>

15.1	<p>Provisions</p> <p><i>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.</i></p>
15.2	<p>Contingent liabilities</p> <p><i>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</i></p>
15.3	<p>Contingent assets</p> <p><i>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.</i></p>
15.4	<p>Commitments</p> <p><i>Commitments (other than for transfers and subsidies) are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.</i></p>
16	<p>Unauthorised expenditure</p> <p><i>Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:</i></p> <ul style="list-style-type: none"> • <i>approved by Parliament or the Provincial Legislature with funding and the related funds are received; or</i> • <i>approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or</i> • <i>transferred to receivables for recovery.</i> <p><i>Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.</i></p>
17	<p>Fruitless and wasteful expenditure</p> <p><i>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.</i></p> <p><i>Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery.</i></p> <p><i>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.</i></p>
18	<p>Irregular expenditure</p> <p><i>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.</i></p> <p><i>Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery or not condoned and is not recoverable.</i></p> <p><i>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.</i></p>

19	<p>Changes in accounting policies, accounting estimates and errors</p> <p><i>Changes in accounting policies that are effected by management have been applied retrospectively in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such instances the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.</i></p> <p><i>Changes in accounting estimates are applied prospectively in accordance with MCS requirements.</i></p> <p><i>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.</i></p>
20	<p>Events after the reporting date</p> <p><i>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.</i></p>
21	<p>Recoverable revenue</p> <p><i>Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off</i></p>
22	<p>Related party transactions</p> <p><i>A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party. Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.</i></p> <p><i>Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department. The number of individuals and their full compensation is recorded in the notes to the financial statements.</i></p>
23	<p>Inventories</p> <p><i>At the date of acquisition, inventories are recognised at cost in the statement of financial performance.</i></p> <p><i>Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition.</i></p> <p><i>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.</i></p> <p><i>The cost of inventories is assigned by using the weighted average cost basis.</i></p>
24	<p>Key management personnel.</p> <p><i>Key management personnel are those persons having the authority and responsibility for planning directing and controlling the activities of the department. The number of individuals and their full compensation is recorded in the notes to the financial statements.</i></p>
25	<p>Employee benefits</p> <p><i>The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.</i></p>
26	<p>Capitalisation reserve</p> <p><i>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 Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.</i></p>

1. ANNUAL APPROPRIATION

1.1 Annual Appropriation

	2017/18			2016/17	
	Final Appropriation	Actual Funds Received	Funds not requested/not received	Final Appropriation	Appropriation received
	R'000	R'000	R'000	R'000	R'000
Administration	453 068	453 068		453 557	453 557
Sustainable Resource Mgt.	124 544	124 544	-	115 211	115 211
Farmer Support & Development	786 029	786 029	-	811 276	811 276
Veterinary Services	306 050	306 050	-	296 673	296 673
Research & Technology	123 910	123 910	-	176 632	176 632
Agricultural Economics Service	74 287	74 287	-	34 569	34 569
Structured Agricultural Education & Training	149 737	149 737	-	142 969	142 969
Rural Development Coordination	193 012	193 012	-	182 196	182 196
Total	2 210 638	2 210 638	-	2 213 083	2 213 083

1.2 Conditional grants

	<i>Note</i>	2017/18 R'000	2016/17 R'000
Total grants received	34	330 164	353 770

2. STATUTORY APPROPRIATION

	2017/18 R'000	2016/17 R'000
Members' remuneration	1 978	2 039
Total	1 978	2 039
Actual Statutory Appropriation received	1 978	2 039

3. DEPARTMENTAL REVENUE

	<i>Note</i>	2017/18	2016/17
		R'000	R'000
Sales of goods and services other than capital assets	3.1	4 763	4 427
Fines, penalties and forfeits	3.2	1	6
Interest, dividends and rent on land	3.3	2	2
Sales of capital assets	3.4	803	1 044
Transactions in financial assets and liabilities	3.5	431	1 134
Transfer received	3.6	-	22 547
Total revenue collected		6 000	29 160
Less: Own revenue included in appropriation	<u>15</u>	(6 000)	(9 585)
Departmental revenue collected		-	19 575

The department has under collected during the year under review. The sale of capital assets is dependent on the availability of assets that must be disposed. During the year, there were fewer biological assets that have reached the end of the research cycle.

3.1 Sales of goods and services other than capital assets

	<i>Note</i>	2017/18	2016/17
		R'000	R'000
Sales of goods and services produced by the department	3	4 527	4 307
Sales by market establishment		220	726
Administrative fees		33	38
Other sales		4 274	3 543
Sales of scrap, waste and other used current goods		236	120
Total		4 763	4 427

3.2 Fines, penalties and forfeits

	<i>Note</i>	2017/18	2016/18
		R'000	R'000
Fines	3	1	6
Total		1	6

3.3 Interest, dividends and rent on land

	<i>Note</i>	2017/18	2016/17
		R'000	R'000
Interest	3	2	2
Total		2	2

3.4 Sale of capital assets

	<i>Note</i>	2017/18	2016/17
		R'000	R'000
Tangible assets		803	1 044
Machinery and equipment	30	5	50
Biological assets	30	798	994
Total		803	1 044

The sale of capital assets is dependent on the availability of assets that must be disposed. During the year, there were fewer biological assets that have reached the end of the research cycle.

3.5 Transactions in financial assets and liabilities

	<i>Note</i>	2017/18	2016/17
		R'000	R'000
Receivables		332	431
Other Receipts including Recoverable Revenue		99	703
Total		431	1 134

3.6 Transfers received

	<i>Note</i>	2017/18	2016/17
		R'000	R'000
Other governmental units		-	22 547
Total		-	22 547

The transfers received were funds to be surrendered on behalf ECRDA. During the current year, ECRDA utilised all the funds transferred to the entity.

4. COMPENSATION OF EMPLOYEES

4.1 Salaries and Wages

	<i>Note</i>	2017/18	2016/17
		R'000	R'000
Basic salary		813 310	775 772
Performance award		18 317	16 911
Service Based		1 421	2 444
Compensative/circumstantial		8 826	12 292
Periodic payments		-	74
Other non-pensionable allowances		153 920	153 165
Total		995 794	960 658

4.2 Social contributions

	<i>Note</i>	2017/18 R'000	2016/17 R'000
Employer contributions			
Pension		104 501	99 459
Medical		54 202	52 417
Bargaining council		225	214
Total		158 928	152 090
Total compensation of employees		1 154 722	1 112 748
Average number of employees		2 749	2 810

5. GOODS AND SERVICES

	<i>Note</i>	2017/18 R'000	2016/17 R'000
Administrative fees		1 513	1 343
Advertising		8 633	8 995
Minor assets	5.1	1 658	3 403
Bursaries (employees)		175	320
Catering		7 430	8 217
Communication		18 661	19 900
Computer services	5.2	22 567	21 850
Consultants: Business and advisory services		1 870	1 365
Infrastructure and planning services		4 208	5 778
Laboratory services		463	-
Legal services		1 721	1 782
Contractors		26 641	32 252
Agency and support / outsourced services		2 584	-
Entertainment		148	210
Audit cost – external	5.3	7 572	5 371
Fleet services		29 772	22 451
Inventory	5.4	175 035	262 599
Consumables	5.5	12 895	26 106
Operating leases		13 659	11 921
Property payments	5.6	16 391	14 591
Rental and hiring		4 237	2 406
Transport provided as part of the departmental activities		671	-
Travel and subsistence	5.7	83 308	80 791
Venues and facilities		3 729	4 203
Training and development		17 053	12 739
Other operating expenditure	5.8	5 580	8 167
Total		468 174	556 760

1) Contractors
The decrease in item is affected by the following sub-items in programme 3:
i. Outsourced contractors – Maintenance & repairs: this item has no expenditure in the reporting year. It had an expenditure of R1.652m in 2016/17.
ii. Own Contractors - Refurbishment of infrastructure: This item has no expenditure in the reporting year. It had R3.025m in 2016/17
iii. Contractors- Casual Labourers: Casual labourers decreased to R3.271m in the reporting year from R3.623m in 2016/17.
2) Agency and support/ outsourced services
The transfer to Grain SA had a shortfall of this R2.5million for the hectares agreed to in the SLA. Grain SA then ploughed the agreed hectares and then invoiced the department for the shortfall
3) Inventory
The decrease in this item is in the farming supplies sub item. This is because of the utilisation of commodity groups in the cropping programme.
4) Consumables
There is a 100% decrease under building material and supplies as well as other consumables. There was no expenditure in these items in the current year.
5) Fleet Services
In 2016/17 financial year DRDAR carried forward accruals and payables for fleet services of R19,6 million to the 17/18 financial year. These were paid in the 2017/18 financial year together with that year's consumption hence the increase in the expenditure for this item in 2017/18 financial year.
6) Audit Cost
In 2016/17 Interim Financial Statements and quarterly performance information were not falling within the audit scope of the Auditor-General. The requirements for AG to audit these activities started in 2017/18, hence the increase in cost.
7) Training and development
The senior management of the department underwent training on leadership skills during the year under review. This also includes training for farmers of which the department is providing support.

5.1 Minor assets

	<i>Note</i>	2017/18	2016/17
	5	R'000	R'000
Tangible assets			
Biological assets		11	1 841
Machinery and equipment		1 647	1 562
Total		1 658	3 403

1) Biological asset
There were few purchases made for livestock development in the current year.

5.2 Computer services

	<i>Note</i>	2017/18	2016/17
	5	R'000	R'000
SITA computer services		1 420	1 271
External computer service providers		21 147	20 579
Total		22 567	21 850

5.3 Audit cost – External

	<i>Note</i>	2017/18	2016/17
	5	R'000	R'000
Regularity audits		7 572	5 371
Total		7 572	5 371

5.4 Inventory

	<i>Note</i>	2017/18	2016/17
	5	R'000	R'000
Clothing material and accessories		151	-
Farming supplies		121 705	226 482
Food and food supplies		471	389
Fuel, oil and gas		810	727
Learning, teaching and support material		6	28
Materials and supplies		10 359	2 947
Medical supplies		1 096	310
Medicine		32 202	29 046
Other supplies	5.4.1	8 235	2 670
Total		175 035	262 599

1) Farming supplies

The decrease in this item is caused by the utilisation of commodity groups in the cropping programme. Funds are transferred to the various Commodity Groups within whom Service Level Agreements have been signed to carry out a variety of services that includes cropping.

2) Materials and supplies

The increase in this item is in the sub-item for fencing material. The department started a programme for the commercialisation of smallholder farmers. Fencing material was supplied to the farmers for them to do the erection themselves.

3) Other supplies

The department had started a home industry programme where one hundred and seven projects were supplied with sewing machines. This programme had no funding in the past financial year.

5.4.1 Other supplies

	<i>Note</i>	2017/18	2016/17
	5.4	R'000	R'000
Assets for distribution		7 129	1 885
Machinery and equipment		7 129	1 885
Other		1 106	785
Total		8 235	2 670

1) Other Supplies: Machinery and equipment

The department had started a home industry programme where one hundred and seven projects were supplied with sewing machines. This programme had no funding in the past financial year.

5.5 Consumables

	<i>Note</i>	2017/18	2016/17
	5	R'000	R'000
Consumable supplies		6 137	19 717
Uniform and clothing		3 781	1 534
Household supplies		2 165	1 599
Building material and supplies		-	13 489
Communication accessories		-	15
IT consumables		191	192
Other consumables		-	2 888
Stationery, printing and office supplies		6 758	6 389
Total		12 895	26 106

5.6 Property payments

	<i>Note</i>	2017/18	2016/17
	5	R'000	R'000
Municipal services		6 508	5 683
Property management fees		9 243	8 284
Property maintenance and repairs		640	624
Total		16 391	14 591

5.7 Travel and subsistence

	<i>Note</i>	2017/18	2016/17
	5	R'000	R'000
Local		77 891	79 985
Foreign		5 417	806
Total		83 308	80 791

5.8 Other operating expenditure

	<i>Note</i>	2017/18	2016/17
	5	R'000	R'000
Professional bodies, membership and subscription fees		206	28
Resettlement costs		453	776
Other		4 921	7 363
Total		5 580	8 167

6. INTEREST AND RENT ON LAND

	<i>Note</i>	2017/18	2016/17
		R'000	R'000
Interest paid		937	53
Total		937	53

The interest was incurred on overdue accounts from Telkom, Department of Transport and Auditor General

7. PAYMENTS FOR FINANCIAL ASSETS

	<i>Note</i>	2017/18	2016/17
		R'000	R'000
Debts written off	7.1	-	9 021
Debt take overs		8 000	-
Total		8 000	9 021

The payment for financial assets relates to a refund paid to SARS for under taxation on leave gratuities for the period from March 2013 to February 2017. National Treasury changed the PERSAL codes for the taxation of leave gratuities. This change was not adequately communicated and as a result it was misinterpreted. This resulted in the under taxation of exiting employees. SARS demanded the tax shortfall and the department had to pay.

7.1 Debts written off

	<i>Note</i>	2017/18	2016/17
	7	R'000	R'000
Nature of debts written off			
Debt written off		-	9 021
Total debt written off		-	9 021

There were no debts written off during the current year

8. TRANSFERS AND SUBSIDIES

		2017/18	2016/17
		R'000	R'000
	<i>Note</i>		
Departmental agencies and accounts	<i>Annex 1A</i>	234 806	197 767
Higher education institutions	<i>Annex 1B</i>	54 795	47 464
Public corporations and private enterprises	<i>Annex 1C</i>	34 964	-
Non-profit institutions	<i>Annex 1D</i>	7 480	-
Households	<i>Annex 1E</i>	25 914	33 139
Total		357 959	278 370

- 1) Higher education institutions relate to funding for Fort Cox College. The funding for the subsidy to the College increased from R47.464 million in 2016/17 to R50.396 million in the reporting period. This is an inflation related increase. An additional R4.399 million was transferred to the College for the Rural Wealth Creation Centre run by the college.
- 2) Departmental Agencies relates to funds transferred to ECRDA. The increase is caused mainly by the following amounts:
 - i. R45.059 million transferred to the entity for Magwa Rescue Programme,
 - ii. R7 million for Inguni Cattle Development
 - iii. R3 million to National Agriculture Marketing Council for Red Meat Improvement.
- 3) Public corporations and private enterprises: Transfers to the private enterprises are in their first year.

9. Expenditure for capital assets

	<i>Note</i>	2017/18	2016/17
		R'000	R'000
Tangible assets			
Buildings and other fixed structures	32	137 214	122 781
Machinery and equipment	30	73 985	74 010
Biological assets	30	-	30 786
Total		211 199	227 577

- 1) **Biological assets**
 In the year under review no capital livestock was purchased as the department was still utilising the livestock purchased in the prior year.

9.1 Analysis of funds utilised to acquire capital assets – 2017/18

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets			
Buildings and other fixed structures	137 214	-	137 214
Machinery and equipment	73 985	-	73 985
Biological assets	-	-	-
Total	211 199	-	211 199

9.2 Analysis of funds utilised to acquire capital assets – 2016/17

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets			
Buildings and other fixed structures	122 781	-	122 781
Machinery and equipment	74 010	-	74 010
Biological assets	30 786	-	30 786
Total	227 577	-	227 577

9.3 Finance lease expenditure included in Expenditure for capital assets

	<i>Note</i>	2017/18 R'000	2016/17 R'000
Tangible assets			
Machinery and equipment		51 278	46 631
Total		51 278	46 631

10. CASH AND CASH EQUIVALENTS

	<i>Note</i>	2017/18 R'000	2016/17 R'000
Consolidated Paymaster General Account		4 084	33 614
Total		4 084	33 614

11. RECEIVABLES

	<i>Note</i>	2017/18			2016/17		
		Current R'000	Non-current R'000	Total R'000	Current R'000	Non-current R'000	Total R'000
Claims recoverable	11.1	3 084	-	3 084	(368)	-	(368)
Recoverable expenditure	11.2	20	4 655	4 675	22	4 655	4 677
Staff debt	11.3	993	-	993	1 134	-	1 134
Fruitless and wasteful expenditure	11.4	316	-	316	316	-	316
Total		4 413	4 655	9 068	1 104	4 655	5 759

11.1 Claims recoverable

	<i>Note</i>	2017/18 R'000	2016/17 R'000
National departments	11	3 084	(368)
Total		3 084	(368)

Claims recoverable relates to the expenditure incurred by the department which must be recovered from Department of Agriculture, Fisheries and Forestry.

11.2 Recoverable expenditure (disallowance accounts)

	<i>Note</i>	2017/18 R'000	2016/17 R'000
Salary related clearing accounts	11	20	22
Disallowance miscellaneous		4 655	4 655
Total		4 675	4 677

11.3 Staff debt

	<i>Note</i>	2017/18 R'000	2016/17 R'000
Debt Account	11	993	1 134
Total		993	1 134

11.4 Fruitless and wasteful expenditure

	<i>Note</i>	2017/18 R'000	2016/17 R'000
Opening balance	11	316	-
Transfers from note 26 Fruitless and Wasteful Expenditure		-	316
Total		316	316

11.5 Impairment of receivables

	<i>Note</i>	2017/18	2016/17
		R'000	R'000
Estimate of impairment of receivables		4 655	4 655
Total		4 655	4 655

The impairment relates to a long outstanding debts which were raised subsequent to a job evaluation. A court case lodged by the affected debtors is still pending.

12. INVESTMENTS

The government has 100% ownership of Magwa Enterprise Tea which was held by Eastern Cape Development Corporation (ECDC). The ownership of Magwa Enterprise Teas was transferred to the department during the year under review. The department holds 100 shares valued at R1 per share. A shareholder's loan amounting to R5 million was also ceded to department.

Due to the nature of the AFS template, the value of the share round up to zero and it is not reflected in the template.

13. LOANS

	<i>Note</i>	2017/18	2016/17
		R'000	R'000
Non-Current			
Private enterprise		5 385	-
Total		5 385	-
Analysis of balance			
		2017/18	2016/17
		R'000	R'000
Opening balance		-	-
New issues		5 385	-
Closing balance		5 385	-

13.1 Impairment of loans

	<i>Note</i>	2017/18	2016/17
		R'000	R'000
Estimate of impairment of loans		5 385	-
Total		5 385	-

A shareholder's loan amounting to R5 million was also ceded to department when shares of Magwa Tea were transferred from Eastern Cape Development Corporation.

14. VOTED FUNDS TO BE SURRENDERED TO THE REVENUE FUND

	<i>Note</i>	2017/18	2016/17
		R'000	R'000
Opening balance		30 593	36 481
Transfer from statement of financial performance (as restated)		11 625	30 593
Paid during the year		(30 593)	(36 481)
Closing balance		11 625	30 593

15. DEPARTMENTAL REVENUE TO BE SURRENDERED TO THE REVENUE FUND

	<i>Note</i>	2017/18	2016/17
		R'000	R'000
Opening balance		279	485
Transfer from Statement of Financial Performance (as restated)		-	19 575
Own revenue included in appropriation		6 000	9 585
Paid during the year		(5 983)	(29 366)
Closing balance		296	279

16. PAYABLES – CURRENT

	<i>Note</i>	2017/18	2016/17
		R'000	R'000
Amounts owing to other entities		1 114	8 460
Clearing accounts	<i>16.1</i>	117	41
Total		1 231	8 501

16.1 Clearing accounts

	<i>Note</i>	2017/18	2016/17
		R'000	R'000
Salary related clearing accounts	<i>16</i>	117	41
Total		117	41

17. NET CASH FLOW AVAILABLE FROM OPERATING ACTIVITIES

	<i>Note</i>	2017/18	2016/17
		R'000	R'000
Net surplus as per Statement of Financial Performance		11 625	50 168
Add back non cash/cash movements not deemed operating activities		169 241	191 242
(Increase)/decrease in receivables – current		(3 309)	14 399
Increase/(decrease) in payables – current		(7 270)	6 572
Proceeds from sale of capital assets		(803)	(1 044)
Expenditure on capital assets		211 199	227 577
Surrenders to Revenue Fund		(36 576)	(65 847)
Own revenue included in appropriation		6 000	9 585
Net cash flow generated by operating activities		180 866	241 410

18. RECONCILIATION OF CASH AND CASH EQUIVALENTS FOR CASH FLOW PURPOSES

	<i>Note</i>	2017/18	2016/17
		R'000	R'000
Consolidated Paymaster General account		4 084	33 614
Total		4 084	33 614

19. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

19.1 Contingent liabilities

		<i>Note</i>	2017/18	2016/17
			R'000	R'000
Liable to	Nature			
Housing loan guarantees	Employees	<i>Annex 3A</i>	643	1 083
Claims against the department		<i>Annex 3B</i>	26 807	25 093
Total			27 450	26 176

The department is uncertain about the amount or timing of any outflow pertaining to claims against the department as these claims are dependent on the outcome and finalisation of the court cases.

19.2 Contingent assets

	<i>Note</i>	2017/18	2016/17
		R'000	R'000
Nature of contingent asset			
Guardrisk Insurance		989	989
SARS: Tax		8 000	-
Total		8 989	989

The contingent asset results from a claim lodged against a supplier that has defaulted.

20. COMMITMENTS

	<i>Note</i>	2017/18	2016/17
		R'000	R'000
Current expenditure			
Approved and contracted		81 331	21 837
Approved but not yet contracted		13 648	973
		94 979	22 810
Capital expenditure			
Approved and contracted		42 434	27 807
Approved but not yet contracted		-	-
		42 434	27 807
Total Commitments		137 413	50 617

The commitments reported include multi-year contracts for production inputs, learnership and security services.

21. ACCRUALS AND PAYABLES NOT RECOGNISED

21.1 Accruals

	2017/18			2016/17
	R'000			R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	649	690	1 339	38 346
Capital assets	377	-	377	175
Total	1 026	690	1 716	38 521

	<i>Note</i>	2017/18	2016/17
		R'000	R'000
Listed by programme level			
Administration		770	30 890
Sustainable resource management		3	20
Farmer support and development		871	7 113
Veterinary service		18	43
Research and development service		24	3
Agricultural economics		7	3
Structured agricultural training		23	449
Rural development coordination		-	-
Total		1 716	38 521

21.2 Payables not recognised

	2017/18			2016/17
	R'000			R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	1 110	2 426	3 536	62
Capital assets	72	-	72	330
Other	5 412	-	5 412	5 246
Total	6 594	2 426	9 020	5 638

	Note	2017/18	2016/17
		R'000	R'000
Listed by programme level			
Administration		4 058	2 116
Sustainable resource management		778	430
Farmer support and development		1 898	771
Veterinary service		1 624	1 104
Research and development service		367	766
Agricultural economics		81	128
Structured agricultural training		212	323
Rural development coordination		2	-
Total		9 020	5 638

	Note	2017/18	2016/17
		R'000	R'000
Included in the above totals are the following:			
Confirmed balances with other government entities	Annex 5	1 114	8 460
Total		1 114	8 460

22. EMPLOYEE BENEFITS

	Note	2017/18	2016/17
		R'000	R'000
Leave entitlement		74 773	67 413
Service bonus (Thirteenth cheque)		34 481	32 612
Total		109 254	100 025

Leave entitlement includes negative leave balances amounting to R461 232.52 relating to leave days owed by the department officials. These amounts will be recovered from their exit benefits when leaving the department.

23. LEASE COMMITMENTS

23.1 Operating leases

2017/18	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	6 891	-	6 891
Later than 1 year and not later than 5 years	5 040	-	5 040
Later than five years	402	-	402
Total lease commitments	12 333	-	12 333

2016/17	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	7 184	-	7 184
Later than 1 year and not later than 5 years	8 759	-	8 759
Later than five years	666	-	666
Total lease commitments	16 609	-	16 609

23.2 Finance leases

2017/18	Motor Vehicles	Machinery and equipment	Total
Not later than 1 year	21 861	14 352	36 213
Later than 1 year and not later than 5 years	30 170	18 447	48 617
Later than five years	-	-	-
Total lease commitments	52 031	32 799	84 830

2016/17	Motor Vehicles	Machinery and equipment	Total
Not later than 1 year	18 751	8 724	27 475
Later than 1 year and not later than 5 years	28 854	18 300	47 154
Later than five years	-	-	-
Total lease commitments	47 605	27 024	74 629

The department entered into a four-year contract with Vodacom to provide cellular services to the department. We also have a contract with Government Fleet to provide vehicles to the department.

24. ACCRUED DEPARTMENTAL REVENUE

	<i>Note</i>	2017/18	2016/17
		R'000	R'000
Sales of goods and services other than capital assets		270	257
Sales of capital assets		12	1
Transactions in financial assets and liabilities		14	21
Total		296	279

24.1 Analysis of accrued departmental revenue

	<i>Note</i>	2017/18	2016/17
		R'000	R'000
Opening balance		279	-
Less: amounts received		(279)	-
Add: amounts recorded		296	279
Closing balance		296	279

25. IRREGULAR EXPENDITURE

25.1 Reconciliation of irregular expenditure

	<i>Note</i>	2017/18	2016/17
		R'000	R'000
Opening balance		967	83 287
Prior period error		-	(334)
As restated		967	83 953
Add: Irregular expenditure – relating to current year		106	76
Less: Prior year amounts condoned		(938)	(82 062)
Less: Current year amounts condoned		(106)	-
Closing balance		29	967

Analysis of awaiting condonation per age classification

Prior years	29	967
Total	29	967

25.2 Details of irregular expenditure – added current year (relating to current and prior years)

Incident	Disciplinary steps taken/criminal proceedings	2017/18
		R'000
Service rendered without order	Condoned	24
Deviation from scope of contract	Condoned	82
Total		106

25.3 Details of irregular expenditure condoned

Incident	Condoned by (condoning authority)	2017/18 R'000
Service rendered without order	Head of Department	24
Deviation from scope of contract	Head of Department	82
Deviation from scope of contract	Head of Department	770
No valid contract agreement	Head of Department	77
Contravention of procurement	Head of Department	53
Contravention of procurement	Head of Department	23
2 quotations were used	Head of Department	10
Contravention of procurement	Head of Department	5
Total		1 044

25.4 Prior period error

	<i>Note</i>	2017/18 R'000
Nature of prior period error		
Relating to 2016/17		
Irregular expenditure		(334)
Total prior period errors		(334)

26. FRUITLESS AND WASTEFUL EXPENDITURE

26.1 Reconciliation of fruitless and wasteful expenditure

	<i>Note</i>	2017/18 R'000	2016/17 R'000
Opening balance		62	10 076
Fruitless and wasteful expenditure – relating to current year		1 048	121
Less: Amounts resolved		(1 037)	(10 135)
Closing balance		73	62

26.2 Analysis of awaiting resolution per economic classification

	2017/18 R'000	2016/17 R'000
Current: goods and services	73	62
Total	73	62

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

Incident	Disciplinary steps taken/criminal proceedings	2017/18 R'000
Interest charged	Condoned	937
Damage to vehicle	Condoned	9
Cancellation fee	Condoned	9
No show charge	Condoned and disciplinary hearings	91
Charges for change of flights	Disciplinary hearings	2
Total		1 048

27. RELATED PARTY TRANSACTIONS

Related parties of the department are all Government departments and entities.
 Related party relationships also include ECRDA subsidiaries such as Kangela Citrus Farm (Pty) Ltd
 The department holds 100% interest in Magwa Enterprise Tea.
 The department rents properties from the Department of Public Works free of charge.

28. KEY MANAGEMENT PERSONNEL

	No. of Individuals	2017/18 R'000	2016/17 R'000
Member of executive	1	1 977	1 902
Level 15 to 16	5	5 991	5 653
Level 14 (incl. CFO if at a lower level)	14	16 620	14 505
Family members of key management personnel	6	2 063	1 026
Total		26 651	23 086

29. PROVISIONS

	<i>Note</i>	2017/18 R'000	2016/17 R'000
Performance awards		19 639	17 542
Capped leave commitments		140 466	147 307
Long service awards		3 084	1 545
Retention		3 012	1 791
Tax		7 373	-
Total		173 574	168 185

29.1 Reconciliation of movement in provisions – 2017/18

	Performance awards	Capped leave	Long service	Retention	Tax	Total provisions
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	17 542	147 307	1 545	1 791	-	168 185
Increase in provision	-	-	-	-	7 373	7 373
Settlement of provision	(17 542)	-	(1 545)	(1 791)	-	(20 878)
Change in provision due to change in estimation of inputs	19 639	(6 841)	3 084	3 012	-	18 894
Closing balance	19 639	140 466	3 084	3 012	7 373	173 574

Reconciliation of movement in provisions – 2016/17

	Performance awards	Capped leave	Long service	Retention	Total provisions
	R'000	R'000	R'000	R'000	R'000
Opening balance	15 845	151 439	1 952	-	169 236
Increase in provision	-	-	-	1 791	1 791
Settlement of provision	(15 845)	-	(1 952)	-	(17 797)
Change in provision due to change in estimation of inputs	17 542	(4 132)	1 545	-	14 955
Closing balance	17 542	147 307	1 545	1 791	168 185

- 1) Performance awards are performance bonuses that may be payable to employees of the department. The expected timing of any outflow will occur after the assessment process has been completed.
- 2) Capped leave commitment is leave days that the employees have accumulated over a period of time. The timing of the outflow of economic benefit is dependent on the termination of services of the employee
- 3) Long service awards are a reward given to employees that have been in the public service for 20,30 or 40 years. The timing of the outflow of economic benefits will occur of the anniversary month of each employee
- 4) Retention is a percentage of the contract value held by the department when it enters into a contract for services to be rendered. The timing of the outflow of economic benefits is 3 – 6 months after the completion of the project.
- 5) Tax relates to the amount due to SARS as a result of under taxing of leave gratuities for exiting employees.

30. MOVABLE TANGIBLE CAPITAL ASSETS

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

	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	212 050	-	23 623	(5 602)	230 071
Transport assets	14 071	-	902	-	14 973
Computer equipment	57 201	-	7 953	(641)	64 513
Furniture and office equipment	20 169	-	3 151	(124)	23 196
Other machinery and equipment	120 609	-	11 617	(4 837)	127 389
BIOLOGICAL ASSETS	5 480		1 188	(1 184)	5 484
Biological assets	5 480	-	1 188	(1 184)	5 484
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	217 530	-	24 811	(6 786)	235 555

30.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	Cash	Non-cash	Finance lease payments	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	73 985	14	(51 278)	902	23 623
Transport assets	36 658	-	(36 658)	902	902
Computer equipment	7 953	-	-	-	7 953
Furniture and office equipment	3 151	-	-	-	3 151
Other machinery and equipment	26 223	14	(14 620)	-	11 617
BIOLOGICAL ASSETS	-	1 188	-	-	1 188
Biological assets	-	1 188	-	-	1 188
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	73 985	1 202	(51 278)	902	24 811

30.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	Sold for cash	Non-cash disposal	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	541	5 061	5 602	5
Transport assets	-	-	-	-
Computer equipment	359	282	641	-
Furniture and office equipment	109	15	124	-
Other machinery and equipment	73	4 764	4 837	5
BIOLOGICAL ASSETS	799	385	1 184	798
Biological assets	799	385	1 184	798
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	1 340	5 446	6 786	803

30.3 Movement for 2016/17

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	199 423	-	27 380	(14 753)	212 050
Transport assets	14 071	-	-	-	14 071
Computer equipment	51 909	-	6 795	(1 503)	57 201
Furniture and office equipment	18 417	-	1 935	(183)	20 169
Other machinery and equipment	115 026	-	18 650	(13 067)	120 609
BIOLOGICAL ASSETS	4 328	-	32 893	(31 741)	5 480
Biological assets	4328	-	32 893	(31 741)	5 480
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	203 751	-	60 273	(46 494)	217 530

30.4 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2018

	Intangible assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000
Opening balance	48	37 084	4 315	41 447
Value adjustments	-	-	-	-
Additions	-	2 509	815	3 324
Disposals	-	(880)	(1 668)	(2 548)
TOTAL MINOR ASSETS	48	38 713	3 462	42 223

	Intangible assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	18	33	-	51
Number of minor assets at cost	15	34	4	53
TOTAL NUMBER OF MINOR ASSETS	33	67	4	104

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2017

	Intangible assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000
Opening balance	48	36 023	4 496	40 567
Prior period error	-	-	123	123
Additions	-	1 562	2 874	4 436
Disposals	-	(501)	(3 178)	(3 679)
TOTAL MINOR ASSETS	48	37 084	4 315	41 447

	Intangible assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	16	33 320	-	33 336
Number of minor assets at cost	15	34 422	4 146	38 583
TOTAL NUMBER OF MINOR ASSETS	31	67 742	4 146	71 919

30.4.1 Prior period error

	<i>Note</i>	2016/17 R'000
Nature of prior period error		
Relating to 2016/17 <i>[affecting the opening balance]</i>		
Minor assets: biological assets		123
Total prior period errors		123

31. INTANGIBLE CAPITAL ASSETS

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

	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	8 079	-	-	-	8 079
TOTAL INTANGIBLE CAPITAL ASSETS	8 079	-	-	-	8 079

31.1 Movement for 2016/17

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	8 079	-	-	-	8 079
TOTAL INTANGIBLE CAPITAL ASSETS	8 079	-	-	-	8 079

32. IMMOVABLE TANGIBLE CAPITAL ASSETS

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

	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	-	-	158 962	(158 962)	-
Other fixed structures	-	-	136 410	(136 410)	-
Non-residential building	-	-	22 552	(22 552)	-
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	-	-	158 962	(158 962)	-

32.1 Additions

ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	Cash R'000	Non-cash (Prior year WIP) R'000	Capital Work in Progress R'000	Received current, not paid (Paid current year, received prior year) R'000	Total R'000
BUILDING AND OTHER FIXED STRUCTURES	137 214	75 803	(54 055)	-	158 962
Other fixed structures	11 070	17 208	(5 726)	-	22 552
Non-residential buildings	126 144	58 595	(48 329)	-	136 410
TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS	137 214	75 803	(54 055)	-	158 962

32.2 Disposals

DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	Sold for cash R'000	Non-cash disposal R'000	Total disposals R'000	Cash Received Actual R'000
BUILDINGS AND OTHER FIXED STRUCTURES		158 962	158 962	-
Other fixed structures	-	22 552	22 552	-
Non-residential buildings		136 410	136 410	-
TOTAL DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS	-	158 962	158 962	-

32.3 Movement for 2016/17

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	-	-	46 978	(46 978)	-
Non-residential buildings	-	-	46 978	(46 978)	-
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	-	-	46 978	(46 978)	-

32.4 Capital Work-in-progress

CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2018

	<i>Note</i>	Opening balance 1 April 2017	Current Year WIP	Ready for use (Assets to the AR)	Closing balance 31 March 2018
	<i>Annexure 7</i>	R'000	R'000	R'000	R'000
Buildings and other fixed structures		75 803	137 214	(158 962)	54 055
TOTAL		75 803	137 214	(158 962)	54 055

Age analysis on ongoing projects	Number of projects		2017/18
	Planned, Construction not started	Planned, Construction started	Total R'000
1 to 3 Years	0	19	54 055
Total	0	19	54 055

CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2017

	<i>Note</i>	Opening balance 1 April 2016	Prior period error	Current Year WIP	Ready for use (Assets to the AR)	Closing balance 31 March 2017
	<i>Annexure 7</i>	R'000	R'000	R'000	R'000	R'000
Buildings and other fixed structures		47 329	-	75 803	(47 329)	75 803
TOTAL		47 329	-	75 803	(47 329)	75 803

33. PRIOR PERIOD ERRORS

33.1 Correction of prior period errors

	<i>Note</i>	Amount bef error correction	Prior period error	Restated Amount
		2016/17 R'000	2016/17 R'000	2016/17 R'000
Assets:				
Minor Assets		4 191	123	4 315
Net effect		4 191	123	4 315

	<i>Note</i>	Amount bef error correction	Prior period error	Restated Amount
		2016/17 R'000	2016/17 R'000	2016/17 R'000
Other:				
Irregular expenditure		1 301	(334)	967
Net effect		1 301	(334)	967

34. STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF DEPARTMENT	GRANT ALLOCATION						SPENT			2016/17	
	Division of Revenue Act/ Provincial Grants	Roll Overs	DORA Adjustments	Other Adjustments	Total Available	Amount received by department	Amount spent by department	Under / (Overspending)	% of available funds spent by department	Division of Revenue Act	Amount spent by department
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
CASP	248 046	950	-	-	248 996	248 996	244 115	4 881	98%	276 803	273 941
Letsema/Ilima	67 356	-	-	-	67 356	67 356	67 282	74	100%	64 335	63 580
Land care	11 812	-	-	-	11 812	11 812	11 690	122	99%	10 632	10 621
Extended Public Works Program	2 000	-	-	-	2 000	2 000	2 000	-	100%	2 000	2 000
	329 214	950	-	-	330 164	330 164	325 087	5 077		353 770	350 142

ANNEXURE 1A

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION 2017/18					TRANSFER		2016/17
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act	
	R'000	R'000	R'000	R'000	R'000	%	R'000	
ECORDA	166 390	-	-	166 390	166 089	100%	188 793	
Macadamia Nuts	10 000	-	-	10 000	10 000	100%	-	
Magwa Rescue Programme	45 059	-	-	45 059	45 059	100%	-	
AGRIC NATIONAL MARKETING COUNCIL	-	-	-	-	-	-	9 000	
IDC/Nguni Cattle Development	7 000	-	-	7 000	7 000	100%	-	
Red meat improvement (NAMAC)	3 000	-	-	3 000	3 000	100%	-	
Chris Hani Development Agency	3 658	-	-	3 658	3 658	100%	-	
TOTAL	235 107	-	-	235 107	234 806		197 793	

ANNEXURE 1B STATEMENT OF TRANSFERS TO HIGHER EDUCATION INSTITUTIONS

NAME OF HIGHER EDUCATION INSTITUTION	TRANSFER ALLOCATION					TRANSFER			2016/17 Final Appropriation R'000
	Adjusted Appropriation	Roll Overs	Adjust-ments	Total Available	Actual Transfer	Amount not transferred	% of Available funds Transferred		
	R'000	R'000	R'000	R'000	R'000	R'000	%		
Fort Cox College (subsidy)	50 396	-	-	50 396	50 396	-	0.00%	47 464	
Fort Cox College (Rural wealth creation)	4 400	-	-	4 400	4 399	1	0.02%	-	
TOTAL	54 795	-	-	54 796	54 795	1		47 464	

ANNEXURE 1C
STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2016/17 R'000	
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	Capital R'000	Current R'000		Final Appropriation R'000
Private Enterprises										
Transfers										
Blue Karoo Trust	8 300	-	-	8 300	8 300	100%	-	8 300	-	-
Grain SA	9 600	-	-	9 600	9 600	100%	-	9 600	-	-
Grain Farmers Development Agency	8 064	-	-	8 064	8 064	100%	-	8 064	-	-
Growers Development Co.	9 000	-	-	9 000	9 000	100%	-	9 000	-	-
Total	34 964	-	-	34 964	34 964	-	-	34 964	-	-

ANNEXURE 1D
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

	TRANSFER ALLOCATION 2017/18				EXPENDITURE		2016/17
	Adjusted Appropriation Act	Roll overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
NON-PROFIT INSTITUTIONS							
Transfers							
Deciduous Fruit	7 480	-	-	7 480	7 480	100%	-
Total	7 480	-	-	7 480	7 480		-

ANNEXURE 1E
STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2016/17 Appropriation Act R'000
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	
Transfers							
Leave gratuity	21 958	-	-	21 958	21 961	100%	27 377
RID/REID: Rural Livelihoods	2 000	-	-	2 000	2 000	100%	-
Claims against the state: Arbitration award	53	-	-	53	53	100%	-
University of Fort Hare	1 900	-	-	1 900	1 900	100%	6 607
Total	25 911	-	-	25 911	25 914		33 984

ANNEXURE 1F STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2017/18	2016/17
		R'000	R'000
Received in kind			
Dept. of Agriculture, Fisheries & Forestry	Library books	862	-
TOTAL		862	-

ANNEXURE 1G STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE

NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of organisation)	2017/18	2016/17
	R'000	R'000
Made in kind		
Donations (livestock) for numerous events and beneficiaries	158	469
Livestock improvement scheme	12	32 607
TOTAL	170	33 076

ANNEXURE 2 STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO ENTITIES

Name of Public Entity	Nature of business	Cost of investment		Net Asset value of Investment		Amounts owing to Entities		Amounts owing by Entities	
		2017/18	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17
Controlled entities									
Magwa Tea	Planting and harvesting of tea	-	-	4 067	-	-	-	5 385	-
TOTAL		-	-	4 067	-	-	-	5 385	-

The government has 100% ownership of Magwa Enterprise Tea which was held by Eastern Cape Development Corporation (ECDC). The ownership of Magwa Enterprise Teas was transferred to the department during the year under review. The department holds 100 shares valued at R1 per share. A shareholder's loan amounting to R5 million was also ceded to department. Due to the nature of the AFS template, the value of the share round up to zero and it is not reflected in the template.

ANNEXURE 3A
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2018 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2017	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2018	Guaranteed interest for year ended 31 March 2017	Realised losses not recoverable i.e. claims paid out	
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
Housing										
Standard Bank		-	233	-	-	-	233	-	-	
Nedbank		-	109	-	(109)	-	-	-	-	
FirstRand Bank		-	120	-	(96)	-	24	-	-	
ABSA		-	552	-	(215)	-	337	-	-	
Unique Bank		-	15	-	(15)	-	-	-	-	
TNBS		-	49	-	-	-	49	-	-	
ECDC		-	5	-	(5)	-	-	-	-	
TOTAL		-	1 083	-	(440)	-	643	-	-	

ANNEXURE 3B
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2018

Nature of Liability	Opening Balance 1 April 2017 R'000	Liabilities incurred during the year R'000	Liabilities paid/ cancelled/reduced during the year R'000	Liabilities recoverable (Provide details hereunder) R'000	Closing Balance 31 March 2018 R'000
Claims against the department					
JM Ngxiya	102	-	-	-	102
Gungqwana Notyhanga	5	-	-	-	5
Zimasile Ncamiso	50	-	-	-	50
Thomas Construction	95	-	-	-	95
Ntuli Flora Novusile	50	-	-	-	50
Ntuli Mphakamisi / Minister of Dept of Agriculture	5	-	-	-	5
Winkie Nela	50	-	(50)	-	-
Xplosive Investments 902cc	50	-	-	-	50
Sammy B Mandeau/DRDAR	50	-	-	-	50
Ukhahlamba District Municipality	1	4	-	-	5
L. Sibanyoni	50	-	-	-	50
Eagles Multi-purpose Primary Co-operative	4 983	-	-	-	4 983
Ethesian Fozzie & 4 other/ Ndlambe Municipality	500	-	(500)	-	-
Lukhanyo Fesi	100	-	-	-	100
Urmuhle Development	100	-	-	-	100
N. Steremele	150	-	-	-	150
Zimele Sandi & 3 others	100	-	-	-	100
Nozipho Hlongwane	12 200	-	-	-	12 200
Ayabulela Ngoqo	58	-	-	-	58
Mfuneko Sikunyana	20	-	-	-	20

Nature of Liability	Opening Balance 1 April 2017 R'000	Liabilities incurred during the year R'000	Liabilities paid/ cancelled/reduced during the year R'000	Liabilities recoverable (Provide details hereunder) R'000	Closing Balance 31 March 2018 R'000
Easten Cape Development Corporation	565	-	-	-	565
Ningiza Horner Inc/ ECATU& Premier EC	749	-	-	-	749
Nokwanda Ndlebe/ MEC for DRDAR	350	-	-	-	350
Robet Boakye Yladom / MEC for DRDAR	50	-	-	-	50
Manelisi Zukile Somhlaho/ MEC for DRDAR & Ather	50	50	-	-	100
Emthonjeni Agricultural& Irrigation System	4 410	-	-	-	4 410
L Musisi	100	-	-	-	100
Azile Ndaba	100	100	-	-	200
Manengele	-	50	-	-	50
Malibongwe Mayekiso	-	100	-	-	100
Sizwe Mayekiso	-	100	-	-	100
Siphindlela Majjobela	-	100	-	-	100
Ntobeko Weber	-	50	-	-	50
A Mtati	-	50	-	-	50
AM Soures	-	100	(100)	-	-
M Mapekula	-	50	-	-	50
Gotshana & Nehawu	-	100	-	-	100
TO Molefe	-	100	-	-	100
Rentworks Africa	-	1 410	-	-	1 410
Subtotal	25 093	2 364	(650)	-	26 807

**ANNEXURE 4
 CLAIMS RECOVERABLE**

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2017/18	
	31/03/2018	31/03/2017	31/03/2018	31/03/2017	31/03/2018	31/03/2017	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Department								
TARDI & Fort Cox: Revitalisation of Colleges	-	(368)	3 085	-	3 085	(368)	-	-
Sub-total	-	(368)	3 085	-	3 085	(368)	-	-
TOTAL	-	(368)	3 085	-	3 085	(368)	-	-

ANNEXURE 5 INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2017/18	
	31/03/2018	31/03/2017	31/03/2018	31/03/2018	31/03/2018	31/03/2017	Payment date up to six (6) working days before year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000

DEPARTMENT : Current

Department of Local government and Traditional Leaders

Department of Health

9	-	-	9	-				
28			28					
37			37					

OTHER GOVERNMENT ENTITIES: Current

Chris Hani District Municipality

AGRISETA

HWSETA

Mhlontlo Municipality

CETA

OR Tambo Municipality

Other

Total

-	71	-	-	-	71	-	-	-
113	142	-	113	-	142	-	-	-
391	8 118	-	391	-	8 118	-	-	-
608	39	-	608	-	39	-	-	-
-	90	-	-	-	90	-	-	-
1	-	-	1	-	-	-	-	-
1	-	-	1	-	-	-	-	-
1 114	8 460	-	1 114	-	8 460	-	-	-

ANNEXURE 6

INVENTORIES

Inventory: summary	Note	2017/18	2016/17
		R'000	R'000
Opening balance		-	-
Add: Additions/Purchases - Cash	5.4	175 035	262 599
(Less): Issues		(175 035)	(262 599)
Closing balance		-	-

Inventory: Cloth materials & accessories	Note	2017/18	2016/17
		R'000	R'000
Opening balance		-	-
Add: Additions/Purchases - Cash	5.4	151	
(Less): Issues		(151)	
Closing balance		-	-

Inventory: Farming supplies	Note	2017/18	2016/17
		R'000	R'000
Opening balance		-	-
Add: Additions/Purchases - Cash	5.4	121 705	226 483
(Less): Issues		(121 705)	(226 483)
Closing balance		-	-

Inventory: Food and food supplies	Note	2017/18	2016/17
		R'000	R'000
Opening balance		-	-
Add: Additions/Purchases - Cash	5.4	471	389
(Less): Issues		(471)	(389)
Closing balance		-	-

Inventory: Fuel, Oil & Gas	Note	2017/18	2016/17
		R'000	R'000
Opening balance		-	-
Add: Additions/Purchases - Cash	5.4	810	727
(Less): Issues		(810)	(727)
Closing balance		-	-

Inventory: Learn & teaching supply materials	Note	2017/18	2016/17
		R'000	R'000
Opening balance		-	-
Add: Additions/Purchases - Cash	5.4	6	28
(Less): Issues		(6)	(28)
Closing balance		-	-

Inventory: Materials and supplies	Note	2017/18	2016/17
		R'000	R'000
Opening balance		-	-
Add: Additions/Purchases - Cash	5.4	10 359	2 947
(Less): Issues		(10 359)	(2 947)
Closing balance		-	-

Inventory: Medical supplies	Note	2017/18	2016/17
		R'000	R'000
Opening balance		-	-
Add: Additions/Purchases - Cash	5.4	1 096	310
(Less): Issues		(1 096)	(310)
Closing balance		-	-

Inventory: Medicine	Note	2017/18	2016/17
		R'000	R'000
Opening balance		-	-
Add: Additions/Purchases - Cash	5.4	32 202	29 044
(Less): Issues		(32 202)	(29 044)
Closing balance		-	-

Inventory: Other supplies	Note	2017/18	2016/17
		R'000	R'000
Opening balance		-	-
Add: Additions/Purchases - Cash	5.4	8 235	2 671
(Less): Issues		(8 235)	(2 671)
Closing balance		-	-

ANNEXURE 7

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2018

	Opening balance R'000	Current Year Capital WIP R'000	Ready for use (Asset register) R'000	Closing balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	75 803	137 214	(158 962)	54 055
Non-residential buildings	17 208	11 070	(22 552)	5 726
Other fixed structures	58 595	126 144	(136 410)	48 329
TOTAL	75 803	137 214	(158 962)	54 055

	Number of projects		2017/18 Total R'000
	Planned, Construction not started	Planned, Construction started	
Age analysis on ongoing projects			
1 to 3 Years		19	54 055
Total		19	54 055

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2017

	Opening balance R'000	Prior period error R'000	Current Year Capital WIP R'000	Ready for use (Asset register) R'000	Closing balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	47 329	-	13 475	(47 329)	13 475
Non-residential buildings	-	-	13 475	(47 329)	13 475
Other fixed structures	-	-	62 328	-	62 328
TOTAL	47 329	-	75 803	(47 329)	75 803

