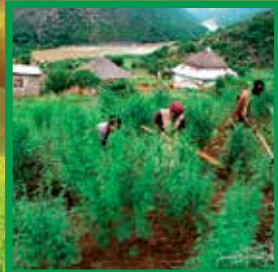




Province of the  
**EASTERN CAPE**

RURAL DEVELOPMENT AND  
AGRARIAN REFORM



# 2019/20 Annual Report

**SIYAKHAWULEZA**

DEPARTMENT OF RURAL DEVELOPMENT AND AGRARIAN REFORM  
PROVINCE OF THE EASTERN CAPE

**VOTE NO. 08**  
**ANNUAL REPORT**  
**FINANCIAL YEAR**  
**2019/2020**



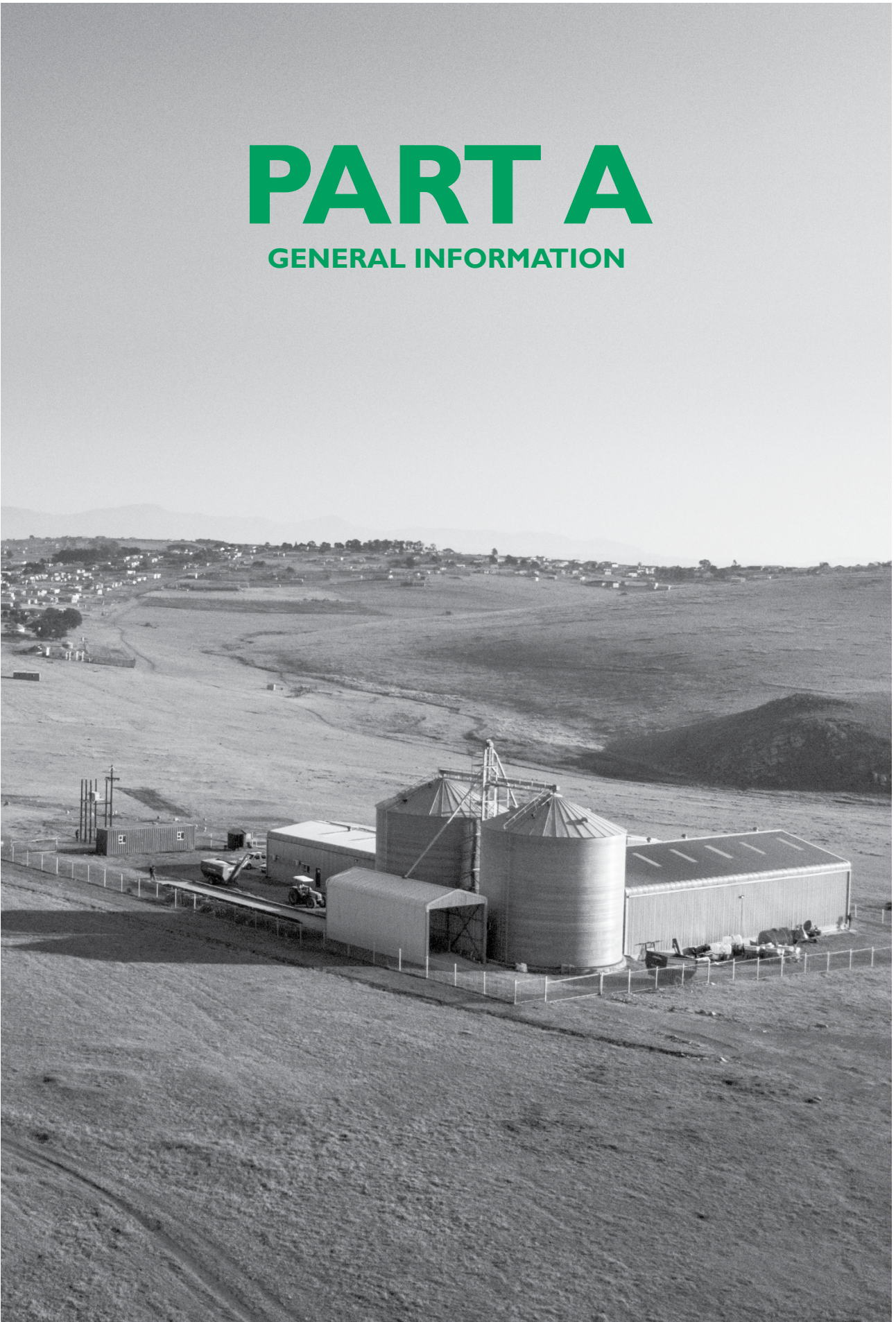
Province of the  
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RURAL DEVELOPMENT AND  
AGRARIAN REFORM

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# PART A

## GENERAL INFORMATION



## I. DEPARTMENT GENERAL INFORMATION

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## 2. LIST OF ABBREVIATIONS/ACRONYMS

<b>ABSA</b>	Amalgamated Banks of South Africa	<b>KRA</b>	Key Results Area
<b>ADMIN</b>	Administration	<b>KSD</b>	King Sabatha Dalinyebo
<b>AETS</b>	Agricultural Economic Transformation Strategy	<b>LCD</b>	Liquid Crystal Display
<b>AFS</b>	Annual Financial Statements	<b>LCS</b>	Living Condition Survey
<b>AGSA</b>	Auditor General of South Africa	<b>LIMS</b>	Lab Information Management Systems
<b>AHT</b>	Animal Health Technicians	<b>LIS</b>	Livestock Production Improvement Scheme
<b>AI</b>	Avian Influenza	<b>LM</b>	Local Municipality
<b>AIDS</b>	Acquired Immune Deficiency Syndrome	<b>LMF</b>	Labour Management Forum
<b>APAP</b>	Agriculture Policy Action Plan	<b>MEC</b>	Member of the Executive Council
<b>APP</b>	Annual Performance Plan	<b>MINMEC</b>	Ministers and Members of the Executive Council
<b>ARC</b>	Agricultural Research Council	<b>MINTEC</b>	Ministerial Technical Committee
<b>BAS</b>	Basic Accounting System	<b>MOU</b>	Memorandum of Understanding
<b>BOD</b>	Board of Directors	<b>MPAT</b>	Management and Performance Assessment Tool
<b>BPR</b>	Business Process Re-engineering	<b>MTSF</b>	Medium Term Strategic Framework
<b>CA</b>	Contagious Abortion	<b>NAMC</b>	National Agricultural Marketing Council
<b>CAADP</b>	Comprehensive Africa Agricultural Development Programme	<b>NCDT</b>	Nguni Cattle Development Trust
<b>CARA</b>	Conservation of Agricultural Resources Act	<b>NDP</b>	National Development Plan
<b>CASP</b>	Comprehensive Agricultural Support Programme	<b>NEPAD</b>	New Partnership for Africa's Development
<b>CCS</b>	Compulsory Community Services	<b>NETSAFF</b>	National Education and Training Strategy for Agriculture, Forestry and Fisheries
<b>CFO</b>	Chief Financial Officer	<b>NQF</b>	National Qualifications Framework
<b>CHDM</b>	Chris Hani District Municipality	<b>OAG</b>	Office of the Auditor General
<b>CIDB</b>	Construction Industry Development Board	<b>OHS</b>	Occupational Health Safety
<b>CIP</b>	Compulsory Induction Programme	<b>OHSA</b>	Occupational Health Safety Act
<b>CIPC</b>	Companies Intellectual Property Commission	<b>OIE</b>	Office Internationale Etizooties
<b>CMAI</b>	Centane/Mbashe Agricultural Initiative	<b>OP</b>	Operational Plan
<b>COE</b>	Compensation of Employees	<b>OSD</b>	Occupational Specific Dispensation
<b>COGTA</b>	Cooperative Governance and Traditional Affairs	<b>PAHC</b>	Public Animal Health Care
<b>COO</b>	Chief Operations Officer	<b>PDI</b>	Previously Disadvantage Individual
<b>CRDP</b>	Comprehensive Rural Development Programme	<b>PDP</b>	Provincial Development Plan
<b>DAAC</b>	District Agri-park Advisory Councils	<b>PERSAL</b>	Payroll and Salaries
<b>DAFF</b>	Department of Agriculture, Forestry and Fisheries	<b>PFMA</b>	Public Finance Management Act
<b>DALRRD</b>	Department of Agriculture, Land Reform and Rural Development	<b>PI</b>	Performance Indicator
<b>DAPOTT</b>	District Agri Park Organising Task Team	<b>PINECO</b>	Pineapple Company
<b>DLRC</b>	District Land Reform Committees	<b>PLAS</b>	Proactive Land Acquisition Strategy
<b>DOE</b>	Department of Education	<b>PoA</b>	Program of Action
<b>DORA</b>	Division of Revenue Act	<b>PPPFA</b>	Preferential Procurement Policy Framework Act
<b>DPSA</b>	Department of Public Service and Administration	<b>PSA</b>	Public Service Association
<b>DPWS</b>	Department of Public Works	<b>PSCBC</b>	Public Service Coordinating Bargaining Council
<b>DRDAR</b>	Department of Rural Development and Agrarian Reform	<b>PSRP</b>	Public Service Reorientation Programme
<b>DRDLR</b>	Department of Rural Development and Land Reform	<b>R</b>	Rand

<b>DSTV</b>	Digital Satellite Television	<b>RATU</b>	Rural Appropriate Technology Unit
<b>EAP</b>	Employees Assistance Programme	<b>RED</b>	Rural Enterprise Development
<b>EAPASA</b>	Employee Assistance Professionals Associations of South Africa	<b>RT</b>	Transversal Rated Contracts
<b>EC</b>	Eastern Cape	<b>SA</b>	South Africa
<b>ECATU</b>	Eastern Cape Appropriate Technology Unit	<b>SABS</b>	South African Bureau of Standards
<b>ECDC</b>	Eastern Cape Development Corporation	<b>SACNASP</b>	South African Council for National Science Profession
<b>ECGBB</b>	Eastern Cape Gambling & Betting Board	<b>SADC</b>	Southern African Development Community
<b>ECPTA</b>	Eastern Cape Parks & Tourism Agency	<b>SALA</b>	Sub-division of Agricultural Land Act
<b>ECRDA</b>	Eastern Cape Rural Development Agency	<b>SAMDI</b>	South African Management Development Institute
<b>ECSECC</b>	Eastern Cape Socio Economic Consultative Council	<b>SANAS</b>	South African National Accreditation System
<b>EE</b>	Employment Equity	<b>SAQA</b>	South African Qualifications Authority
<b>EEP</b>	Employment Equity Policy	<b>SASAE</b>	South African Society for Agricultural Extension
<b>EHWP</b>	Employee Health and Wellness Programme	<b>SASAT</b>	South African Society Agricultural Technologists
<b>EIA</b>	Environmental Impact Assessment	<b>SCM</b>	Supply Chain Management
<b>EIA</b>	Environment Impact Assessment	<b>SDIP</b>	Service Delivery Improvement Plan
<b>EPWP</b>	Extended Public Works Programme	<b>SDM</b>	Service Delivery Model
<b>ERM</b>	Enterprise Risk Management	<b>SETA</b>	Sector Education Training Agency
<b>EXCO</b>	Executive Council	<b>SG</b>	Strategic Goal
<b>FAS</b>	Financial Accounting Services	<b>SHE</b>	Safety Health Environment
<b>FEA</b>	Female Enterprise Award	<b>SHERQ</b>	Safety, Health, Environment , Risk and Quality
<b>FET</b>	Further Education and Training	<b>SLA</b>	Service Level Agreement
<b>FTE's</b>	Full Time Equivalents	<b>SMME</b>	Small Medium Micro Enterprise
<b>GARDAG</b>	Government Agricultural Research and Development Action Group	<b>SMS</b>	Senior Management Service
<b>GDP</b>	Gross Domestic Product	<b>SO</b>	Strategic Objective
<b>GG</b>	Government Transport	<b>SOMPED</b>	Society for Medicinal Plants and Economic Development
<b>GIAMA</b>	Government Immovable Asset Management Act	<b>SPLUMA</b>	Spatial Planning and Land Use Management Act of 2013
<b>GIS</b>	Geographic Information System	<b>STATSSA</b>	Statistics South Africa
<b>GITO</b>	Government Information Technology Office	<b>TARDI</b>	Tsolo Agricultural and Rural Development Institute
<b>HA</b>	Hectane	<b>TB</b>	Tuberculosis
<b>HET</b>	Higher Education and Training	<b>TR</b>	Treasury Regulations
<b>HIV</b>	Human Immune deficiency Virus	<b>TVET</b>	Technical and Vocational Education and Training
<b>HR</b>	Human Resources	<b>UBPL</b>	Upper Band Poverty Level
<b>HROPT</b>	Human Resource Operations Project Task Team	<b>UFH</b>	University of Fort Hare
<b>ICT</b>	Information Communication and Technology	<b>UPS</b>	Un-Interrupted Power Supply
<b>ICU</b>	Internal Control Unit	<b>USA</b>	United States of America
<b>IDP</b>	Integrated Development Plan	<b>VCT</b>	Voluntary Counselling and Testing
<b>IFSS</b>	Integrated Food Security Strategy	<b>VIP</b>	Ventilated Improved Pit-latrine
<b>IGR</b>	Inter-governmental Relations	<b>WEMA</b>	Water Efficient Maize Africa
<b>IOD</b>	Injury on Duty	<b>WIFI</b>	Wireless Internet for Frequent Interface
<b>ISO</b>	International Standard Organisation		

### 3. FOREWORD BY THE MEC

Whilst this department is entrusted with a responsibility to ensure sufficient food for the people of the province, work is equally underway to position the Eastern Cape as the country and continent net exporter of food products. Realizing this mammoth task will be a key indicator that the Department is meaningfully contributing in addressing the triple challenge of unemployment, poverty and inequality. During the begging on the year under review, we stated that the machinery to be employed in achieving the mandate of DRDAR is that of commercializing black smallholder farmers by enhancing the potential of the province to be the net exporter of agricultural products.

To achieve this important strategic goal which is anchored around the National Development Plan (NDP) and the Provincial Development Plan (PDP), the Department had to ensure that land reform program is handled in a manner that seek to transform the agricultural sector to address the imbalances of the past.



**HON MEC  
NOMAKHOSAZANA METH**

The commercialization of black smallholder farmers has been conducted through the implementation of the Agricultural Economic Transformation Strategy (AETS) which is aligned to the Land Reform Program. The pillars of the AETS are based on a commodity based commercial partnership model and a cluster based community partnership model. To this end the Agricultural Partnership Policy has been approved and it guides how partnerships are initiated and supported to improve the productivity and commercial competitiveness of farmers throughout agriculture value chain. The implementation of government policy cannot be fully realised without forming partnerships with key stakeholders.

During the period under review, grain producers formed grain commodity partnerships, and the following milestones were reached:

- During the year under review, DRDAR recorded a decrease on hectares in the area planted by smallholder and communal farmers was less than the previous two seasons at 17 153 ha. However, due to good weather conditions (rainfall and temperature) after planting the harvest from this area is better than the previous two cropping seasons.
- The Centane /Mbashe Agricultural Initiative (CMAI) (driven by WIPHOLD) has successfully clustered 2 500 ha from 2318 communal landowners from 34 villages of the areas.

Under Horticultural producers, the department partnered with Citrus Growers Association (CGA) to ensure that the black smallholder farmers do participate in this commodity. It is important to note that the Province produces 25% of the SA citrus of which 90% is exported with production taking place at Sarah Baartman and Amathole. Pineapple as an agricultural value chain that is clustered under horticultural commodity. In 2019/20 financial year, the department supported four farms, namely, Pineapple Company (PINECO), Bingqala, Cornfields and Tharfield to increase production from 96 ha to 176 ha creating 152 jobs. Under deciduous fruit, the Department initiated the planning of the orchards wherein, dam designs, EIA and detailed soil surveys were started and planned to be completed in 2020/21 financial year. Chicory created twenty (20) temporary jobs at Mgababa during weeding, while under macadamia, 450 ha under production by black producers through community-private partnership in Amathole (Ncera and Amajingqi) is being planted. The area that was planted in 2019/20 reporting period has resulted in a total of 191 tons of nuts being produced and 283 jobs created. Macadamia is a high value product with a potential to generate significant employment opportunities and foreign earnings.

Under livestock commodity, the department made significant strides in the commercialization of readmeat value chain. During the year under review, DRDAR witnessed an increase in the farmers that were supported with infrastructure,



feed and genetic material. The infrastructure development support resulted in a total of 2 686 farmers that benefited with 468 jobs created. The wool and mohair value chain immensely contributed in the commercialization of smallholder farmers, through the construction of 18 shearing sheds, 12 boreholes and 9 fencing projects benefiting 533 producers and created 116 jobs. The Eastern Cape as the leading province in the country with wool at 34% and mohair at 85% production is targeting to maintain this position and continue to contribute to the provincial GDP. The drought that was experienced during 2019/20 season affected the production of dairy production, 817 tons of dairy were produced. The establishment of a Vet School at Fort Hare University was not concluded in the year under review due to the outbreak of COVID-19. However, the lobbying for the Head of the Vet School was conducted.

The Eastern Cape is mostly rural and the support rendered by the department is rural inclined with more focus on black smallholder farmers. To this end, fifty-three (53) small-scale fisher's cooperatives in the coastal communities were issued with fishing permits that are valid for 15 years. This will ensure participation of rural communities into the oceans' economy through legal trading. The Department has supported four villages with fishing equipment to the value of R800 000.

For the year under review, the Department planned to rehabilitate 3 681 ha of degraded land for agricultural production to contribute to commercialization of agriculture in the Province. More than 5000 ha of land were rehabilitated. The rehabilitation of degraded in the Province is also intended to reduce the more than 160 000 has of dongas that currently exists. The projected contributed in the creation of more than 380 green jobs.

One of the biggest challenge faced by the country is the challenge of youth unemployment. The recent statistics released by Stats SA points to a dire situation of youth unemployment. The NDP is very clear on the role that agriculture can play in alleviating the scourge of unemployment facing our country. The biggest impediment to youth unemployment is the lack of relevant skills. To this end, through various interventions such as agricultural colleges and training, DRDAR provided training to students. During the year under review, out of 130 students that were targeted to graduate from Agricultural Training Institutes, 126 managed to complete the programme. Two hundred and six (206) TARDI Animal Health students were enrolled and successfully completed part of the first semester work towards the Animal Health Diploma. Two hundred and nine (209) Learnerships for out of school youth proceeded in Animal and Plant Production NQF Levels 2 and 3 in sixteen different sites across the province.

In supporting youth, women and people with disabilities, a total of 100 Clothing and Textile Cooperatives received industrial sewing machines and some specialised machines as well as sewing material, a minimum of 75 meters of material per cooperative.

In the implementation of rural development initiatives, a pilot incubator at Amathole District with the name of Black Coal has been established and is housed at Da-Gama premises. This is one of the Rural Community Training Centre which mainly aims at developing the new Fashion Designers to be entrepreneurs. In ensuring that skills The department supported the youth cooperative members with brick making training to impart skills and establish a business cooperative at Rietbron, Warmer in Sarah Baartman and Qutsa Village in Sakhisizwe LM. A total of 36 Youth enterprises were supported, that is, 24 on Vegetable farming, two on Livestock farming, five on Poultry and five on piggery across the province. This programme is implemented in partnership with the Office of the Premier

Promoting a healthy lifestyle is more crucial than ever before. The outbreak of COVID-19 has shown us the importance of good hygiene. During the year under review, 2 661 employees participated in health and wellness management activities to improve their physical and wellness lifestyle. These activities include education on various wellness topics, health screenings & assessments, physical and sporting activities as well as personal issues which may negatively affect employees' performance. This approach is very important to contribute in the fight against Covid-19 pandemic.

In the medium to long term, the department will apply deliberate support to a cadre of youth in agriculture who should be destined to become commercial farmers.

The National Development Plan (NDP), Vision 2030 is an overarching policy to drive development within the country. To ensure that the NDP is implemented, the Eastern Cape Provincial Government adopted a Provincial Development Plan. The department contributes in the implementation of the PDP through the implementation of the Provincial-Medium Term Strategic Framework (P-MTSF). The PDP goal number 03: Rural Development and an innovative high value agriculture sector is the responsibility of DRDAR. The Department is expected to make an impact in changing lives of the people of the Eastern Cape for the better by implementing the following impact areas:

- Improved socio-economic equity for rural communities, including livelihoods.
- Accelerate agricultural development and food security for all.
- Increase in the total area of land under agricultural production and the number of people, households and enterprises that are active in the agriculture sector.

During the tabling of the Departmental Policy Speech, I stated that the Department has a responsibility to feed more than 6.5 million people of this province, while at the same time, continuing to enhance the agricultural potential as a net exporter of agricultural products. The PDP has clearly pronounced on where DRDAR should be focusing on, the below strategic focus from the PDP constitute the work that DRDAR will be focusing on for the medium to long term.

- Sustainable community agriculture and diversified livelihoods,
- Development of agricultural value chains, and,
- Accelerate land reform and land rehabilitation programmes

All of the above government initiatives are anchored around the government seven priorities, which will to guide the work of the department for the year under review. DRDAR is directly responsible for Priorities one, two and five.

- **Priority Number One: A Capable, Ethical and Developmental State**
- **Priority Number Two: Economic Transformation and Job Creation**
- Priority Number Three: Education, Skills and Health,
- Priority Number Four: Consolidating the Social Wage through Reliable and Quality Basic Services
- **Priority Number Five: Spatial Integration, Human Settlement and Local Government**
- Priority Number Six: Social Cohesion and Safe Communities
- Priority Number Seven: A better Africa and a Better World

The role played by all our key stakeholders in supporting the Department to implement its projects and programmes during 2019/20 cannot be overlooked. To the entire DRDAR family, the dedication shown by each employee is appreciated, it is for this reason that service excellence awards will be established in the organization to instill a culture of good performance, ethics and dedication.

We have been sent by people of the Province to serve, let us continue to do more than expected to make this Province a better place for all.



**NOMAKHOSAZANA METH**

MEMBER OF EXECUTIVE COUNCIL  
DEPARTMENT OF RURAL DEVELOPMENT  
AND AGRARIAN REFORM  
30 October 2020

## 4. REPORT OF THE ACCOUNTING OFFICER

The Department of Rural Development and Agrarian Reform (DRDAR) fully embrace both the NDP and the PDP, Vision 2030 as the guide in the implementation of the 2019/20 Annual Performance Plan to address the triple challenges of unemployment, poverty and inequality.

Both the NDP and PDP places agriculture as one of the key enablers that must be integrated with other economic sectors to create jobs. The PDP has set the following six goals:

- Goal 1: Innovative and inclusive growing economy
- Goal 2: An enabling infrastructure network
- Goal 3: Rural development and an innovative and high-value agriculture sector
- Goal 4: Human Development
- Goal 5: Environmental sustainability
- Goal 6: Capable democratic institutions



**BONGIKHAYA DAYIMANI**  
HEAD OF DEPARTMENT (ACTING)

The Department is championing the implementation of goal number three (03), Rural development and an innovative and high-value agriculture sector. The implementation of Goal number 03 of the PDP is further supported by three strategic focus areas, Sustainable community agriculture and diversified livelihoods, Land reform and land rehabilitation programmes and Development of agricultural value chains.

The implementation and the achievement of PDP goal number 03 was conducted through the following meaningful contribution by all departmental programmes:

The implementation of the PDP strategic focus area on sustainable community agriculture and diversified livelihoods was conducted through the agriculture drought relief programme which supported livestock farmers with feed and fodder. From this intervention a total of 18 629 beneficiaries have received livestock feed and beneficiaries being divided as 84% of communal famers, 12% smallholder and 4% commercial farmers. This included 5 643 tons of Lucerne hay, 1477 tons of maize, 4 167 lick blocks, 2200 tons of finishers Pellets and 817 tons of Dairy. The districts that were worst affected by drought received the bigger share of the support in the form of quantities of feed. The feed was distributed in partnership with farmer structures at a district level.

The department contributed in improving access to basic services through the implementation of appropriate technologies to address the challenges of water scarcity. In the year under review five villages benefitted with Spring Water Protection and two other villages benefitted on Water Harvesting through construction of water tanks per household.

The Department supported smallholder and communal farmers to plant 12 363 ha in the coastal eastern parts of the Province. Additionally, the Centane /Mbashe Agricultural Initiative(CMAI) (driven by WIPHOLD) successfully clustered 2 500 ha from 2318 communal landowners from 34 villages of the

areas which benefited other crop farmers in the surrounding areas.

DRDAR directly contributed in the implementation of the PDP strategic focus area on agricultural value chain through the implementation of the following agricultural value chains:

During the year under review, the department supported more than 300 vegetable producers in Sarah Baartman, Chris Hani, Amathole and OR Tambo with production inputs and infrastructure. The support provided to these projects sustained 82 jobs from the production area and infrastructure development created 20 jobs for the locals. Production areas were supported with irrigation infrastructure, fencing and vegetable production tunnel. The support provided is geared towards improving production capacity, yields, access to new markets and increase job opportunities in these areas.

The Eastern Cape produces 25% of the SA citrus of which 90% is exported with production taking place in Sarah Baartman and Amathole. In 2019 harvest season, the 100% black owned pack-shed in Ngqushwa exported 150 000 tons of citrus from 19 producers which created 130 jobs.

In the pineapple value chain, the department supported four farms, namely, Pineapple Company (PINECO), Bingqala, Cornfields and Tharfield to increase production from 96 ha to 176 ha creating 152 jobs.

Eastern Cape is leading in the country with wool (34%) and mohair (85%) production and to maintain our position, in 2019/20 the DRDAR completed building of 18 shearing sheds, 12 boreholes and 9 fencing projects benefiting 533 producers and created 116 jobs. 30 FibreLux machines were distributed to 255 shearing sheds to improve wool classing to improve marketing.

On land reform and land rehabilitation strategic focus area, the department implemented the community based land rehabilitation programme. For the year under review, the following milestones were recorded:

- The Department trained more than 2772 farmers and 353 farm workers in animal and crop production as well as agri-business skills.
- To assist the provincial producers to be able to conduct business with the state in the multi-billion government nutrition industry, a total of 450 producers from 3 districts participated in the workshops on SA GAP (Good Agricultural Practices) conducted by the PPECB (Perishable Products Export Control Board).

The above is a clear indication that DRDAR is expected to play a more meaningful contribution in the delivery of the overarching government policies. The approach to implement the overarching government policies was anchored on the Agriculture Economic Transformation Strategy which seeks to commercialise smallholder farmers through partnerships with commodity organisations, development organisations and industry partners. To ensure that producers achieve economies of scale for improved competitiveness and productivity they are clustered and supported through partnership with commodity organisations or private partners to commercialise production. These partners ensure that farmers are supported technically and also gain market access for their products.

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 characterized by integrating all

government resources towards achievement of Growth of sustainable rural agricultural enterprise and industries characterized by strong rural-urban linkages; increased investment in agro-processing, trade development and access to markets and financial services- resulting in rural job creation.

Departmental receipts	2019/2020			2018/2019		
	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	4 826	5 691	(865)	4 810	4 312	498
Transfers received	-	-	-	-	-	-
Fines, penalties and forfeits	3	1	2	4	1	3
Interest, dividends and rent on land	4	8	(4)	6	2	4
Sale of capital assets	1 500	1 614	(114)	1 800	1 751	49
Financial transactions in assets and liabilities	500	32 480	(32 980)	4 117	6 394	(2 277)
<b>TOTAL</b>	<b>6 833</b>	<b>39 794</b>	<b>(32 961)</b>	<b>10 737</b>	<b>12 460</b>	<b>(1 723)</b>

The Department implemented two revenue sources that were identified from the Provincial Revenue Study conducted by the University of Fort Hare. These sources were abattoir inspection fees and agricultural import/export certification fees. The Department collected a total of R43 000 and this figure is projected to increase in the next financial year.

We anticipated revenue from monitoring of buffalos and ostrich moving between game farms within the province and across provinces. Veterinarians have to visit Buffalo farms for registration, inspection, testing and reading of test results as well as loading and sealing of trucks or to break the seal. Ostrich farms are visited for pre-movement Avian Influenza (AI) bleeding. When that process is in place the revenue will flow from visitation fees. However, consultation is still underway at a National level between the departments and game farmers. Once a consensus is reached, the department will implement the new revenue source.

The tariff policy was approved by Provincial Treasury in March 2019 and implemented by the department on 1 April 2019. The tariff policy lists the goods and services provided by the department. The tariffs were adjusted on average by 5.4% in line with the inflation rate as per National Budget Review for 2019/20. Veterinary services have a list of free services which are determined based on their service delivery mandate. The free services are as follows:

- TB and brucellosis testing of diagnostic herds.
- Rabies inoculations.
- Cattle dipping in disadvantaged communities.
- Annual sheep scab treatment/ prophylaxis in disadvantaged communities.
- Anthrax and brucellosis inoculations in disadvantaged communities.
- Castration of livestock by burdizzo for disadvantaged communities.

- Professional services for state owned animals.
- Endorsement of health certificate issued by private vets for export of pets to Southern African Development Community (SADC) countries.
- Demonstration of animal identification (branding and tattooing).

The Department has under collected on various revenue items, such as the revenue on the fines item which emanates from traffic fines incurred by Departmental employees. These fines are recovered once-off from the implicated employee.

We have under collected on services rendered by Veterinary Services due to limited mobile speed points. The Vet doctors service urban and rural farming communities. There are challenges in the receipting and collecting of revenue. The department has 10 mobile speed points allocated by the bank. Only two of the speed points are functioning. The department is interacting with Standard Bank to activate the eight that is not functioning. The banks response is not as prompt as we would like it to be as this situation is negatively affecting our revenue collection. A request has also been made to the bank for additional speed points for the Vet clinics that have subsequently been opened at the district.

The Department received revenue from the sale of fresh milk at Dohne and other satellite research stations. Severe drought that ravaged the province which resulted in a significant decline in the milk produced by the animals and as a result the revenue generated from this revenue item declined significantly.

During the 2019/20 financial year, the Department has over collected on departmental revenue by R32 million. The over collection resulted from the sale of wool, commission from insurance and garnishee, sale of biological assets, interest received and receivables from the previous financial years. We received R22 million from ECRDA relating to voted funds surrendered for the 2018/19 financial year. We received a tax refund from SARS amounting to R2.8 million emanating from over taxing of employee benefits from the previous financial years and a refund paid to Microsoft SA.

The interest received amounting to R8 000 emanated from receivables. The over collection is a result of an increase in interest bearing receivables that were recovered during the year.

The sale of biological assets generated revenue amounting to R1.6 million. The department sold biological assets that have reached the end of the research cycle.

## Programme Expenditure

Programme Name	2019/2020			2018/2019		
	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
Administration	502 398	501 453	945	479 070	474 156	4 914
Sustainable Resource Management	137 518	136 140	1 378	162 908	148 500	14 408
Farmer Support and Development	802 945	788 269	14 676	833 282	793 762	39 520
Veterinary Services	331 646	330 636	1 010	326 659	316 136	10 523

Programme Name	2019/2020			2018/2019		
	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
Technology Research and Development Services	137 951	137 530	421	135 758	133 530	2 228
Agricultural Economics	34 322	34 104	218	88 765	87 931	834
Structured Agricultural Training	174 871	168 782	6 089	167 036	161 762	5 274
Rural Development Coordination	285 641	285 291	350	192 688	189 793	2 895
<b>TOTAL</b>	<b>2 407 292</b>	<b>2 382 205</b>	<b>25 087</b>	<b>2 386 165</b>	<b>2 305 570</b>	<b>80 595</b>

### Explanations for variances:

#### I) Farmer Support and Development Services

##### Compensation of Employees is over spent by R1.717 million

The over expenditure on Compensation of Employees is on the Extension Services sub-programme. A shortfall in the subsidised vehicle allowance was experienced.

##### Goods & Services is over spent by R3.2 million

The over expenditure under goods and services emanates from biological minor assets amounting to R9.772 million, that had to be moved to goods and services (inventory farmer supplies). This misclassification was corrected a journal entry on the face of the annual financial statements resulting to misalignment between the budget and the expenditure.

##### Payment of Capital Assets is under spending by R19,6 million

This amount is broken down as follows:

- (i) The over expenditure under goods and services emanates from biological minor assets amounting to R9.772 million, that had to be moved to goods and services (inventory farmer supplies). This misclassification was corrected a journal entry on the face of the annual financial statements resulting to misalignment between the budget and the expenditure.
- (ii) The under expenditure of R13.4 million is mainly due to procurement of biological assets which was done utilizing the database for commodity partners and took longer than anticipated. Furthermore, due to large quantities, the livestock could not all be sourced within the province. Challenges with livestock transportation requirements such as certification and limited number of livestock to be transported, contributes to the delays in processing of payments.
- (iii) R13.4 million under expenditure is on biological assets. The process of purchasing livestock proved to be more complicated than was anticipated. Not all the required animals could be sourced within the province as a result some have to be sourced in other provinces. Challenges for transporting certifications were experienced limiting the number, hence the under expenditure.
- (iv) R465 000 was provided for the purchase of a software for the compilation of Financial Statements (Software). The process of getting a supplier was overtaken by the year-end.

## 2) **Structured Agricultural Training** **Capital under expenditure of R4.317 million**

The under expenditure is due to delays encountered earlier with the signing of the contract for the sewer upgrade and the sanitation at Fort Cox Collage. Furthermore, challenges were experienced in the procurement of stand-by generators also adding to the under expenditure.

### **Roll overs**

The department has applied for a rollover of R9.867 million. This amount is made of R3.205 million for CASP Infrastructure, R1.276 million for CASP Colleges and R5.386 million for Equitable share.

### **Unauthorised, Irregular and Fruitless and Wasteful expenditure**

The department incurred fruitless and wasteful expenditure amounting to R1 250 000 during the year. Transactions amounting to R47 000 were condoned and resolved during the year. The remaining balance of R1 293 000 was referred to the committee.

The irregular expenditure incurred during the current and prior years amounted to R4 557 000 and R26 569 000 respectively. Transactions amounting to R31 126 000 were condoned and resolved during the financial year.

Consequence management is applied as and when recommendations are confirmed by the committee.

The department did not incur any unauthorised expenditure for the financial year.

### **Public Private Partnerships**

No Public Private Partnerships were reported in the previous year and none were entered into in the year under review.

### **Discontinued activities / activities to be discontinued**

No activities were discontinued.

### **New or proposed activities**

There are no new or proposed activities.

### **Supply chain management**

There were no unsolicited bid proposals for the year under review. Procurement and Compliance Unit work together to ensure that all procurement undertaken is compliant and those that are found to be non-compliant are rejected for correction. An Irregular Expenditure Committee also sits to analyse any expenditure that was identified as irregular in order to recommend condonement or corrective measures for responsible officials.

The department had a challenge of non-adherence to Procurement Plans due to reprioritised projects and delays in advertising bids, which then leads to poor expenditure. Procurement Plans are now a standing item in Top Management meetings to report on the status of procurement, address challenges and devise catch-up plans where there are delays.



## 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

The Department incurred COVID-19 expenditure amounting to R 1.8 million prior to the date of approval of annual financial statements. The significance of COVID-19 pandemic and related expenditure is a non-adjusting event that requires disclosure. The financial impact of COVID-19 expenditure will be disclosed in the 2020/21 financial year.

## Acknowledgements/Appreciation

The Department acknowledges and appreciates the leadership and the guidance provided by the Hon. MEC Meth during the year under review. 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 2019/20 financial year, the department achieved an 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.



**BONGIKHAYA DAYIMANI**

ACCOUNTING OFFICER (ACTING)  
DEPARTMENT OF RURAL DEVELOPMENT  
AND AGRARIAN REFORM  
28 October 2020

## 5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR 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 the annual report are consistent.

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

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

The Annual Financial Statements (Part E) has 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 2020.

Yours faithfully



**BONGIKHAYA DAYIMAN**

ACCOUNTING OFFICER (ACTING)

28 October 2020

## 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.

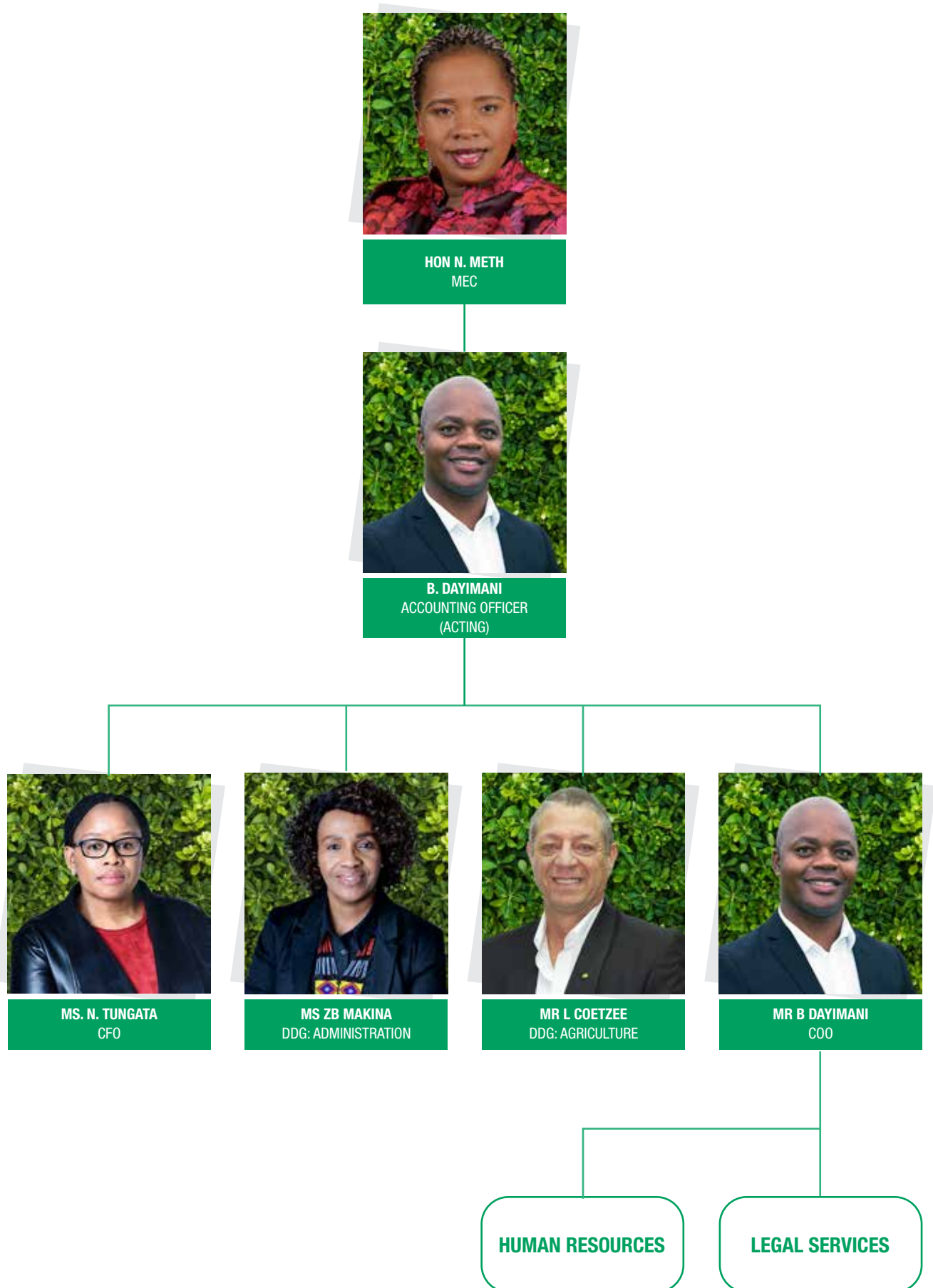
### 6.3 Values

- **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.
- **Inclusivity:**  
*"Bonke abantu esisebenza nabo, siya kusebenzisana nabo ngokufanelekileyo nangokulinganayo".*

## 7. LEGISLATIVE AND OTHER MANDATES

• Constitution of the Republic of South Africa, Act 108 of 1996	Act No 108 of 1996
• The Agriculture Development Act, 1999	Act No. 67 of 1999
• Conservation of Agricultural Resources Act, 1983	Act No. 43 of 1983
• Eastern Cape Rural Finance Corporation, Act 1 of 2012	Act No. 9 of 1999 as Amended by Act 1 of 2012
• Veterinary and Para-Veterinary Professions Act, 1982	Act No. 19 of 1982
• The Animal Health Act, 2002	Act No. 7 of 2002
• The Animal Identification Act, 2002	Act No. 6 of 2002
• The Meat Safety Act, 2000	Act No. 40 of 2000
• Animal Diseases Act, 1984	Act No. 35 of 1984
• Animal Improvement Act, 1998	Act No. 62 of 1998
• Animal Protection Act, 1962	Act No. 71 of 1962
• Livestock Improvement Act, 1997	Act 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, 2001	Act No. 27 of 2001
• Marketing of Agricultural Products Act, 1996	Act No. 47 of 1996
• Fencing Act, 1963	Act No. 31 of 1963
• Land Tenure Rights Act, 1991	Act No. 112 of 1991
• Intergovernmental Relations Framework Act, 2005	Act No. 13 of 2005
• Public Finance Management Act, 1999	Act No. 1 of 1999
• Basic Conditions of Employment Act, 1997	Act No. 75 of 1997
• Division of Revenue Act, 2009	Act No. 12 of 2009
• Preferential Procurement Policy Framework Act, 2000	Act No. 5 of 2000
• Public Service Act and Regulations, 1994	Act No. 103 of 1994
• Skills Development Act, 1998	Act 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, 2013	Act No. 16 of 2013

## 8. ORGANISATIONAL STRUCTURE



## 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.

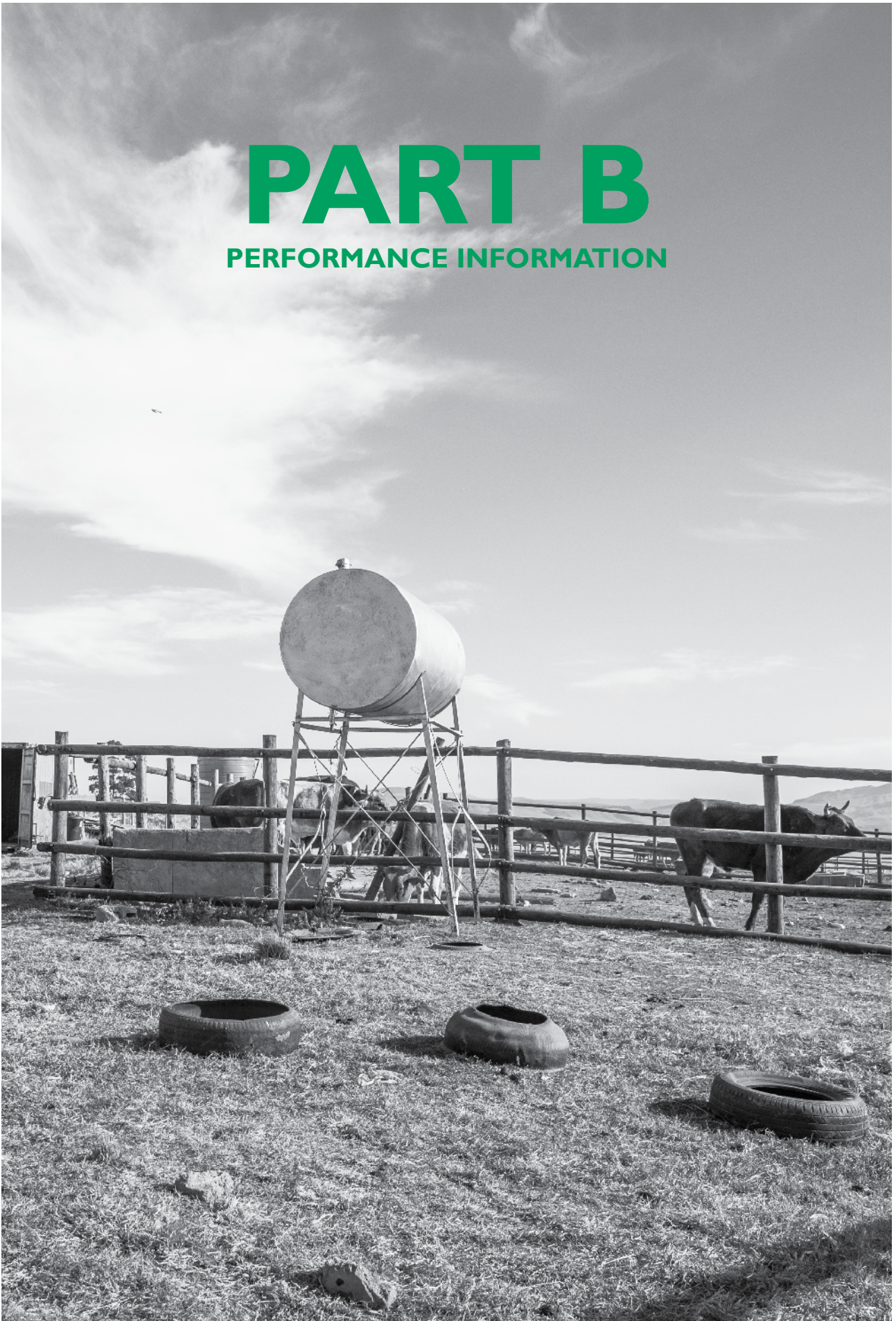
It's accountability includes reporting on key performance indicators/ projects and financial reporting on transferred funds. The Accounting Authority of the Agency reviews its performance levels in relation to the requirements of the Department. Progress is monitored on a quarterly basis by submission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

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 R 253 504 000 of which R 84 938 000 was for Magwa and Majola.	<ul style="list-style-type: none"> <li>● The ECRDA is a catalyst organisation, with emphasis on planning, research and project packaging, facilitation, project management, and implementation of priority programs.</li> <li>● Other functions are innovation, development as well as mobilising resources and capacity building.</li> <li>● Rural finance services to rural communities, with specific emphasis on loan finance to farming enterprises.</li> <li>● Implement Rural Enterprise Development projects.</li> </ul>



# PART B

## PERFORMANCE INFORMATION





## **I. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES**

The AGSA currently performs certain audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the Predetermined Objectives heading in the Report on other legal and regulatory requirements section of the auditor's report.

Refer to Page 158 - 158 of the Report of the Auditor General, published as Part E: Financial Information.

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## 2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

### 2.1 Service Delivery Environment

The 2019/20 Annual Report is informed by the overarching National and Provincial Policies. The goals of the NDP, Vision 2030, are to eliminate poverty and reduce inequality by 2030. The Eastern Cape has developed the PDP which seeks to build an innovative, inclusive and growing economy with an enabling infrastructure network. The Plan places priority in the development of high value agriculture as the bedrock for the development of the rural sector and promotion of rural livelihoods. The Capital Development, care for the environment as well as further development of a capable state.

The early season of 2019/20 production season in South Africa has been characterised by much drier than average conditions, which extended to December 2019. This led to considerable delays in the start of the growing and planting seasons in the country and the Province. The Province has experienced significant losses on crop and livestock production that resulted in official declaration of the state of drought in five districts during the 2015/2016, this was the start of five below normal rainfalls and 2019/20 being declared as drought stricken.

The potential risks for the sector included the continuous poor veld and livestock conditions in many drought hit areas, shifting of planting dates, expansion of drought related conditions into areas not previously affected by drought. The direct impact included the loss of areas under crop and pasture production, resulting in the reduced crop yield and poor livestock condition. The Province started receiving rainfall in December 2019 and that continued till March 2020. Figure 1 shows that most of the province received more than 50 mm of rainfall during January and March 2020.

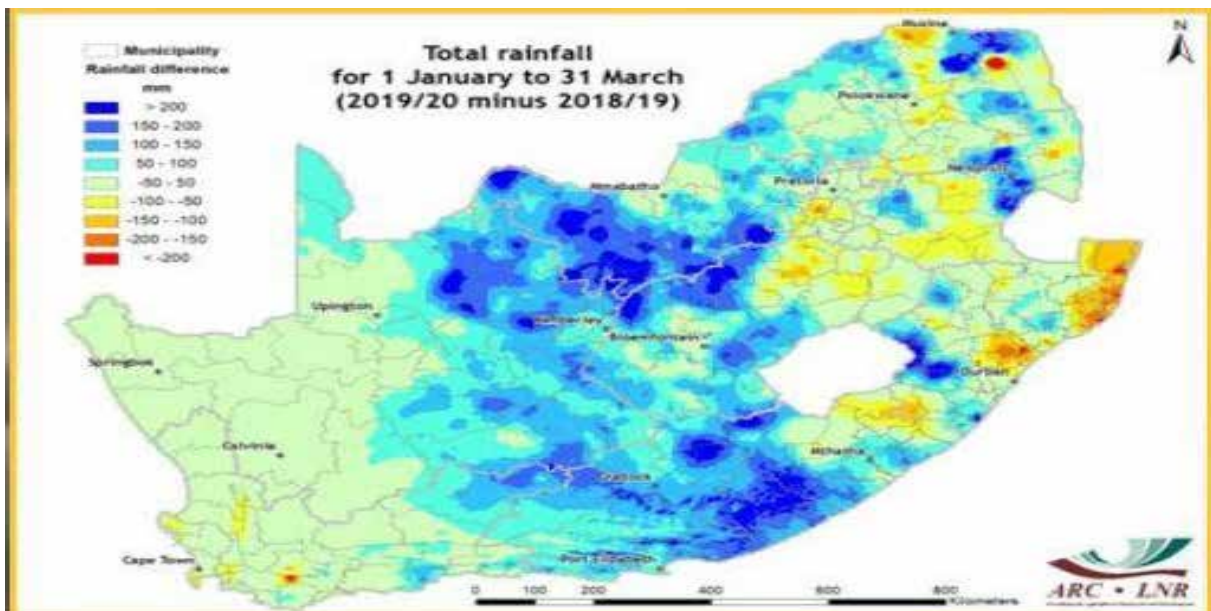


Figure 1: Total January to March Rainfall in South Africa

The Eastern Cape is typically seen as an insignificant contributor when it comes to agriculture but, in reality, the province is a notable player in a number of commodities and, as it happens, in transformation and employment levels (Wandile Sihlobo, Agri-Business SA: Business Maverick, 30th September 2019). The province possesses commodities that contributes enormously to country's agricultural exports and creation of job opportunities. To mention a few, the province is leading in terms of mohair & wool; plays

a major role in horticulture export commodities deciduous and citrus production. The provincial natural endowment and livelihood strategies of rural communities makes it the leader in livestock (cattle, sheep and goats) numbers when compared with other provinces.

It also has the highest proportion of agricultural households in the country with 27.9% households involved in agricultural activities. The department has also introduced strategic interventions for purposes of unlocking the province's full agricultural potential and enabling prolonged value-chain participation, particularly by the smallholder farmers. The availability of water is one of the outstanding variables that is very critical in agricultural production, hence, close monitoring of water reservoirs is necessary.

## Drought Interventions

The country continued to feel the impact of drought that started in 2015, by 2019, the Eastern Cape was declared as a disaster area due to four consecutive years of below normal rainfall. These conditions have not only put in danger the province's thriving agricultural sector but also affected the availability of water for household consumption due to water reservoirs drying out. In response to this challenge, the department re-prioritised funds from its operational budget amounting to **R74 million**.

The agriculture drought relief focused on supporting livestock farmers with feed and fodder. From this intervention a total of 18 629 beneficiaries received livestock feed (Table 2) and beneficiaries being divided as 84% of communal farmers, 12% smallholder and 4% commercial farmers. This included 5 643 tons of Lucerne hay, 1477 tons of maize, 4 167 lick blocks, 2 200 tons of finishers Pellets and 817 tons of Dairy (Table 1). The districts that were worst affected by drought received the biggest share of the support in the form of quantities of feed. The feed was distributed in partnership with farmer structures at a district level.

**Table 1: Quantities for feed and fodder distributed as part of drought relief**

District	Lucerne Hay (tons)	Maize grain (tons)	Cattle Finisher (tons)	Dairy meal (tons)	Mineral Lick
Alfred Nzo	12	-	40	-	4 167
Amathole	1 695	-	840	817	-
Chris Hani	1 939	266	1 144	-	-
Joe Gqabi	282	-	7.2	-	-
OR Tambo	293	210	169	-	-
Sarah Baartman	1 316	1 001	-	-	-
<b>Total</b>	<b>5 537</b>	<b>1 477</b>	<b>2 200</b>	<b>817</b>	<b>4 167</b>

**Table 2: Number of beneficiaries of drought intervention**

District	Commercial	Smallholder	Communal	Total
Alfred Nzo	-	42	1 236	1 278
Amathole	139	922	8 565	9 626
Chris Hani	20	600	4 781	5 401
Joe Gqabi	-	70	100	170
OR Tambo	-	-	992	992
Sarah Baartman	459	703	-	1 162
<b>Total</b>	<b>618</b>	<b>2 337</b>	<b>15 674</b>	<b>18 629</b>

## Rural development coordination

During the period under review, the programme facilitated and coordinated the implementation of Rural Development Priorities as outlined under Outcome 7 across all spheres of government. Three IGR sessions were conducted to engage stakeholders on the priorities of Outcome 7 and reporting thereof. The following stakeholders attended these sessions: Department of Public Works (DPWS), Department of Health (DoH), Chris Hani District Municipality (CHDM) and Department of Rural Development and Agrarian Reform (DRDAR) Managers Coordination based in Local Municipalities.

## Improves access to basic services

The department continued to address the challenges of water scarcity through the implementation of appropriate technologies. In the year under review, five villages benefitted on Spring Water Protection and two other villages benefitted on Water Harvesting through construction of water tanks per household.



*Ground work for preparation of water harvesting.*



*Construction of Spring Water Protection – Qwidlana Village in Mzimvubu LM*

The Department constructed Ventilated Improved Pit-latrines in four rural schools in the province and this benefitted 2 450 learners including educators. This initiative was done to improve the situation wherein most toilets did not have toilet seats and many did not have doors, depriving users of privacy.

The Department is committed in putting young children first by ensuring quality early childhood development for our country's youngest citizens. In achieving this, an early learning center has been constructed at Vidgesville, KSD LM benefitting a total of 40 kids.

### **Growth of rural enterprises and industries**

A total of 100 Clothing and Textile Cooperatives received industrial sewing machines and some specialised machines as well as sewing material, a minimum of 75 meters of material per cooperative.

A pilot incubator at Amathole District with the name of Black Coal has been established and is housed at Da-Gama premises. This is one of the Rural Community Training Centre which mainly aims at developing the new Fashion Designers to be entrepreneurs.

### **Rural Skills Program**

The department supported the youth cooperative with brick making training to impart skills and establish a business cooperative at Rietbron, Warmer in Sarah Baartman and Qutsa Village in Sakhisizwe LM.

### **Grain Production**

The country recorded the highest grain yield in the 2018/19 season, the area planted by the government support harvested 77 219 tons of maize from 25 886 ha (Table 3). With this size of production, the province still contributes 0.85% into the country's production.

The 2019/20 cropping season was characterised by severe drought conditions which shortened the grain planting window of the province. The total area planted by smallholder and communal farmers was less than the previous two seasons at 17 153 ha, this area has 2 633 beneficiaries. A total of 12 363 ha was planted in the coastal eastern parts of the Province. These areas received more than 80% of their long term average. Due to good weather conditions (rainfall and temperature) after planting the expected harvest from this area is better than the previous two cropping seasons (Table 3).

The Centane /Mbashe Agricultural Initiative (CMAI) (driven by WIPHOLD) has successfully clustered 2 500 ha from 2318 communal landowners from 34 villages of the areas. The CMAI initiative success is beginning to see the crowding in of assets and infrastructure –the Afgri Grain storage facility and Afgri and Farmwise 15 000-ton bunker storage facility and maize dryer for the benefit not only of the CMAI but also other crop farmers in the area. This investment will further facilitate commercial farming in the Wild Coast region as there is no other significant grain storage infrastructure in the Mquma/Mbashe area and adjacent districts.

**Table 3: Maize production over the past three production seasons**

District	2017/18 Season		2018/19 Season		2019/20 Season			
	Area planted	Harvested (tons/ha)	Area planted	Harvested (tons/ha)	Area planted	Estimated Harvested (tons/ha)	Beneficiaries	Budget (R'000)
Alfred Nzo	15 515	20 053	9 320	28 090	4 792	14 376	180	19,146
Amathole	10 079	14 093	5 276	13 190	3 609	10 827	1668	22,343
Chris Hani	8 110	17 722	4 032	13 495	3 429	10 287	102	24,034
Joe Gqabi	4 482	10 902	1553	8 182	1 360	4 080	449	4,662
OR Tambo	11 814	16 241	5 705	14 262	3 963	11 889	234	22,093
<b>Total</b>	<b>50 000</b>	<b>79 011</b>	<b>25 886</b>	<b>77 219</b>	<b>17 153</b>	<b>51 459</b>	<b>2 633</b>	<b>92 278</b>

**Table 4: Grain infrastructure per District**

District	Infrastructure Type		No. Jobs Created	No. Beneficiaries
	Fencing (km)	Storage facilities		
Alfred Nzo	102.8	4	15	267
Amathole	74	-	-	272
Chris Hani	95	-	104	93
Joe Gqabi	19.5	-	14	29
OR Tambo	110.6	-	80	678
<b>GRAND TOTAL</b>	<b>401.9</b>	<b>4</b>	<b>213</b>	<b>1 339</b>

## Vegetable Value Chain

During the period under review, 321 vegetable producers in Sarah Baartman, Chris Hani, Amathole and OR Tambo were supported with production inputs and infrastructure. The support provided to these projects sustained 82 jobs from the production area and infrastructure development created 20 jobs for the locals. Production areas were supported with irrigation infrastructure, fencing and vegetable production tunnel. The support provided is geared towards improving production capacity, yields, access to new markets and increase job opportunities in these areas.

**Table 5: Vegetable Production inputs support**

District	Area Planted	No. Jobs Created	No. Beneficiaries	Budget (R'000)
Amathole	150	43	133	1 060
OR Tambo	145	39	31	1 480
<b>Total</b>	<b>295</b>	<b>82</b>	<b>164</b>	<b>2 540</b>

**Table 6: Vegetable Infrastructure**

District	Infrastructure Type				No. Jobs Created	No. of Beneficiaries	Budget (R'000)
	Fencing (km)	GAP Infrastructure	Production Tunnels	Small Scale Irrigation Infrastructure			
Amathole	11	-	-	3	-	165	3 355
Chris Hani	-	-	1	2	4	112	3 762
OR Tambo	-	-	-	6	-	24	2 526
Sarah Baartman	-	-	1	1	16	20	1 153
<b>Grand Total</b>	<b>11</b>	<b>1</b>	<b>2</b>	<b>12</b>	<b>20</b>	<b>321</b>	<b>10 796</b>

## Potatoes

In Elundini Local Municipality, farmers have collaborated with the Department and Potato SA to improve technical production skills and secure markets. A total of 1155 tons of potatoes were harvested and sold at R 27/kg. Income from the sales was R2, 5 million.

## Citrus Value Chain

The Eastern Cape produces 25% of the SA citrus of which 90% is exported with production taking place in Sarah Baartman and Amathole. In 2019 harvest season, the 100% black owned pack-shed in Ngqushwa exported 150 000 tons of citrus from 19 producers which created 130 jobs.

**Table 7: Citrus Infrastructure**

District	Infrastructure Type	Harvest Cartons	No. Jobs	No Beneficiaries	Budget (R'000)
Amathole	Fertilizer mixer tanks	577 236	-	16	-
Sarah Baartman	Fertilizer mixer tanks	648 000	8	987	1 130
<b>Total</b>		<b>1 225 236</b>	<b>8</b>	<b>1 003</b>	<b>1 130</b>

## Pineapple Value Chain

Pineapple production in the country is mainly produced in Amathole District. In 2019/20 financial year, the department supported four farms, namely, Pineapple Company (PINECO), Bingqala, Cornfields and Tharfield to increase production from 96 ha to 176 ha creating 152 jobs.

**Role of young farmers in the commodity:** A total of twenty (20) out of school youth participated in a learnership that commenced in December 2018 and was completed in August 2019.

**Table 8: Pineapple value chain Production Input**

District	Infrastructure Type	Harvest	No. Jobs	No Beneficiaries	Budget (R'000)
Amathole	Fencing and production inputs	1 800	152	30	3 984

## Deciduous Value Chain

The EC produces 20% of apples and 16% of pears that are marketed in SA. The Gubengxa Valley in the Chris Hani District has been identified as a potential new growth area for deciduous fruit. In 2019/20 financial year, the Department initiated the planning of the deciduous fruit orchards wherein, dam designs, EIA and detailed soil surveys were started and planned to be completed in 2020/21 financial year.

## Chicory production

A fine seeded planter was procured which will ensure that planting is conducted as soon as weather permits. In the past, the planter was sourced from the white commercial farmers in the Ndlambe local municipality who would first prioritize their own production before hiring out the equipment. Twenty (20) temporary jobs were created at Mgababa during weeding.

**Table 09: Chicory Production Input**

District	Infrastructure Type	Harvest	No. Jobs	No. of Beneficiaries	Budget (R'000)
Amathole	Fertilizer and Agro-chemicals	360	20	10	250
Sarah Baartman	Mechanization	744	35	21	250

## Macadamia Nuts

Macadamia is a high value product with a potential to generate significant employment and foreign earnings. To date, there are 450 ha under production by black producers through community-private partnership in Amathole (Ncera and Amajingqi). In this area, in 2019 season, a total of 191 tons of nuts were produced and 283 jobs created. A measure of success under the drought conditions and where production is not under irrigation yet.

## Wool and Mohair Value Chains

Eastern Cape is leading in the country with wool (34%) and mohair (85%) production and to maintain our position, in 2019/20 the DRDAR completed building of 18 shearing sheds, 12 boreholes and 9 fencing projects benefiting 533 producers and created 116 jobs. 30 FibreLux machines were distributed to 255 shearing sheds to improve wool classing to improve marketing (Table 10).



The Department supports the development of animal fibers (wool and mohair), 30 Fibrelux machines were distributed to extension officers who work closely with 255 shearing sheds across the Eastern Cape Province to improve wool classing to improve marketing. Fiberlux machine was used in 85 shearing sheds and produced 3806 bales in Amathole, Alfred Nzo and Joe Gqabi District Municipalities. Training was conducted in the Alfred Nzo District Municipality on 723 farmers on wool sorting, high quality market and value chain scale toward Free-range beef production and on the use of Fiber Lux Machine. To expand Mohair production to the Eastern part of the province has since signed an MoU with the Mohair SA to re-establish an Angora goat stud at the Mpofo Training Centre. This will serve both as a training facility and provide a nucleus breeding herd that will support the local farmers.

**Table 10: Wool Infrastructure Support**

District	Infrastructure Type					No. Jobs Created	No. of Beneficiaries
	Fencing (km)	Smallstock Handling Facilities	Shearing Shed (new)	Shearing Shed (renovation)	Borehole/ Stockwater		
Chris Hani	-	-	4	-	-	59	190
Joe Gqabi	-	-	4	-	-	63	94
OR Tambo	-	-	6	-	-	33	212
Sarah Baartman	49	2	4	1	12	49	37
<b>TOTAL</b>	<b>49</b>	<b>2</b>	<b>18</b>	<b>1</b>	<b>12</b>	<b>204</b>	<b>533</b>

### Red meat Value Chain:

In 2019/20 financial year the Department supported farmers with infrastructure, feed and genetic material. On the infrastructure development a total of 2 686 famers benefited and created 468 jobs from various infrastructure projects (Table 11). All these infrastructure types developed are to ensure that farmers are able to manage livestock and the natural resource. Drought infrastructure relief support resulted in the rehabilitation of 29 dams and drilling of 13 boreholes.

The Livestock Production Improvement Scheme (LIS) was implemented in partnership with the University of Fort Hare Nguni Cattle Development Trust (UFH NCDT). Under livestock improvement, 62 beneficiaries were supported with superior genetic material (84 Bulls and 357 heifers) across the Province (Table 12).

Further, the department supported redmeat development with feed for 13 custom feeding centers across the province, the programme was implemented by the National Agriculture Marketing Council (NAMC). The key objective of the programme is to improve marketability of livestock produced by smallholder and subsistence farmers. Through this programme a total of 926 cattle were fed from 13 feeding facilities, 506 were sold and they generated a revenue of R5 million (Table 13).

In 2019/20 financial year, over 133 000 livestock of which mainly were sheep were sold to export markets. Through abattoirs as demand aggregator, we have seen over 600 tons of chilled meat exported to international markets. Over 3 000 jobs were created through our initiatives in this sector.

**Table 11: Red meat Infrastructure per District**

District	Infrastructure Type							No. Jobs Created	No. Beneficiaries
	Fencing (km)	Large Stock Handling Facilities	Dipping tanks (new)	Dipping Tanks (renovated)	Stockwater (boreholes, windmills solar pumps)	Storage Shed	Dam Scooping		
Alfred Nzo	14.7	1	-	-	-	-	-	13	80
Chris Hani	0	8	2	21	3	-	15	218	1 707
Joe Gqabi	6	7	-	-	-	-	-	38	63
OR Tambo	13.5	-	-	14	-	-	12	145	-
Sarah Baartman	-	1	2	-	10	2	2	54	836
<b>GRAND TOTAL</b>	<b>34.2</b>	<b>17</b>	<b>4</b>	<b>35</b>	<b>13</b>	<b>2</b>	<b>29</b>	<b>468</b>	<b>2 686</b>

**Table 12: Number of Cattle Distributed Across the Province**

District	No. Bulls	No. Heifers	No. Beneficiaries
Alfred Nzo	8	12	8
Amathole	18	168	22
Chris Hani	16	147	14
Joe Gqabi	4	20	2
OR Tambo	22	-	61
Sarah Baartman	16	30	9
<b>Grand Total</b>	<b>84</b>	<b>377</b>	<b>116</b>

**Table 13: Custom Feeding Center Performance of the 2019/20 Financial Year**

District	No. Bags Feed Supplied	No. of Animals fed	No. Animals Sold	Revenue (R'000)
Alfred Nzo	1 000	77	10	97 000
Amathole	1 500	108	44	237 663
Chris Hani	2 700	310	209	1 674 140
Aliwal North	1 000	83	50	600 000
OR Tambo	3 000	348	193	2 412 500
<b>TOTAL</b>	<b>9 200</b>	<b>926</b>	<b>506</b>	<b>5 021 303</b>

## Aquaculture Development

Fifty-three (53) small-scale fishers' cooperatives in the coastal communities were issued with fishing permits that are valid for 15 years. This will ensure participation of rural communities into the oceans' economy through legal trading. The Department has supported four villages with fishing equipment to the value of R800 000.

## 2.2 Service Delivery Improvement Plan

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

### Main services and standards

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Agricultural Infrastructure Development Support.	Commercial Farmers; Smallholder Farmer and; Subsistence farmers	<p>A total of 81 projects were completed and 9 projects could not be completed which can be tabulated as follows:</p> <ul style="list-style-type: none"> <li>• 3 at Joe Gqabi.</li> <li>• 1 at Sarah Baartman.</li> <li>• 1 at TARDI.</li> <li>• 2 at Amathole.</li> <li>• 2 at Chris Hani.</li> </ul> <p>Ten percent (10%) of the total planned projects could not be finished on schedule as planned.</p>	All projects are being implemented by contractors with limited operational delays and thereby meeting the desired standard of construction.	<p>In the period under review, projects were implemented by contractors that meet the needed standard of construction. 179 Contractors that were employed; 154 contractors who completed the projects and 25 Contractors failed to complete the projects.</p> <p>Thus 14% of contracts were cancelled/under performed. Chris Hani had the highest number of contracts cancelled and Alfred Nzo and Joe Gqabi had the highest number of underperforming contractors.</p> <p>Corrective measures will be undertaken in the next financial year in order to reduce such occurrences.</p>

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

Current/Actual information tools	Desired information tools	Actual achievement
<p>Information about programmes of the department is placed in community, commercial media including leading news and communication platforms in the province and national media for the purpose of sharing 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 is based in the following media: Daily Dispatch, Umhlobo Wenene, Radio 2000, Time Select, SABC News, Vukani FM, Fort Hare FM, Tru FM, Alfred Nzo Community radio, Mdantsane FM, UNITRA Community Radio, Pondo News, Algoa FM, The Herald, Die Burger, Die Son, Daily Sun, Saturday Dispatch, SABC TV News.</p> <p>Content is produced into a monthly newsletter inserted in the leading commercial newspapers in the province. Information about programmes of the department was also placed in the website of the department and social media platforms like Facebook.</p>	<p>Uphuhliso Publication, social media platforms such as Facebook, local, regional and commercial radio stations will be utilised to publicise the SDIP, the Service Charter and progress reports of the Department.</p> <p>All public documents such as the APP, Policies, Operational Plans, Strategic Plans and Annual Reports will be placed in the public domain for easy access to the public.</p> <p>Translated policies will be placed on the Departmental website.</p>	<p>Information on the services offered by the department have been placed on regional newspapers and local newspapers.</p> <p>The information is also available in the Departmental website.</p> <p>The Department has also utilised Uphuhliso Publication which was inserted in leading newspapers across the province – The Herald, Daily Dispatch, Daily Sun and Die Burger.</p> <p>There was also extensive coverage on various topics on regional and national radio stations promoting the programmes of the department and giving a voice to beneficiaries – Umhlobo Wenene, Tru FM, Radio 2000, Algoa FM, UCR FM, Vukani FM.</p> <p>Strategic documents such as policy speeches, APP and Operational Plans were posted on the website.</p>

## Service delivery information tool

Current /actual information tools mechanism	Desired information tools mechanism	Actual achievements
<p>Information about programmes of the department is placed in the community, commercial media including leading news and communication platforms in the province and national media for the purpose of sharing 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 is based in the following media: Daily Dispatch, Umhlobo Wenene, Radio 2000, Time Select, SABC News, Vukani FM, Fort Hare FM, Tru FM, Alfred Nzo Community radio, Mdantsane FM, UNITRA Community Radio, Pondo News, Algoa FM, The Herald, Die Burger, Die Son, Daily Sun, Saturday Dispatch, SABC TV News.</p> <p>Content is produced into a monthly newsletter inserted in the leading commercial newspapers in the province. Information about programmes of the department was also placed in the website of the department and social media platforms like Facebook.</p>	<p>Uphuhliso Publication, social media platforms such as Facebook, local, regional and commercial radio stations will be utilised to publicise the SDIP, the Service Charter and progress reports of the Department.</p> <p>All public documents such as the APP, Policies, Operational Plans, Strategic Plans and Annual Reports will be placed in the public domain for easy access to the public.</p> <p>Translated policies will be placed on the Departmental website.</p>	<p>Information on the services offered by the department have been placed on regional newspapers and local newspapers. The information is also available in the Departmental website.</p> <p>The Department has also utilised Uphuhliso Publication which was inserted in leading newspapers across the province – The Herald, Daily Dispatch, Daily Sun and Die Burger.</p> <p>There was also extensive coverage on various topics on regional and national radio stations promoting the programmes of the department and giving a voice to beneficiaries – Umhlobo Wenene, Tru FM, Radio 2000, Algoa FM, UCR FM, Vukani FM.</p> <p>More importantly, is the dissemination of the Covid 19 information and funding offerings from the national department of Agriculture, Land Reform and Rural Development. Quires and complaints from the farmers regarding their applications (whether successful or not) were handled to provide the required clarity.</p> <p>Strategic documents such as policy speeches, APP and Operational Plans were posted on the website.</p>

## Complaints mechanism

Current /actual complaints mechanism	Desired complaints mechanism	Actual achievements
<p>The Department's Customer Care section receives complaints and queries from customers daily through the Department'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 creating awareness as part of the customer care plan of the department.</p> <p>Some of the complaints and queries received by the department come from the presidential hotline and were referred to programme offices and districts for resolution.</p> <p>In pursuit of speeding the 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 updates and measure customers' satisfaction.</p> <p>Failure by managers to respond to complaints and queries, will be elevated to their superiors and further escalating the matter to the HOD in the event that managers in the hierarchy are not assisting the customers.</p> <p>Customer care awareness campaigns conducted to educate employees and the importance of responding to the queries and complaints from the customer to address the current backlog of complaints.</p>	<p>Arrange and conduct roadshows of awareness programmes in the districts, on complaints handling mechanism.</p> <p>All complaints received to be consolidated, analysed and results to inform the strategic documents.</p> <p>Management of the complaints received from the Presidential Hotline.</p> <p>Management of the Complaints Management Framework to ensure the provision of feedback mechanism whereby the citizens can communicate to Government when services are not being delivered in line with the expectations within the eight Batho Pele principles.</p> <p>Promote use of the corporate branding manual, Batho Pele Principles, Service Standards and how to access services, and awareness on services rendered, with a focus on Administration.</p>	<p>Distribution of promotional material posters in the districts was conducted.</p> <p>Received complaints and acknowledge them, referred them to relevant officials in the Department and maintain a register.</p> <p>Follow up on complaints or requests received and give feedback to the clients within the stipulated period.</p> <p>Handle complaints and requests received from the Presidential Hotline and give feedback both to clients and the Planning and Monitoring Department nationally.</p> <p>Provide weekly and monthly reports to the Department.</p> <p>The Customer Care Unit is an integral part of awareness campaigns through establishing a helpdesk whenever there are departmental functions which interface with the farmers and industry stakeholders.</p>

### 2.3 Organisational environment

The Service Delivery Model (SDM) aligned organogram has been developed by the Department. Due to the merger of the Departments of Agriculture Forestry and Fisheries (DAFF) and Rural Development and Land Reform (DRDLR), this matter had to be put on hold pending instructions from national for the new configuration of departments at provincial level.

The number of posts in the staff establishment of the Department is at 2997. It consists of 2614 staff members and 383 vacant posts, which translates to a vacancy rate of 8.7% as at 31 March 2020. The annual staff turnover rate is at 6.34% which translate to 167 employees that left the service. The breakdown thereof is 54% / 90 employees who retired, 22% / 37 who resigned, 7.2% / 12 employees as a result of death, 9% / 15 employment contracts which expired and 1.2% / 02 employees due to dismissal.

In the financial year under review, the implementation of the Annual Recruitment Plan has resulted in the appointment of eighty-eight (88) employees. These new appointments were made in Extension

Services, Veterinary Services, Agriculture Training & Development, Agriculture Research and Support Services. Organisational capacity and efficiency has been enhanced as a result of these appointments and support given to the newly developed Agricultural Economic Strategy intended to reposition agriculture as a game changer for the stimulation of growth and development. It also contributes toward the provincial Gross Domestic Product (GDP).

Further progress was made with regard to gender equity at Senior Management Service (SMS) compared to the 45% figure at the end of 2018/19. DRDAR's female gender representation at SMS level has now reached 52%. This is a clear demonstration of the Department's commitment to the empowerment of females in the workplace and its responsiveness to organisational transformation and culture change.

The Human Resource Development Plan which is intended to provide coaching, strengthen and develop the knowledge, skills base, and improve human resource capabilities. This resulted in training of eight hundred and fifty-two (852) employees during the 2019/20 financial year in various technical and soft skills.

Of the eight hundred and fifty-two (852) employees trained, nineteen (19) employees were reoriented on the Public Service Reorientation Programme (PRSP). The PRSP is a refresher course that aims at reviving public sector employees to understand the constitution and its mandate in order to create a citizen centred service ethos. The programme also promotes enthusiasm for public duty as well as demonstrate commitment to improve service delivery. All employees in the Public Service are required to participate in the Reorientation Program.

Forty-eight (48) newly appointed employees in the public service, have undergone Compulsory Induction Programme (CIP). The programme aims to challenge public servants to live the Batho-Pele principles and to instil knowledge and understanding of the intrinsic values and building blocks of public sector.

The Department continues to provide financial assistance to previously designated students in a form of bursaries in order to address scarce skills shortage in the sector which are Veterinary Science, Plant Pathology and Agricultural Engineering. Twenty-six (26) students benefited from the department's bursary scheme, thirteen (13) are males and thirteen (13) females. Out of the twenty-six (26) students, eight (08) exited during the end of the 3rd quarter due to various reasons (graduation, internship, community service), eighteen (18) continue to pursue their qualifications. Four (4) new students were granted bursaries to study Veterinary Science, which brings the total number of students to twenty-two (22). The twenty-two (22) consists of eleven (11) females and eleven (11) males.

The Department continues to enhance knowledge and skills of employees through provision of financial assistance to one hundred and twenty-five (125) employees for them to pursue their studies through higher learning institutions. This programme assists with improving the financial management, technical and soft skills of the workforce. A total of eighty-one (81) employees that were funded in the 2019 academic year, fifty-five (55) exited and twenty-six (26) are continuing with their studies. During the 3rd quarter of the financial year, ninety-nine (99) employees were awarded bursaries for 2020 academic year which gives us a total of one hundred and twenty-five (125) internal bursary holders for 2020 academic year.

Training and experiential space for youth and unemployed graduates has been created by the department in an effort to contribute towards youth unemployment. A total of forty-two (42) graduate interns and twenty-four (24) TVET learners are currently receiving training.

The Department continues to invest in its workforce which is its biggest asset. The Health and Wellness interventions are carried out according to the four (4) pillars of the Public Service Employee Health and Wellness Programmes. A total of 875 employees were reached through the HIV/Aids, TB Management programme where they were presented with education related to HIV and TB. During these sessions employees were given an opportunity to partake in Voluntary Counselling and Testing, and 625 employees were screened and tested for HIV and TB.

In promoting a healthy lifestyle, 2 661 employees participated in health and wellness management activities to improve their physical and wellness lifestyle. These activities include education on various wellness topics, health screenings & assessments, physical and sporting activities as well as personal issues which may negatively affect employees' performance.

To ensure alignment of ICT to Departmental strategic outcomes, a five (5) year Strategy has been reviewed to build an information technology capability for maximum and sustainable value to the department. For credible financial statements and timely leave reconciliations on the existing Human Resource systems, eighteen (18) Leave Champions have been trained at Head office and at all the districts.

Information and Communication hub that provides for a single point of access to information and gathering of knowledge for internal employees has been deployed and consultations with data custodians to upload updated information is an ongoing exercise.

In order to improve compilation, record keeping and maintenance of a beneficiary database in relation to Infrastructure and Agricultural support provided by DRDAR to Eastern Cape farmers, twenty-two (22) signing pads which will be linked to the Online Farmer Support tool for declaration and authentication have been acquired.

To provide quick insight on strategic performance metrics of the department through automated reporting, the development of an Online Performance Management system has been finalised.

To ensure proper implementation of a change management plan for the electronic submission of memorandums, consultative sessions were held with internal stakeholders including labour unions and the system has subsequently been piloted in the Joe-Gqabi district with fifteen (15) Corporate Services employees trained.

For business continuity and disaster recovery, data centre and network upgrades have been implemented for Alfred Nzo, Amathole, Chris Hani, Joe Gqabi districts and Tsole Agricultural and Research Institute (TARDI). Firewall technology for a secure network environment is fully implemented at Head Office and all districts and is monitored to ensure optimal protection against external threats, daily data replication from Bhisho to a disaster recovery site in Sutterheim ran successfully. copies of tested data backups were taken to an offsite storage and a new support and maintenance of endpoint data backup licensing has been acquired.

The Compulsory Community Services (CCS) programme led by the Department of Agriculture, Forestry and Fisheries has resulted in exposing Veterinary Students to the responsibilities and function of State Services in all sub programmes. This exposure in return has resulted in improved number of Veterinarians interested in vacant state veterinary services posts, thus fewer post are vacant than previously. The contribution of CCS Veterinarians in Primary Animal Health Care cannot be overemphasized and this contribution give opportunity to State Veterinarian to attend to regulatory work and implement herd health programmes necessary for livestock improvement.

The skewed distribution and location of abattoirs towards the western part of the province is cause for concern as it exposes the Eastern Province to noticeable illegal slaughter activities. A deliberate bias by the state on investing in abattoirs is required if the Eastern part of the province in livestock trade and safe animal products production.

Awareness was created about the departmental functions and services amongst our clients and stakeholders through the provision of a comprehensive communication support (i.e. story writing for website and departmental magazine, video capturing, media coverage, branding) for various activities and functions during the year under review. Notably amongst the events were:

Support the back to school campaign; adopted Cookhouse Senior Secondary School, Zameka High School and public schools in the Amahlathi District including Nosizwe High School and Cenyu, Jongile Nompondo, Mlungisi, Nomathemba and Sinthemba, Mlungisi and Sikhulule; handover of hay making machinery to the Chris Hani Development Agency; Provincial Land Dialogue held at the East London; launch of Moringa and handover of Jojo Tanks at Mbhashe LM; handover of school uniform to pupils in Stutterheim in the Amahlathi Municipality; Amathole District Youth learnership launch in Fort Beaufort; 120 graduates to the Department as part of the DAFF graduate placement; hands over a dipping tank in Busila Village, Mquma Municipality; TARDI 2019 graduation ceremony & CCS Vets; Chris Hani Youth in Agriculture Programme held in Komani; World Wetlands Day information day in Sompondo Village, Alice; Youth Farmer's Day in the Joe Gqabi District; Centane Harvest; Elundini harvest; opening of Ripplemead; and shipping of maize from Matatiele to Vietnam.

In transforming the agricultural sector through Special Programme Unit support, the department collaborated with the office of the Department of Education on a Youth in Agriculture Career EXPO in Western Region which was attended by approximately 150 schoolchildren aimed at promoting and attracting youth in the sector through information sharing, showcasing opportunities within the sector. A total of 36 Youth enterprises were supported, that is, 24 on Vegetable farming, two on Livestock farming, five on Poultry and five on piggery across the province. This programme is implemented in partnership with the Office of the Premier.

### **Back to School Programme**

Each year DRDAR MEC has an immediate intervention to support schools in the rural areas and to champion a Back-to School Programme responding to the poor matric results and addressing other challenges encountered by school children in the rural areas. The MEC's Adopt a School Programme is aligned to the departmental 4H Programme with the objective to encourage school learners to follow a career in agriculture, to encourage the establishment of school gardens and introduce 4H to ensure its enhancement and sustainability in driving food security and align the programme to school nutrition. The



department ensured that the adopted schools were allocated a responsible employee dedicated to them supported by an Extension Officer in that area. According to research, lack of access to sanitary towels often results in young women from poorer backgrounds being absent from school or experiencing the loss of human dignity because of having no choice but to use old newspapers or cloths. Young women in Africa have been reported as being absent from school for a period of at least four days per month; this number can total up to approximately 24 weeks out of 144 weeks in a four-year period of high school. It has also been noted that with the boy child, necessities such as roll on and toothpaste prevents the child from attending school because of hygiene factors including school shoes.

Awareness was created about the departmental functions and services amongst our clients and stakeholders through the provision of a comprehensive communication support (i.e. story writing for website and departmental magazine, video capturing, media coverage, branding) for various activities and functions during the year under review. Notably amongst the events were:

In support of the back to school campaign; donated water tanks, farming implements and seedlings to Goshen Village outside Cathcart, handed over a dipping tank at Sinqumeni Village in Dutywa, in Intsika Yethu Local Municipality where the MEC handed over gardening tools including spades, rakes and watering cans to 875 beneficiaries from nine villages, handed over 23 tractors and agricultural implements to farmers at Bhisho Showgrounds, Female Entrepreneur Awards in Joe Gqabi District, Provincial Youth Day in OR Tambo, Mandela Day celebrations in Aliwal North, Wiphold during a Grain Harvest Day in Tutura village in the Amathole District, stakeholder engagement with commodity groups in the provinces, hosted a Junior Land Care competition, hosted University of Illinois delegation at Dohne Research Institute and University of Fort Hare, hosted a Cannabis dialogue where MEC Meth and the Premier engaged with stakeholders about the Cannabis Industry and its economic benefits, MEC and Premier Mabuzyane planted trees at local schools in Qamata in the Chris Hani District. This was part of Arbor Day Celebrations, celebrated World Food Day in Lusikisiki, launched the Gobhoti spring waters project in the Chris Hani, held the Abattoir Rating Scheme Awards ceremony, and Handing over of fishing rights (licences) to emerging fishers in the O. R Tambo District.

**Table 14: Number of Smallholder Farmers Registered in Farmer Producer Register as at the 31st March 2020**

Municipality	Number of farmers
Alfred Nzo	2 905
Amathole	2 402
Buffalo City	208
Chris Hani	1 204
Joe Gqabi	1 485
Nelson Mandela Bay Metro	36
O.R. Tambo	2 491
Sarah Baartman	181
<b>Total</b>	<b>10 912</b>

## 2.4 Key policy developments 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 internal operations.

### 3. STRATEGIC OUTCOME ORIENTED GOALS

The electoral mandate of the fifth democratic government was to deepen transformation and implement the National Development Plan (NDP). The Medium Term Strategic Framework (MTSF) for 2014 -2019 was the Government's strategic plan for the 2014-2019 electoral term. The MTSF sets out the actions Government will take and targets to be achieved. It also provided a framework for other plans of national, provincial and local government. The aim of the MTSF is to ensure policy coherence, alignment and coordination across government plans as well as alignment with budgeting processes. DRDAR as part of the provincial sphere of government, developed the annual performance plan for 2019/20 in support of the government's strategic agenda. DRDAR directly supported Outcome 07 of the MTSF Outcomes.

The Agricultural Transformation Strategy of the Department was developed to directly contribute to supporting government in its transformation agenda. At the same time, the Department is also aligned with Africa's transformation strategies. In 2003, Africa, through the New Partnership for Africa's Development (NEPAD) developed a Comprehensive Africa Agricultural Development Programme (CAADP) designed to support African Farmers, address food shortage and create income for farmers in a continent where almost the entire population is depended on Agriculture. Africa, just like the Province of the Eastern Cape in South Africa, is endowed with great natural resources that are capable of making Africa the food basket of the whole world.

While the Department endeavoured to implement and achieve its objectives that contribute to overarching government policies, 2019/20 reporting period was faced by a number of challenges, such as:

- The consistent drought season during the better part of 2019/20 has negatively affected farmers.
- The downgrading of the South African economy to a junk status was a huge set back as the sector is expected to play a meaningful role in economic growth.
- The outbreak of Covid -19 which resulted in the shutdown just before the end of the financial year.

Despite the above mentioned challenges, DRDAR has continued to strive for the contribution in the achievement of Outcome 07 of the 2014-2019 MTSF. In the same symbol, the Department continued to ensure that the Vision of a prosperous food secure South Africa is realized by implementing the objectives of the National Development Plan, Vision 2030.

**The delivery environment is discussed below per programme.**

In order to provide agricultural support services to farmers in a focus to ensure sustainable development and management of agricultural resources, Programme 02: Sustainable Resource Management recorded the following performance trends:

## Sub-Programme 2.1: Engineering Services

- Sub-Programme 2.1 struggled to achieve all its target. To correct this challenge, the programme intends to improve construction monitoring and contract administration of the projects which are under construction.
- The last performance target was 198 of ad-hoc engineering advisory reports to clients to enable them to plan, operate and maintain infrastructure, machinery or equipment. This target was overachieved by the programme.

## Sub- Programme 2.2: Land Care

- Three of the five performance targets under this sub-programme were achieved. This achievement has been stable throughout the year.
- One target that could not be achieved, which is on 13 capacity building exercises conducted within approved Land Care projects to empower beneficiaries to implement conservation measures for natural resources. The under performances during quarters 02 and 03 left this sub-programme with an under-achievement. Challenges with non-achievement were due to the scarcity of service providers for skills development in the province.

## Sub-Programme 2.3: Land Use Management

- Out of four performance targets for this sub-programme, three were achieved. The performance target that was not achieved is on the 2455 hectares of agricultural land protected through guiding subdivision of agricultural land use.

## Sub-Programme Programme 2.4: Disaster Risk Management

- Both targets under this sub-programme were achieved. These targets also feed into transversal targets that DRDAR is supporting.

Programme three (3), Farmer Support and Development, which is charged with the responsibility of providing support to farmers through agricultural development programmes played a key role in supporting farmers. Programme three is made out of three Sub-Programmes.

## Sub-Programme 3.1: Farmer Settlement and Development

- This sub-programme was responsible for the implementation of three performance targets for the year under review.
- Out of three performance targets, two were not achieved and one was over-achieved
- The sub-programme did not achieve one of its transversal performance targets on supporting 5999 small holder producers.

## Sub-Programme 3.2: Extension and Advisory Services

- For the 2019/20 financial year, Extension and Advisory Services was responsible for three performance targets and all three targets were achieved.

### **Sub-Programme is 3.3: Food Security**

- The sub-programme was responsible for four performance targets and two were achieved. Non-achievement was recorded on two transversal performance targets.

The fourth Programme, is Veterinary Services. This programme is entrusted with the responsibility of providing veterinary services to clients in order to ensure healthy animals, safe animal products and wellbeing of animals and public. Programme four has four sub-programmes. The overall performance of these programmes is depicted below:

### **Sub-Programme is 4.1:Animal Health.**

- The sub-Programme had four performance targets for 2019/20. Three of these were achieved and only one was not achieved.

### **Sub-Programme 4.2:Veterinary Export Control.**

This sub-programme is responsible for the facilitation of export of animals and animal products through certification of health status. In realizing this objective, sub-programme 4.2, performed in the manner portrayed below:

- All Two performance targets for this sub-programme have been achieved for the year under review.

### **Sub-Programme 4.3:Veterinary Public Health.**

The main aim for this sub-programme is to promote safety of meat and meat products. To achieve this aim, the sub-programme performed as follows:

- Out of three performance targets for the year under review, two were achieved.

### **Sub-Programme 4.4:Veterinary Laboratory Services.**

The objective of this sub-programme is to provide veterinary diagnostic laboratory and investigative services that support and promote animal health and production towards the provision of safe food. In an endeavour to achieve this objective, the sub-programme performed as follows:

- Out of three performance targets for the year under review, two were achieved.

Programme five (5) is responsible for the provision of expert and needs based research, development and technology transfer impacting on development objectives. There are three sub-programmes under this programme. Their performance is summarized as follows:

### **Sub-Programme 5.1: Research.**

The focus of Research sub-programme is to improve agricultural production through conducting, facilitating and coordinating medium to long term research and technology development. The performance of the sub-programme is as follows:

- All five performance targets for the year under review have been achieved.

### **Sub-Programme 5.2: Technology Transfer.**

The sub-programme is responsible for the dissemination of information on research and technology developed to clients, peers and scientific community. The performance of this sub-programme is depicted below:

- For 2019/20, the sub-programme was responsible for the implementation of five performance targets and all of these targets were achieved.

### **Sub-Programme 5.3: Research Infrastructure Support**

Objective is to manage and maintain research infrastructure facilities for the line function to perform research and technology transfer functions. In support of this objective, the sub-programme performed as follows:

- All research infrastructure that were managed by the sub-programme have been achieved.

Programme five has achieved all of their performance targets for the year under review.

Programme six (6): Agricultural Economic Services has an objective to provide timely and relevant agricultural economic services to ensure equitable participation in the economy. The programme is made out of three sub-programmes:

### **Sub-Programme 6.1: Production Economics and Marketing Support.**

The objective of this sub-programme is to provide production economics and marketing services to agri-businesses. The performance of the sub-programme is recorded as follows:

- Two of the performance targets for this sub-programme were achieved.

### **Sub-Programme 6.2: Agro-Processing Support.**

The objective is to facilitate agro-processing initiatives to ensure participation in the value chain.

- There was one performance target for this sub-programme and it was achieved.

### **Sub-Programme 6.3: Macroeconomics Support.**

The objective is to provide economic and statistical information on the performance of the agricultural sector in order to inform planning and decision making. This is how this sub-programme performed:

- There was one performance target for the year under review and it was achieved.

Programme 6 is another programme that recorded an achievement in all of their performance targets for the year under review.

## **Programme seven (7): Structured Agricultural Education and Training.**

The objective of the Programme is to facilitate and provide structured and vocational agriculture, forestry and fisheries education and training in line with the National Education and Training Strategy for Agriculture, Forestry and Fisheries (NETSAFF) in order to establish a knowledgeable, prosperous and competitive sector. To achieve this objective, the programme has two sub-programmes. The performance of these sub-programmes is illustrated below:

### **Sub-Programme 7.1: Higher Education and Training.**

The objective of the sub-programme is to provide tertiary Agriculture, Forestry and Fisheries education and training from NQF levels 5 to applicants who meet minimum requirements. To achieve this objective, the sub-programme performance for the year under review is demonstrated below:

- There were two performance targets for the year under review. The sub-programme achieved one performance target.

### **Sub-Programme 7.2: Agricultural Skills Development.**

The objective of the sub-programme is to provide formal and non-formal education and training on NQF levels 01 to 04 through structured vocational education and training programme. To achieve this objective, the sub-programme had seven performance targets for the year under review and it performed as follows:

- Out of seven performance targets, five were achieved and two were not achieved.

**The last Programme is Programme eight (8): Rural Development.** The objective of Rural Development is to Coordinate development programme by stakeholders in rural areas. Programme 08 is made out of two sub-programmes, Sub-programme 8.1: Rural Development Coordination and Sub-programme 8.2: Social Facilitation. The performance of these sub-programmes is as follows:

**Sub-programme 8.1: Rural Development Coordination**, with an objective to initiate, plan and monitor development in specific rural areas (CRDP) sites across the three spheres of government in order to address the needs that have been identified. In an effort to achieve this objective, the sub-programme performed as follows:

- Out of two performance targets, one was achieved while the other one was not achieved. The performance target that was not achieved is regarding the coordination and consolidation of a rural development report by ECSECC.

### **Sub-programme 8.2: Social Facilitation.**

With an objective to engage communities on priorities and to institutionalise and support community organisation structures. In an effort to achieve this objective, the sub-programme performed as follows:

- The sub-programme had four performance targets and achieved three of these performance targets. The target that was not achieved is regarding four IGR Sessions conducted.

In conclusion, challenges confronting the Province with regards to addressing food insecurity are largely due to a number of interconnected issues, such as, poverty, lack of resources, changes in weather conditions and lack of access to markets by smallholder farmers.

For the Province to address these challenges, it is important to alleviate poverty through agricultural production, support smallholder and subsistence farmers with production inputs to increase the production outputs, there is a need to adapt to climatic conditions through use of relevant technologies and ensure that these farmers are able to access the markets. For the Province to position itself to become the bread basket of the country, there is a need to rehabilitate vast arable land that has been degenerated through overgrazing and other harmful practices for food production purposes.

## 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, personnel information, communication and procurement.

#### 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 2.1 Political leadership and strategic direction provided
- SO 2.2 Overall accountability, integration and implementation of strategy provided.
- SO 2.3 Overall financial, human and technological management support provided.

ADMINISTRATION					
Strategic objectives	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
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 2020.	Unqualified Audit, with emphasis of matter.	Unqualified Audit	Unqualified Audit, with emphasis of matter.	Unqualified Audit with emphasis of matter.	Due to under-spending of funds.

#### Reasons for all deviations

Drought was the major cause of under spending in 2019/20 financial year. Another cause of under spending was as a result of employees leaving the services of DRDAR.



## Sub-programme: Office of the MEC

**Objective:** To set priorities and political directives in order to meet the needs of clients. (For the efficient running of the MECs office).

SG 2: SO 2.1 Political leadership and strategic direction provided.							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
1.1 Number of MEC's engagements with Public Stakeholders and Private Enterprise conducted to ensure optimal alignment of the Department	32	32	32	32	36	4	Over Performance
1.2 Number of statutory documents tabled at the legislature.	12	8	5	9	14	5	Over Performance
1.3 Number of MEC's special programmes' interventions implemented to cater for rural development priorities.	8	8	8	8	9	1	Over Performance

### Reasons for all deviations

- 1.1:** The over performance is due to Covid-19 Pandemic that forced the office to have more engagements with Public Stakeholders.
- 1.2:** The over performance is as a result of re-tabling that was necessitated by a change in political administration and new mandate.
- 1.3:** More requests were received, hence, the other over performance.

### 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 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
1.1 Number of strategic leadership and management sessions held to enhance efficiency in the Department.	12	12	12	12	14	2	Over Performance
1.2 Number of organizational performance review sessions concluded.	4	4	4	4	4	-	No Deviation
1.3 Number of governance sessions concluded.	8	13	15	8	10	2	Over Performance
1.4 Number of Reports on mainstreaming Programmes pertaining to designated groups	-	-	-	4	4	-	No Deviation

### Reasons for all deviations

- 1.1:** Over performance is due to additional strategic and management sessions that were scheduled to consider the Provincial Medium Term Strategic Framework.
- 1.3:** Over performance relates to the awareness sessions conducted by the Anti-Corruption Unit, three in Sarah Bartmaan and three in the Joe Gqabi Districts.

### 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, Information Technology and Communication 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 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
<b>3.1</b> Number of Human Resource Management and Development practices implemented to improve overall performance of the department as per compliance accountability framework.	*3	4	4	4	4	-	No deviation
<b>3.2</b> Number of interventions implemented on auxiliary services as per legislative framework to ensure conducive working environment.	4	4	4	4	4	-	No deviation
<b>3.3</b> Number of ICT interventions implemented in accordance with the ICT Governance Framework to enhance technological efficiencies.	4	4	4	4	2	(2)	Under Performance
<b>3.4</b> Number of service delivery improvement intervention implemented as per the Public Service Regulations, 2016	4	4	15	5	5	-	No deviation
<b>3.5</b> Number of evidence based Policies developed/ reviewed.	5	5	6	5	2	(3)	Under Performance

### Reasons for all deviations

- 3.3:** Under performance is due to key IT personnel that were redirected to conduct Extension Services' Farmer Register Training with the National Department of Agriculture, Land Reform and Rural Development (DALRRD) throughout the Province. The system rollout that was planned during the affected quarters has been prioritised for 2020/21 financial year. Furthermore, a deviation on the procurement of Uninterrupted Power Supply (UPS) equipment for five (5) districts was deferred due to weaker Rand (R/\$) affecting prices of imported goods.
- 3.5:** Policies could not be finalised due to consultation delays that resulted in final consultations completed right at the end of March 2020 which required submission and presentation to Executive Management for endorsement.

### Strategy to overcome areas of under performance

- 3.3:** The sub-programme will in future prioritise the allocation of resources to priority projects and to address the deviation, procurement will now be done in a staggered (phased- in) approach until the replacement of equipment for affected districts is finalised.
- 3.5:** A list of policies due for review and development will be submitted to the Head of Department for approval, followed by circulation early in 2020 wherein Heads of Branches will commit to finalise the review process against the schedule issued by the Policy Unit.

### Changes to planned targets

None.

## Sub-Programme 1.4: Financial Management

**Objective:** To provide effective support service (including monitoring and control) with regard to Budgeting, Provisioning and Procurement.

SG 2: SO 2.3 Overall financial, human and technological management support provided.							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
4.1 Number of days taken to pay suppliers in terms of the PFMA.	17	17	16	30 days	15 days	-	No deviation
4.2 Number of credible Interim and Annual Financial Statements submitted on due date in accordance with the modified cash accounting guidelines.	4	4	4	4	4	-	No deviation
4.3 Number of budget documents submitted to Provincial Treasury by the due date	14	15	14	14	14	-	No deviation
4.4 Number of reports compiled on contracts management.	12	12	12	12	12	-	No deviation

### Reasons for all deviations

None.

### Strategy to overcome areas of under performance

None.

### Changes to planned targets

None.

### Sub-Programme 1.5: Communication Services

**Objective:** To focus on 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 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations		
5.1 Number of projects implemented in accordance with the Communication Plan.	4	4	6.5m	4	4	-	No deviation		
5.2 Number of reports on the implementation of the Customer Care Plan	4	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: SUB-PROGRAMME EXPENDITURE

The Program has achieved its targets for thirteen (13) from a total of eighteen (18) Performance Indicators. In terms of three (3) Performance Indicators, the targets were over achieved. Two (2) Performance Targets under Sub Program 1.3 were not achieved. The Program has spent 99.8% of its total annual budget.

ADMINISTRATION	2019/2020				2018/2019		
	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	
1.1 Office of the MEC	16 550	16 588	(38)	11 315	9 562	1 753	
1.2 Senior Management	49 329	48 749	580	47 901	48 482	(581)	
1.3 Corporate services	252 764	252 307	457	230 860	228 444	2 416	
1.4 Financial Management	172 564	173 152	(588)	179 831	179 210	621	
1.5 Communication services	8 823	8 555	268	9 163	8 459	704	
<b>TOTAL</b>	<b>500 030</b>	<b>499 351</b>	<b>679</b>	<b>477 037</b>	<b>472 123</b>	<b>4 914</b>	

## 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 objectives	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Provision of 466 agricultural infrastructure projects over a five year period, will focus on livestock owners.	82	178	116	(62)	Under Performance

### Reasons for all deviations

Under performance is as a result of collective issues such as, delays in approval of revised Procurement Plan, under performance of contractors emanating from smaller contractors (Grade 1 SQ) experiencing cash flow and delivery of material challenges, cancellation of some projects on account of delays emanating from social insecurity on site, theft of electrical connection materials, fencing materials for some OR Tambo projects having been burnt and reduced engineering capacity which affected services in the OR Tambo District.



## Sub - Programme 2.1: Engineering Services

**Objective:** To provide engineering support (planning, development, monitoring and evaluation) with regard to irrigation technology, on-farm mechanization, value adding infrastructure, farm structures and resource conservation management.

Performance Indicator		Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
1.1	Number of agricultural infrastructure established	104	81	82	178	116	(62)	Under performance
1.2	Number of ad-hoc engineering advisory reports/job cards to clients to enable them to plan, operate and maintain infrastructure, machinery or equipment.	1 060	1 048	902	948	1 007	59	Over performance

### Reasons for all deviations

**1.1** Under-performance is as a result of the collective of, delay in approval of revised procurement plan, under-performance of contractors emanating from smaller contractors (Grade 1 SQ) experiencing cash flow and delivery of material challenges, cancellation of some projects on account of delays emanating from social insecurity on site and theft of electrical connection materials, fencing materials for some OR Tambo projects having been burnt and reduced engineering capacity which affecting services in OR Tambo.

**1.2** Over-performance is ascribed to the late summer rains that contributed to a significantly increased demand for mechanisation equipment advice during the fourth quarter.

### Strategy to overcome areas of under performance

**1.1** Work closer with stakeholders to ensure understanding of allocations timelines and procurement processes.

### Changes to planned targets

None.

## Sub-Programme 2.2: Land Care

**Objective:** To promote the sustainable use and management of natural agricultural resources by engaging in community based initiatives that support sustainability (social, economic and environmental), leading to greater productivity, food security, job creation and better well-being for all.

Performance Indicator		Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
SG 1: SO 1.2 Improved livestock production. SG 1: SO 1.3 Increased crop production.								
2.1	Number of awareness campaigns conducted on Land Care to promote conservation of natural resources.	18	24	9	6	18	12	Over Performance
2.2	Number of capacity building exercises conducted within approved Land Care projects.	22	24	44	13	11	(2)	Under Performance
2.3	<b>Number of hectares of agricultural land rehabilitated</b>	2 611	2 219,6	10 573	3 681	5 491,09	1 810,09	Over Performance
2.4	Number of beneficiaries adopting /practicing sustainable production technologies and practices for improved livelihoods	592	733	5 585	1 025	1 066	41	Over Performance
2.5	<b>Number of green jobs created</b>	519	412	1 012	361	383	22	Over Performance

### Reasons for all deviations

- 2.1 Over performance emanated from roadshows on resource conservation, land care and resource management that resulted in requests for additional awareness events.
- 2.2 Under performance is due to the scarcity of service providers for skills development in the province, resulting in non-responses to the advert for quotations.
- 2.3 Over performance became possible by continuing work programmes due to additional drought funding from DALRRD.
- 2.4 Over performance was realised through students beyond the number planned for took interest and practice of sustainable production technologies.
- 2.5 Over-performance resulting from extension of work programmes made possible by additional funding received from DALRRD in the second appropriation.

### Strategy to overcome areas of under performance

- 2.2 Lack of response from service providers is to be addressed by ensuring that at least a few service providers with proven performance record are informed of the notice for quotations.

### Changes to planned targets

None

### Sub-Programme 2.3: Land Use Management

**Objective:** To promote the preservation and sustainable use of agricultural land through the administration of the Subdivision of Agricultural Land Act (SALA) and the Conservation of Agricultural Resources Act (CARA).

SG 1: SO 1.2 Improved livestock production. SG 1: SO 1.3 Increased crop production.							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
3.1 Number of agro-ecosystem management plans developed.	New PI	5	5	6	6	-	No deviation
3.2 Number of hectares of agricultural land protected through guiding subdivision/ rezoning/ change of agricultural land use.	954	6 829.05	1 005	2 455	457	(1 998)	Under Performance
3.3 Number of farm management plans developed	189	222	199	30	55	25	Over Performance
3.4 Number of natural/agricultural resources maps produced for planning and decision making purposes.	404	377	438	316	509	193	Over Performance

### Reasons for all deviations

- 3.2 Under performance is due to the number of respective land areas requested for re-zoning of agriculture being below those that were projected.
- 3.3 Over performance is a result of planning required for more projects for ensuring projects to meet the increased demand for project applications for farmer support than was projected.
- 3.4 Over performance is due to the increased number of farm plans requiring more maps than was projected.

### Strategy to overcome areas of under performance

- 3.2 A communication to both farmer organisations and legal bodies dealing with conveyances to increase awareness of the regulatory process will be carried out as well as adopting a more conservative projection for the forthcoming financial year.

### Changes to planned targets

None.

## Sub-Programme 2.4: Disaster Risk Management

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

Performance Indicator		Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
SG 1: SO 1.2 Improved livestock production.								
SG 1: SO 1.3 Increased crop production.								
4.1	Number of disaster risk reduction services managed.	1	1	2	2	2	-	No deviation
4.2	Number of disaster relief schemes managed.	1	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: Sub-programme expenditure

The performance of the programme shows that performance was on or greater than the performance target for 9 indicators and below target for 4 indicators. The expenditure for the year is 99 % from a total of 13 indicators being consistent with the 69% performance considering that 60% of the under expenditure is due to under-expenditure, under Compensation of employees and not operational costs.

Sustainable Resource Management	2019/2020				2018/2019		
	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	
2.1 Engineering Services	59 539	58 927	612	61 274	60 397	877	
2.2 Land Care	21 191	21 191	0	48 418	35 640	12 778	
2.3 Land Use management	56 697	56 022	675	53 125	52 440	685	
2.4 Disaster Risk Management	91	-	91	91	23	68	
<b>TOTAL</b>	<b>137 518</b>	<b>136 140</b>	<b>1 378</b>	<b>162 908</b>	<b>148 500</b>	<b>14 408</b>	

### 4.3 Programme 3: Farmer Support and 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 objectives	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Increased food production.	23 085	31 294	19 839.5	(11454.5)	Under Performance
Supporting household gardens.	17 734	30 337	25 372	(4965)	Under Performance

#### Reasons for all deviations

- 3.1** The support to vulnerable household was reduced due to drought conditions, these households were supported with vegetable production inputs that could not be planted due to the prevailing dry conditions.
- 3.3** The late rains in 2019/20 production season meant a shorter planting window for grain production that was planned.

### 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 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
1.1 Number of smallholder producers supported.	2 911	3 457	1 837	5 999	4 878	(1 121)	Under Performance
1.2 Number of agricultural infrastructure development initiatives completed for food security and economic development.	225	176	167	179	234	55	Over Performance
1.3 Number of jobs created through infrastructure projects in support of rural development	818	1 182	863	1 811	908	(903)	Under Performance

#### Reasons for all deviations

- 1.1 There were many infrastructure projects that were not completed and had beneficiaries that could not be a counted for in this financial year report.
- 1.2 The over performance was driven by the number of projects that were supplied with fencing and dip tank renovation material, further drought infrastructure was added into the list after declaration of the drought in the Province.
- 1.3 There were many infrastructure projects that could not be completed due to poor performance of contractors and delayed the start of infrastructure projects, then jobs that will be created on these processes will only be accounted for once the projects are completed.



### **Strategy to overcome areas of under performance**

**1.1 & 1.3** The management of contractors has to be improved to make sure that poor performance of contractors is dealt with early and projects revived and completed. The planning has to be improved by advertising all infrastructure projects in the first quarter of the financial year and construction commence in the second quarter.

### **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 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations		
<b>2.1</b> Number of smallholder producers supported with agricultural advice.	1 521	1 794	1 846	1 702	1 890	188	Over Performance		
<b>2.2</b> Number of performance reports submitted in advancing on commercialization through agricultural commodities supported.	-	-	8	8	8	-	No deviation		
<b>2.3</b> Number of performance reports on the implementation of the Extension Recovery Plan (ERP).	4	4	7	4	4	-	No deviation		

#### Reasons for all deviations

2.1 During drought there was an increased interactions between farmers and Extension Advisors as farmers strived to survive the drought, more farmers called on technical expertise of the Department for support.

#### 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 National policy on Food and Nutrition Security.

SG 1: SO 1.2 Improved livestock production.									
SG 1: SO 1.3 Increased crop production.									
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations		
3.1 Number of households supported with agricultural food production initiatives.	10 112	21 101	18 288	30 337	25 230	(5 107)	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 planted for food production.	50 713	34 727	18 946	31 294	19 839.05	(11 454.95)	Under Performance		
3.4 Number of livestock farmers supported to increase productivity.	16	81	93	92	120	28	Over Performance		

### Reasons for all deviations

- 3.1** The support to vulnerable household was reduced due to drought conditions, these households were supported with vegetable production inputs that could not be planted due to the prevailing dry conditions.
- 3.3** The late rains in 2019/20 production season meant a shorter planting window for grain production that was planned.
- 3.4** Over performance was due to the piloting of use of FibreLux wool classing machine in wool shearing sheds of the province. This machines is being developed to enhance and improve wool classing before it reaches the market.

### **Strategy to overcome areas of under performance**

- 3.1:** Diversify food production support will be given to various households.
- 3.3:** Identify more partners to ensure that more land earmarked for production has partners to leverage on more mechanisation contractors. Also, strengthen RED Hubs to provide mechanisation services in their surrounding areas.

### **Changes to planned targets**

None.

## LINKING PERFORMANCE WITH BUDGETS SUB-PROGRAMME EXPENDITURE

The performance of the programme was affected by drought through underperformance in food security and over performance in the infrastructure projects implemented. The distribution of superior genetic material of cattle to LIS beneficiaries was delayed due to drought and animals after the rain the animals were not easily accessible in the market. The infrastructure implementation was negatively impacted by the poor performance of contractors that resulted in the cancellation of more shearing sheds.

	2019/2020			2018/2019			
	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	
<b>3.1</b>	Farmer Settlement	164 711	159 209	5 502	242 559	224 356	18 203
<b>3.2</b>	Extension and Advisory services	446 178	445 795	383	423 084	417 940	5 144
<b>3.3</b>	Food Security	192 056	183 265	8 791	167 638	151 466	16 172
	<b>TOTAL</b>	<b>802 945</b>	<b>788 269</b>	<b>14 676</b>	<b>833 282</b>	<b>793 762</b>	<b>39 520</b>

## 4.4 Programme 4: Veterinary Services

**Objective:** To provide veterinary services to clients in order to ensure healthy animals, safe animal products and wellbeing of animals and the public.

### 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.

ADMINISTRATION					
Strategic objectives	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
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 2020.	1 659 710	2.3m	4 373 105	2 073 105	Over performance

### Reasons for all deviations

Deviation was due to sheep scab outbreaks which necessitated the extra treatments to control the disease.

## Sub-Programme 4.1: Animal Health

**Objective:** To facilitate and provide animal health services, in order to protect the animals and public 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 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations		
1.1 Number of visits to epidemiological units for veterinary interventions	14 012	13 810	13 859	11 244	14 025	2 781	Over Performance		
1.2 Number of animals vaccinated against controlled animal diseases according to Animal Disease Act (Act 35 of 1984)	1 857 490	1 644 230	1 474 138	1 387 239	1 262 345	(124 894)	Under Performance		
1.3 Number of treatments applied to sheep for the control of sheep scab to improve the quality and quantity of the wool clip.	8 329 734	8 619 799	8 698 636	7 945 856	8 746 211	800 355	Over Performance		
1.4 Number of treatments applied to animals for external parasites control.	4 295 127	4 394 238	4 418 235	3 895 081	4 654 838	759 757	Over Performance		

### Reasons for all deviations

- 1.1 Rabies outbreaks during the reporting period necessitated more visits, hence, the over performance.
- 1.2 Shortages of personnel resulted in the underperformance.
- 1.3 Sheep scab outbreaks during the reporting period resulted in more treatments than planned, hence the over performance.
- 1.4 Increased tick burden due to the warm weather conditions resulted in more treatments, hence, over performance.

### Strategy to overcome areas of under performance

- 1.2 Funded posts are included in the Annual Recruitment Plan (ARP) of the Department.

### 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 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
1.1 Number of export control certificates issued.	3 390	3 965	4 213	3 890	5 629	1 739	Over Performance
1.2 Number of outreach events supported to capacitate the communities, public and staff.	31	24	28	20	25	5	Over Performances

### Reasons for all deviations

- 1.1 Over performance is as a result of demand on exports for greasy wool to China.
- 1.2 The over performance is as a result of extra requests received from the districts to support outreach events.

### Strategy to overcome areas of under performance

None.

### Changes to planned targets

None.



### Sub-Programme 4.3: Veterinary Public Health

**Objective:** To promote the safety of meat and meat products.

SG 1: SO 1.2 Improved livestock production.							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
1.1 Number of abattoir inspections conducted as per Meat Safety Act (Act 40 of 2000).	974	925	958	965	787	(178)	Under Performance
1.2 Number of interactions to respond to the Provisions of the Meat Safety Act (Act 40 of 2000).	1 527	1 539	1 551	1 517	1 621	104	Over Performance
1.3 Average percentage of compliance of all operating abattoirs in the Province to the meat safety legislation	90.7%	91.5%	94.5%	80%	94.5%	14.5%	Over Performance

#### Reasons for all deviations

- 1.1 Shortages of personnel resulted in the underperformance.
- 1.2 Increased monitoring of butcheries for illegal slaughter activities as a result because of fewer abattoirs in O.R. Tambo district.
- 1.3 The over performance was attributed to the efforts of officials in ensuring that abattoirs complied to legislation.

#### Strategy to overcome areas of under performance

- 1.1 Downward revision of targets for the next financial year.

#### 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 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations		
1.1	Number of specimen tested for diagnostic purposes.	121 371	82 397	40 377	82 397	(6)	Under Performance		
1.2	<b>Number of laboratory tests performed according to prescribed standards.</b>	56 624	-	-	56 624	4 500	Over Performance		
1.3	Number of primary animal health care (PAHC) interactions held to minimize the impact of disease occurrence.	4 915	5 945	6 125	8 017	2 072	Over Performance		

#### Reasons for all deviations

- 1.1 Lack of SANAS accreditation of provincial labs in the first quarter resulted in less samples submitted for diagnostic purposes.
- 1.2 More laboratory tests were performed within the province due to SANAS accreditation of Grahamstown Veterinary Lab in June 2019.
- 1.3 The Compulsory Community Service programme is becoming more popular in the communities and is demand driven.

#### Strategy to overcome areas of under performance

- 1.1 SANAS accreditation has been obtained.

#### Changes to planned targets

None.

## LINKING PERFORMANCE WITH BUDGETS SUB-PROGRAMME EXPENDITURE

The Programme with over achievement of 9 out of 12 performance indicators and has spent 99.69 % of its budget.

	2019/2020			2018/2019		
	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
<b>Veterinary Services</b>						
4.1 Animal Health	282 603	282 051	553	273 339	269 632	3 707
4.2 Export Control	10 533	10 442	91	10 146	8 694	1 452
4.3 Veterinary Public Health	16 568	16 410	158	16 678	15 784	894
4.4 Veterinary Laboratories	21 942	21 733	209	26 496	22 026	4 470
<b>TOTAL</b>	<b>331 646</b>	<b>330 636</b>	<b>1 010</b>	<b>326 659</b>	<b>316 136</b>	<b>10 523</b>

## 4.5 Programme 5: Research and Technology Development Services

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

### List sub programmes

- Sub- Programme 5.1: Research.
- Sub-Programme 5.2: Technology Transfer.
- 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 objectives	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Research projects implemented	63	64	64	-	No deviation

### Reasons for all deviations

None.

## Sub Programme 5.1: Research

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

SG 1: SO 1.2 Improved livestock production.							
SG 1: SO 1.3 Increased crop production.							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
1.1 Number of research projects implemented to improve agricultural production.	70	60	63	64	64	-	No deviation
1.2 Number of profiling reports conducted for promotion of sustainable rural livelihoods in identified areas.	3	7	7	7	7	-	No deviation
1.3 Number of samples (Soils, Plants, Feed and Water) analysed to support decision making of clients	New PI	New PI	New PI	4 000	5 588	1 588	Over Performance
1.4 Number of spatial data disseminated to end users for planning purposes.	229	182	211	210	311	101	Over Performance
1.5 Number of aquaculture projects supported.	New PI	New PI	2	4	7	3	Over Performance

### Reasons for all deviations

- 1.3** There was a high request for soil sample analysis in the laboratories. The efficient analytical systems of the department resulted in the completion of the samples and results were returned to the end users on time.
- 1.4** This is a demand driven PI, therefore the number of spatial data was more than planned and all the requests were attended by the Department.
- 1.5** Savings in other projects resulted in more aquaculture projects supported than planned.

### 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.

Performance Indicator		Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
SG 1: SO 1.2 Improved livestock production.								
SG 1: SO 1.3 Increased crop production.								
1.1	Number of scientific papers published.	3	9	16	6	6	-	No deviation
1.2	Number of research presentations made at peer reviewed events.	34	56	57	40	55	15	Over Performance
1.3	Number of research presentations made at technology transfer events.	37	40	35	38	57	19	Over Performance
1.4	Number of demonstration trials conducted with farmers in order to impart knowledge and skills on farming practices.	10	10	8	10	10	-	No deviation
1.5	Number of information packs developed for dissemination to farmers and the general public.	8	10	10	12	29	17	Over Performance

### Reasons for all deviations

- 1.2 The over performance was caused by more scientific output that had to be presented at peer reviewed events.
- 1.3 The over performance was caused by more knowledge generated by Production scientists that had to be shared with relevant stakeholders in the Province in the form of seminars or district information days.
- 1.5 The hosting of Red meat information day demanded more information to be shared during the session to communicate in brochures, the information that is significant in red meat production.

### Strategy to overcome areas of under performance

None.

### Changes to planned targets

None.

### Sub-Programme 5.3: Infrastructure Support Services

**Objective:** To manage and maintain research infrastructure facilities for the line function to perform research and technology transfer functions, i.e. experimental farms.

Performance Indicator		Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
1.1	Number of research infrastructure managed.	7	7	7	7	7	-	No deviation

SG 1: SO 1.2 Improved livestock production.

SG 1: SO 1.3 Increased crop production

#### Reasons for all deviations

None.

#### Strategy to overcome areas of under performance

None.

#### Changes to planned targets

None.

## LINKING PERFORMANCE WITH BUDGETS SUB-PROGRAMME EXPENDITURE

Budget allocated in (a) 5.1 was used to achieve its performance indicators where some were met whilst the majority were over-performed. An under-expenditure of 110 thousand was mainly caused by vacant that were not filled during the financial year under-review; (b) 5.2 The allocated budget was used to achieve its performance indicators where some were met whilst the majority were over-performed. An under -expenditure of 235 thousand was mainly caused by a service provider who failed to deliver seed on time and the sub-programme was fortunate to be sponsored by PANNA as a result it was able to achieve its target, and (c) Budget allocated 5.3, in was used to achieve its performance indicator which was met. An under expenditure of 76 thousand was mainly by a service provider who could not finish repairing a tractor during the financial year under review.

	2019/2020			2018/2019		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
<b>Research And Technology Development Services</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
5.1 Research	130 379	130 269	110	127,681	126,766	915
5.2 Technology Transfer Services	6 236	6 001	235	6,424	5,483	941
5.3 Infrastructure Support Services	1 336	1 260	76	1,653	1,281	372
<b>TOTAL</b>	<b>137 951</b>	<b>137 530</b>	<b>421</b>	<b>135,758</b>	<b>133,530</b>	<b>2,228</b>



## 4.6 Programme 6: Agricultural Economic Services

**Objective:** To provide timely and relevant agricultural economic services to ensure equitable participation in the economy.

### List of sub programmes

- Sub-Programme 6.1: Production Economics and Marketing Support.
- Sub-Programme 6.2: Agro-Processing Support.
- Sub-Programme 6.3: Macroeconomics Support.

### List strategic objectives

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

AGRICULTURAL ECONOMIC SERVICES					
Strategic objectives	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Marketing of livestock and its by-products supporting 1500 agri-business with the ultimate goal to establish them as commercial farmers by 2019.	412	248	212	36	Under-performance

### Reasons for all deviations

Under performance is due to extreme drought conditions experienced in the 2019/20 year requiring reprioritisation of resources which reduced the extent of support and the number of agribusinesses supported for strictly commercialisation development.

### Sub-Programme 6.1: Agri-Business Support and Development

**Objective:** To provide production economics and marketing services to agri-businesses

Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
1.1 Number of agri-businesses supported with marketing services	349	256	412	1 811	2 785	974	Over Performance
1.2 Number of agri-businesses supported with production economic services.	5 483	5 617	3 236	1 567	1 640	73	Over Performance

#### Reasons for all deviations

- 1.1** Over performance was due to an increase in the number of workshops on cooperative development for collective purchase of inputs and marketing. More businesses required support with marketing services to access markets and improve returns on investment.
- 1.2** Over performance was as a result of requests for production of economic services which rose sharply due to improvement in drought conditions that prompted an increase in production activities.

#### Strategy to overcome areas of under performance

None.

#### Changes to planned targets

None.

### Sub-Programme 6.2: Agro-Processing Support

**Objective:** To facilitate agro-processing initiatives to ensure participation in the value chain.

Performance Indicator		Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
1.1	Number of agro-processing initiatives supported.	New PI	New PI	10	8	8	-	No deviation

SG 1: SO 1.2 Improved livestock production.

SG 1: SO 1.3 Increased crop production.

#### Reasons for all deviations

None.

#### Strategy to overcome areas of under performance

None.

#### Changes to planned targets

None.

### Programme 6.3: Macroeconomics Support

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

Performance Indicator		Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
1.1	Number of economic reports compiled	New PI	New PI	46	42	42	-	No deviation

SG 1: SO 1.2 Improved livestock production.

SG 1: SO 1.3 Increased crop production.

#### Reasons for all deviations

None.

#### Strategy to overcome areas of under performance

None.

#### Changes to planned targets

None.

## LINKING PERFORMANCE WITH BUDGETS SUB-PROGRAMME EXPENDITURE

The performance record for the year shows that all indicators were achieved with over performance reported on 2 out of 4 indicators. This is consistent with the expenditure of 99% for the programme for the year.

	2019/2020			2018/2019		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
<b>AGRICULTURAL ECONOMIC SERVICES</b>						
<b>6.1</b> Agri-Business Support and Development	R'000 3 426	R'000 3 226	R'000 200	R'000 60 980	R'000 60 406	R'000 574
<b>6.2</b> Macroeconomics Support	30 896	30 878	18	27 785	27 525	260
<b>TOTAL</b>	<b>34 322</b>	<b>34 104</b>	<b>218</b>	<b>88 765</b>	<b>87 931</b>	<b>834</b>

## 4.7 Programme 7: Structured Agricultural Education and Training

**Objective:** To facilitate and provide structured and vocational agriculture forestry and fisheries education and training in line with the National Education and Training Strategy for Agriculture, Forestry and Fisheries (NETSAFF) 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.

ADMINISTRATION					
Strategic objectives	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Conducted training and development of 16 000 farmers in livestock management, crop production and extension advisory services.	2 832	2 350	2 876	526	Over Performance

### Reasons for all deviations

The institutes suffered setbacks in that TARDI was plagued with cable theft and destruction of fencing, making the institute vulnerable to vandalism from the nearby communities. At the same time, Mpofu suffered challenges of invasion, theft, breaking of fences, interference with the water system as well as a hostage-taking incident. These were issues which affected the morale of staff especially during the first and second quarters of the financial year.

When the department provided intervention, the relief that was felt contributed significantly with the management of the backlog.

The approach to sourcing of training was being changed to that of establishing a training database and led to a delay in adjudication and awarding. This affected the first quarter and part of the second quarter. After the finalisation of the database, performance improved significantly during the fourth quarter.

### Sub-Programme 7.1: Higher Education and Training

**Objective:** To provide tertiary Agriculture, Forestry and Fisheries education and training from NQF levels 5 to applicants who meet minimum requirements.

SG 1: SO 1.2 Improved livestock production. SG 1: SO 1.3 Increased crop production.							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
1.1 Number of students enrolled to complete accredited Higher Education and Training (HET) qualifications.	543	578	578	578	578	-	No deviation
1.2 Number of students graduated from Agricultural Training Institutes.	111	138	129	130	126	(4)	Under Performance

#### Reasons for all deviations

1.1 Fort Cox experienced a lower throughput this academic year.

#### Strategy to overcome areas of under performance

1.2 Completion of student accommodation at Fort Cox and a start to planning new residence for TARDI. Introduction of psycho-social services to assist students with issues affecting their academic performance.

#### 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 structured vocational education and training programmes.

SG 1: SO 1.2 Improved livestock production.									
SG 1: SO 1.3 Increased crop production.									
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations		
<b>1.1</b>	2 043	2 649	2 832	2 350	2 772	422	Over Performance		
<b>1.2</b>	88	25	80	50	40	(10)	Under Performance		
<b>1.3</b>	255	242	243	200	1 661	1 461	Over Performance		
<b>1.4</b>	212	170	542	170	209	39	Over Performance		
<b>1.5</b>	New PI	29	154	20	-	(20)	Under Performance		
<b>1.6</b>	188	200	220	210	353	143	Over Performance		
<b>1.7</b>	2	2	2	2	4	2	Over Performance		



## Reasons for all deviations

- 1.1:** Improvement in the organisational environment at Mpofu was beneficial in favour of service delivery after departmental intervention to the threat posed by invasion by local communities contributed to management of the backlog of two quarters. The mop-up plan for the skills programme (Farm Together) became possible during quarter 4 and resulted in work planned for 3 quarters implemented at once.
- 1.2:** In part, under-reporting led to some evidence being submitted later than the reporting time, while on the other hand the trainees could not be released for capacitation at the pre-arranged time due to conflicting priorities within the Education Department.
- 1.3:** The interest shown by school youth in offerings by TARDI, Fort Cox and Grootfontein leads to increased demand for information on careers in the sector. This is especially so for schools in rural parts of the province show enthusiasm for implementation of school garden projects and related programmes. This almost always leads to higher attendance than planned. Agricultural Training Institutes (ATIs) also experience a similar phenomenon when conducting career expos and related information sessions.
- 1.4:** The overlap between financial years due to the length of learnership programmes resulted in more being accomplished.
- 1.5:** The outcome of the expression of interest and related awarding happened in November 2019. This did not make it possible to attain the set target.
- 1.6:** The reluctance to release Farm Workers for training seems to have eased up. The incidents of recall of Farm Workers from training were also reduced.
- 1.7:** Delay in advertising led to a delay in the start of implementation, however, it became possible to cater for infrastructure machinery and equipment within the potential savings.

## Strategy to overcome areas of under performance

- 1.2** Adherence to the SOP and strengthening the relationship with the Education Department.
- 1.5** The process for re-advertising to augment the number of providers in the departmental database was started in March to allow more time for the necessary screening and awarding.

## Changes to planned targets

None.

## LINKING PERFORMANCE WITH BUDGETS SUB-PROGRAMME EXPENDITURE

Out of nine performance indicators, three were not achieved. This has had an effect on the overall spending for the Programme standing at 96, 5%. The programme started off with allocations for farmer training and Colleges infrastructure overstated by R3, 2m as well as R4, 3m respectively. The allocations were rectified to R14,2m and R13,3m respectively, during adjustment estimates. Expenditure, however, started off well for farmer training, until the outcome of the expression of interest to enable database procurement being finalised in November 2019. The same expression of interest did not get the desired outcome for PI 1.5 (mentorship), as only one (1) provider was successfully awarded in line with specifications. Implementation of capacitation of interns (as mandated) assisted in the utilisation of savings. This led to 97% utilisation of funding meant for CASP training.

	2019/2020			2018/2019		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
<b>Structured Agricultural Education and Training</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
7.1 Higher Education and Training.	58 704	58 704	-	57 218	57 218	-
7.2 Agricultural Skills Development.	116 167	110 078	6 089	109 818	104 544	5 274
<b>TOTAL</b>	<b>174 871</b>	<b>168 782</b>	<b>6 089</b>	<b>167036</b>	<b>161762</b>	<b>5274</b>

## 4.8 Programme 8: Rural Development

**Objective:** To coordinate the development programmes by stakeholders in rural areas

### List of sub-programs

- Sub-programme 8.1: Rural Development Coordination.
- Sub-programme 8.2: Social Facilitation.

### List the strategic objectives

- **SO 1.1** Rural development initiatives facilitated and coordinated.

RURAL DEVELOPMENT COORDINATION					
Strategic objectives	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
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

### Reasons for all deviations

None.

### Sub-Programme 8.1: Rural Development Coordination

**Objective:** To initiate, plan and monitor development in specific rural areas (CRDP sites) 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 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
1.1 Number of oversight reports consolidated on rural development projects supported through ECRDA.	4	4	4	4	4	-	No deviation
1.2 Number of rural development reports coordinated and consolidated through ECSECC.	New PI	New PI	New PI	1	-	(1)	Under Performance

### Reasons for all deviations

**1.2** The plenary meeting was held between DRDAR and ECSECC on the 10th September 2019 at ECSECC offices. The meeting resolved that DRDAR must submit to them the following documents: Rural Development District Plans; Community Rural Development Plan (CRDP) Concept document; Chapter 6 – National Development Plan; Agricultural Economic Transformation Strategy; Rural Development Strategy (Ilima Labantu); Guidelines for coordination Outcome 7 Priorities; Outcome 7 Program of Action – 2019/20 and the Concept Note for the annual publication report. These documents were submitted to ECSECC. They were going to use the documents to develop proposal for the annual publication report.

### Strategy to overcome areas of under performance

**1.2** Continue engagement with ECSECC to ensure the purpose of the publication is achieved which is to ensure proper integrated planning by all spheres of government for development of the province.

### Changes to planned targets

None.

## Sub- Programme 8.2 Social Facilitation

**Objective:** To engage communities on priorities and to institutionalise and support community organisational structures (NGOs etc.)

SG 1: SO 1.1 Rural development initiatives facilitated and coordinated.							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
1.1 Number of Outcome 7 reports consolidated and submitted.	4	4	4	4	4	-	No deviation
1.2 Number of IGR sessions conducted	4	4	4	4	3	(1)	Under Performance
1.3 Number of basic infrastructure projects implemented using innovations and appropriate technologies.	6	4	8	14	15	1	Over Performance
1.4 Number of rural development enterprises supported	-	107	100	102	102	-	No deviation

### Reasons for all deviations

- 1.2 Due to the outbreak of COVID 19, the Department had to call this session off as it was scheduled for 27<sup>th</sup> March 2020 as per confirmations of the invited stakeholders.
- 1.3 This hard work was necessary to compensate for the underachievement during the third quarter.

### Strategy to overcome areas of under performance

- 1.2. In future, the department will sensitise the stakeholders to hold the IGR sessions mid – month of the last month of the quarter to avoid such situations and also the use of virtual sessions will be explored.

### Changes to planned targets

None.

## LINKING PERFORMANCE WITH BUDGETS

All the performance indicators but one set in this financial year were met. Fortunately, the missed target had no financial bearing. Suppliers of materials needed for 4 projects (two sanitations and two water) delayed to supply resulting in late implementation of these projects. Consequently, the R 808 thousand needed for the payment of the casual workers deployed will only be effected in the next financial year. This amount would have exceeded the remaining R 350 thousand creating an over expenditure of R 458 thousand.

	2019/2020			2018/2019		
	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
<b>8.1</b>	266 118	267 028	-910	191 224	188 885	2 339
<b>8.2</b>	19 523	18 263	1 260	1 464	908	556
<b>TOTAL</b>	<b>285 641</b>	<b>285 291</b>	<b>350</b>	<b>192 688</b>	<b>189 793</b>	<b>2 895</b>

## 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 and programmes	168 566	168 566	<ul style="list-style-type: none"> <li>Supported 5 RED hubs which focused on grain &amp; Flora production</li> <li>Supported 5 community forestry projects which in total employed 238 people</li> <li>Supported 3 livestock Feedlots which in total employed 18 people</li> </ul>
	Magwa Tea Estate	84 938	84 938	<ul style="list-style-type: none"> <li>695 ,000 kgs of Tea harvested and sold at both Magwa &amp; Majola.</li> <li>1,730 people employed at both Magwa &amp; Majola</li> <li>Maintained 1,266 hectares at Magwa</li> <li>Maintained 254 hectares at Majola</li> </ul>
	Amajingqi / Macadamia Nuts	16 360	16 360	<ul style="list-style-type: none"> <li>Managed to harvest 16 tons of Macadamia nut for export</li> <li>Employed a total of 128 people on the project.</li> </ul>

## 5.2. Transfer payments to all organisations other than public entities

The table below reflects the transfer payments made for the period 1 April 2019 to 31 March 2020

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply 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 and student fees	Yes	58 704	58 704	n/a
Chris Hani Development Agency	Development Agency	Payment of salaries to personnel working in the irrigation schemes	Yes	1 237	1 237	n/a
University of Fort Hare	University	Initiating the establishment of a VET school in the province	Yes	1 000	0	The University indicated that their plans were interrupted by the COVID-19

## 6. CONDITIONAL GRANTS

### 6.1. Conditional grants and earmarked funds paid

The table below describes each of the conditional grants and earmarked funds paid by the department for April 2019 to 31 March 2020.

#### Conditional Grant I:

Department/ Municipality to whom the grant has been transferred	N/A
Purpose of the grant	N/A
Expected outputs of the grant	N/A
Actual outputs achieved	N/A
Amount per amended DORA	N/A
Amount transferred (R'000)	N/A
Reasons if amount as per DORA not transferred	N/A
Amount spent by the department/ municipality (R'000)	N/A
Reasons for the funds unspent by the entity	N/A
Monitoring mechanism by the transferring department	N/A

#### Conditional grants and earmarked funds received

The table/s below details the conditional grants and ear marked funds received during for the period 1 April 2019 to 31 March 2020.



## 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"> <li>To provide effective agricultural support services, promote and facilitate agricultural development by targeting beneficiaries of land restitution and redistribution, and other previously disadvantaged producers who have acquired land through private means, and are engaged in value-adding enterprises domestically, or involved in export.</li> <li>To address damage to infrastructure caused by floods.</li> </ul>
Expected outputs of the grant	<ul style="list-style-type: none"> <li>Number of subsistence, smallholder and commercial farmers supported through CASP.</li> <li>Number of youth and women farmers supported through CASP.</li> <li>Number of black commercial farmers supported.</li> <li>Number of on-off farm infrastructure provided</li> <li>Number of beneficiaries of CASP supported with SA GAP certification.</li> <li>Number of beneficiaries of CASP trained on farming methods.</li> <li>Number of beneficiaries of CASP with markets identified.</li> <li>Number of extension personnel recruited and maintained in the system.</li> <li>Number of Extension Officers upgrading qualifications in various institutions.</li> <li>Agricultural colleges upgrading infrastructure.</li> <li>Agricultural Information Management System (AIMS) implemented in all 9 provinces.</li> </ul>
Actual outputs achieved	<ul style="list-style-type: none"> <li>Number of subsistence <b>24</b> smallholder <b>2 655</b> and Black Commercial farmers <b>20</b> supported through CASP.</li> <li>Number of youth <b>67</b> and <b>1132</b> women farmers supported through CASP.</li> <li>Number of on-off farm infrastructure provided <b>64</b> activities.</li> <li>Number of beneficiaries of CASP supported with SA GAP certification – <b>0</b>.</li> <li><b>471</b> smallholder producers supported with advocacy on SA Gap certification and related processes.</li> <li><b>2820</b> beneficiaries of CASP trained on farming methods.</li> <li><b>113</b> unemployed graduates placed on commercial enterprises for potential skills transfer.</li> <li>Number of beneficiaries of CASP with markets identified <b>1083</b>.</li> <li>Number of extension personnel recruited and maintained in the system advisers <b>0</b> and <b>0</b> Senior Advisers.</li> <li>Number of Extension Officers upgrading qualifications in various institutions <b>0</b> from CASP funds (58 Extension Officers upgraded their qualifications but not using ERP Funds).</li> <li>Agricultural colleges upgrading infrastructure – <b>1 TARDI</b>.</li> <li>Agricultural Information Management System (AIMS) implemented in all 9 provinces.</li> </ul>
Amount per amended DORA (R'000)	<b>R255,495</b>
Amount received (R'000)	<b>R 255,495</b>
Reasons if amount as per DORA not received	N/A
Amount spent by the department (R'000)	<b>R 244,075</b>
Reasons for the funds unspent by the entity.	<ul style="list-style-type: none"> <li>Infrastructure Planning: An amount of R1.5 was allocated for Gubenxa planning activities, R600 000 for PSJ and Ingquza Hill irrigation feasibility study and R500 000 for Matatiele Storage and the Milling Plant during adjustments, the tenders for all these projects were delayed due to compliance and negotiation matters within the department of Public Works (Gubenxa and Matatiele milling plant) and DRDAR (PSJ and Ingquza Hill feasibility).</li> <li>Delays in the procurement of professionals for stock water which meant that equipping would be delayed for the 2019/20 financial year and funds were moved to other fixed structures to procure fencing material.</li> <li>Under Expenditure on Buildings is mainly attributable to the Chris Hani Districts wherein two shearing sheds were cancelled in January 2020 and delays in procurement of 6 shearing sheds as a result of lengthy negotiation processes with the service providers and noncompliance by bidders.</li> </ul>

Department who transferred the grant	Department of Agriculture, Forestry and Fisheries
	<ul style="list-style-type: none"> <li>Tenders awarded for Amathole (Krila and Craighead Fencing, Land Preparation and fencing) were delayed due to compliance and negotiation matters within the department of Public Works (Gubenxa and Matatielle milling plant) and DRDAR (PSJ and Ingquza Hill feasibility).</li> </ul>
Reasons for deviations on performance	<ul style="list-style-type: none"> <li>Infrastructure Planning: An amount of R1.5 was allocated for Gubenxa planning activities, R600 000 for PSJ and Ingquza Hill irrigation feasibility study and R500 000 for Matatielle Storage and the Milling Plant during adjustments, the tenders for all these projects were delayed due to compliance and negotiation matters within the department of Public Works (Gubenxa and Matatielle milling plant) and DRDAR (PSJ and Ingquza Hill feasibility).</li> <li>Delays in the procurement of professionals for stock water which meant that equipping would be delayed for the 2019/20 financial year and funds were moved to other fixed structures to procure fencing material.</li> <li>Under Expenditure on Buildings is mainly attributable to the Chris Hani Districts wherein two shearing sheds were cancelled in January 2020 and delays in procurement of 6 shearing sheds as a result of lengthy negotiation processes with the service providers and noncompliance by bidders.</li> <li>Tenders awarded for Amathole (Krila and Craighead Fencing, Land Land and fencing) were delayed due to compliance and negotiation matters within the department of Public Works (Gubenxa and Matatielle milling plant) and DRDAR (PSJ and Ingquza Hill feasibility).</li> </ul>
Measures taken to improve performance	<ul style="list-style-type: none"> <li>In-depth analysis and improvement of the departmental LED policy to accommodate reasonable service provider demands. Conduct road shows in order to orientate service providers on departmental policies and relevant legislation.</li> <li>Enforce smarter tracking of contractor progress by enforcing work schedules and tighter contract management and in-turn timely replacement of contractors.</li> <li>Conducting proper evaluation of the entire infrastructure delivery value chain to identify bottlenecks, and weaknesses in the system. The evaluation will also include identification of risks and mitigation measures.</li> </ul>
Monitoring mechanism by the receiving department	Physical site visits are conducted quarterly by the transferring officer and Quarterly reporting meetings are also held.

**ILIMA / LETSEMA CONDITIONAL GRANT:**

<b>Department who transferred the grant</b>	<b>Department of Agriculture, Forestry and Fisheries</b>
Purpose of the grant	To assist vulnerable South African farming communities to achieve an increase in agricultural production and invest in infrastructure that unlocks agricultural production within strategically identified grain, livestock, horticulture and aquaculture production areas.
Expected outputs of the grant	<ul style="list-style-type: none"> <li>● Number of hectares (ha) of maize planted = <b>30 849</b>.</li> <li>● Number of tonnes of maize produced within agricultural development corridors = <b>92 547 tonnes</b>.</li> <li>● Number of Jobs created.</li> <li>● Number of Subsistence farmers/Households supported = <b>21 088</b>.</li> <li>● Number of Smallholder farmers supported = <b>2 740</b>.</li> <li>● Number of Black commercial farmers supported = <b>12</b>.</li> <li>● Number of Rehabilitated and expanded irrigation schemes.</li> </ul>
Actual outputs achieved	<ul style="list-style-type: none"> <li>● Number of hectares (ha) of maize planted <b>24 168 ha</b>.</li> <li>● Number of tonnes of maize produced within agricultural development corridors = <b>72 504 tonnes</b>.</li> <li>● Number of Jobs created.</li> <li>● Number of Subsistence farmers/Households supported <b>23095</b>.</li> <li>● Number of Smallholder farmers supported <b>2 740</b>.</li> <li>● Number of Black commercial farmers supported <b>12</b>.</li> </ul>
Amount per amended DORA (R'000)	<b>R66 627</b>
Amount received (R'000)	<b>R66 627</b>
Reasons if amount as per DORA not received.	<b>N/A</b>
Amount spent by the department (R'000)	<b>R65 236</b>
Reasons for the funds unspent by the department	Implementation of all the programmes in the Eastern Cape was severely hampered by the lingering drought conditions. Good relieving rainfall fell during this quarter and allowed for a good proportion of the backlog to be removed. Also resulting in some under-expenditures.
Monitoring mechanism by the transferring department	Monthly, Quarterly and Annual reports. Joint Validation of quarterly reports for audit readiness

## LAND CARE GRANT

Department who transferred the grant	Department of Agriculture Land Reform and Rural Development
Purpose of the grant	To promote sustainable use and management of natural resources by engaging in community based initiatives that support the pillars of sustainability (social, economic and environmental), leading to greater productivity, food security, job creation and better well-being for all.
Expected outputs of the grant	<p><b>3 681</b> Hectares of arable land protected and rehabilitated.</p> <p><b>13</b> Capacity building initiatives conducted for land care.</p> <p><b>6</b> Awareness campaigns conducted and attended through land care.</p> <p><b>1 025</b> Number of beneficiaries adopting /practicing sustainable production technologies and practices.</p> <p><b>361</b> Green jobs created.</p>
Actual outputs achieved	<p><b>4 779</b> Hectares of arable land protected and rehabilitated.</p> <p><b>21</b> Capacity building initiatives conducted for land care.</p> <p><b>18</b> Awareness campaigns conducted and attended by land care.</p> <p><b>1 042</b> Number of beneficiaries adopting /practicing sustainable production technologies and practices.</p> <p><b>317</b> Green jobs created.</p>
Amount per amended DORA (R'000)	<b>R19 863 000</b>
Amount received (R'000)	<b>R19 863 000</b>
Reasons if amount as per DORA was not received	N/A
Amount spent by the Department (R'000)	<b>R19 863 000</b>
Reasons for the funds unspent by the entity	N/A
Reasons for deviations on performance	The over-performance stems from the receipt of additional R 8 800 000 in the second appropriation that meant the performance emanating from this additional budget was not projected in the APP.
Measures taken to improve performance	N/A – over performance in all but one performance indicator, jobs created, as the roll over allocation received in second appropriation enabled an extension of current works programmes by existing workers and not additional jobs.
Monitoring mechanism by the receiving department	Site visits, monthly and quarterly reports.

## CONDITIONAL GRANT EXPANDED PUBLIC WORKS PROGRAMME

Department who transferred the grant	Department of Public Works
Purpose of the grant	To incentivise Provincial Departments to expand work creation efforts through the use of labour intensive delivery methods in compliance with the Expanded Public Works Programme (EPWP) guidelines
Expected outputs of the grant	People employed and receiving income through the EPWP. Targeting 73 Full time equivalents (FTE's – (person work days/230)
Actual outputs achieved	95 Full time equivalents (FTE's) achieved
Amount per amended DORA	R 2 328 000
Amount received (R'000)	R 2 328 000
Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'000)	R 2 328 000
Reasons for the funds unspent by the entity	N/A
Reasons for deviations on performance	EPWP incentivised additional work reported from projects.
Measures taken to improve performance	N/A
Monitoring mechanism by the receiving department	Monthly visits and quarterly reports.

## 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	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
Measures taken to improve performance	N/A
Monitoring mechanism by the receiving department	N/A

## 7. DONOR FUNDS

### 7.1. Donor Funds Received

No donor funds were received for the year under review

## 8. CAPITAL INVESTMENT

### 8.1. Capital investment, maintenance and asset management plan

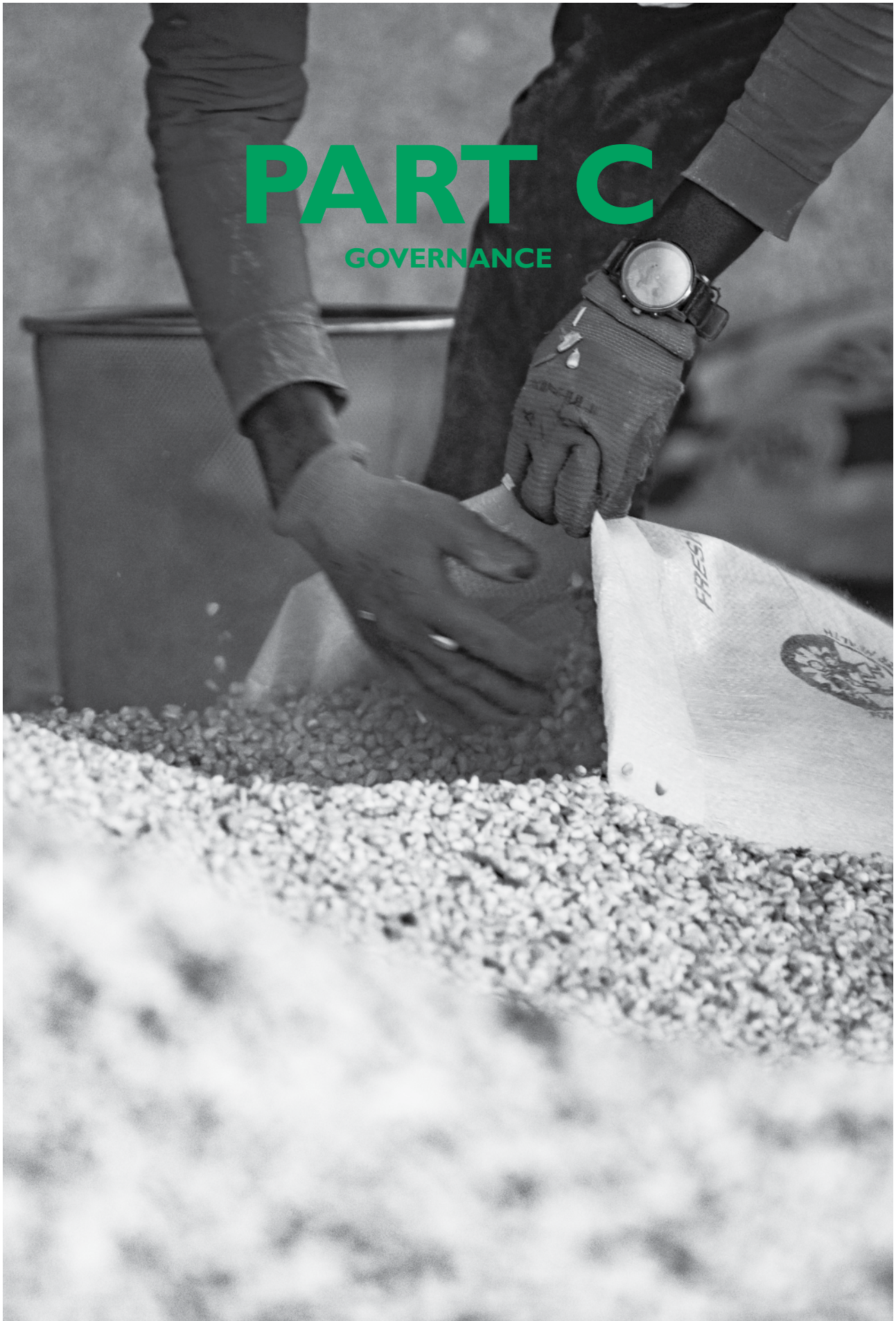
Infrastructure projects	2019/2020			2018/2019		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
<b>New and replacement assets</b>	<b>128 773</b>	<b>89 720</b>	<b>39 053</b>	<b>90 885</b>	<b>89 720</b>	<b>1 165</b>
<b>Existing infrastructure assets</b>	<b>22 320</b>	<b>15 238</b>	<b>7 082</b>	<b>20 335</b>	<b>15 238</b>	<b>5 097</b>
- Upgrades and additions	19 320	7 991	11 329	11 823	7 991	3 832
- Rehabilitation, renovations and refurbishments	3 000	2 983	17	2 965	2 983	(18)
- Maintenance and repairs	0	4 264	(4 264)	5 547	4 264	1 283
<b>Infrastructure transfer</b>	<b>16 360</b>	<b>16 360</b>	<b>0</b>	<b>16 360</b>	<b>16 360</b>	<b>0</b>
- Current	16 360	16 360	0	16 360	16 360	0
- Capital						
<b>TOTAL</b>	<b>167 453</b>	<b>121 318</b>	<b>46 135</b>	<b>127 580</b>	<b>121 318</b>	<b>6 262</b>

The department supported farmers with production infrastructure in all six districts of the province. These infrastructure types are supporting key commodities identified in the departmental strategy i.e. grain, beef, wool, citrus and vegetable. The infrastructure development seeks to address production inefficiency experienced by farmers and also allows them to access markets. The department over achieved its target by 13%, this was caused by drought infrastructure funds were funds from projects which were reprioritised to support dam desilting/scooping and borehole drilling in drought stricken districts. Further, some infrastructure that could not be finished in the previous financial year. The refurbishment of dipping tanks in communal areas of OR Tambo and Chris Hani took place in this financial year.

During the outgoing financial year there were infrastructure projects that could not be finalised. These infrastructure projects were further included in the 2020/21 plans. This is the list of those projects that are carried forward

- o Alfred Nzo: a total of six (6) infrastructure could not be completed –
  - Four (4) Dip Tanks,
  - One (1) Feasibility Study, and
  - One (1) multi-purpose shed.
- o Amathole: a total of four (4) projects could not be completed
  - Two (2) citrus orchard rehabilitation projects; and
  - Two (2) SA GAP Compliance infrastructure

- o Joe Gqabi: A total of eight (8) projects were not completed
  - Six (6) multi-purpose sheds,
  - One (1) Fencing project, and
  - One (1) feasibility study.
  
- o OR Tambo: a total of 4 projects were not completed
  - One (1) Custom Feedlot at Mdeni Feedlot; and
  - Three (3) fencing projects.
  
- o Head Office – One project was not completed.
  - One (1) Ncera Macademia.



# 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 governance structures in place to effectively, efficiently and economically utilise the state resources, which is funded by the tax payer.

## 2. RISK MANAGEMENT

### Risk Assessment and Development of Risk Registers

The department conducted Risk Assessments for the programmes to identify the key risks. The risks were prioritised and consolidated into a Risk Registers, which was approved. The department developed the following registers: Strategic Risk Register and Operational Risk Register. The approved Risk Register was forwarded to Internal Audit to develop their risk based Internal Audit Plan for 2019/2020.

### 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 Risk Registers. The documents were taken through a rigorous process of review within various functional components of the Department. The Department has submitted quarterly activity reports to the Provincial Treasury.

### 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 or emerging risks. The Chairperson of the Risk Management Committee, as regulated by the ERM Framework has submitted reports on a quarterly basis to the Accounting Officer and also presented reports to the Audit Committee, regarding the implementation of risk activities in the department.

Meetings are held on a quarterly basis regarding the implementation of risk activities in the department.

## 3. FRAUD AND CORRUPTION

The Department has a Fraud Prevention Policy in place of the plan. The policy consists of four elements or components. These are Prevention, Detection, Investigation and Resolution. There is also an Annual Implementation Plan of the policy, which encompasses awareness, ethics and whistleblowing or reporting. The department has conducted awareness on ethics, fraud and corruption in the Sarah Baartman and Joe Gqabi districts in 2019/20 reporting year.

The public and employees of the department are encouraged to report unethical behaviour through confidential walk-ins, calling the anti-corruption hotline 0800 701 701 and report anonymously. The Anti-Corruption Office can be called directly. All these mechanisms have been used during the year under review.

When cases are reported, a preliminary investigation is undertaken to determine the merits and the kind of investigation is needed. Full investigation is undertaken once a premafaci evidence is established.

#### **4. MINIMISING CONFLICT OF INTEREST**

Employees do complete financial interest disclosures annually to determine whether conflict of interest exists. Where a conflict has been identified, the employees is advised on a process to eliminate the conflict depending on the kind of conflict. Consequence management can be implemented if necessary. All employees, except if received from a family member, declare gifts received.

#### **5. CODE OF CONDUCT**

The code of conduct is an integral part of integrity management in the public service. The department adhere to both code of conduct and ethics code to foster good governance. The department has appointed an official at executive management level to champion ethics in the department. There are less than ten cases of breaching the code of conduct in the year under review.

When there is a breach of the code, an investigation is conduct to determine who is to blame for the breach and apply corrective measures.

Commitment by the department to maintain the highest standards of governance is fundamental to the management of public finances and resources. In enhancing harmonious relations in the workplace, during the reporting period, Awareness Sessions on the Code of Conduct for the Public Service, Sexual Harassment and other Labour Related Codes and Policies regulating conduct in the workplace were successfully carried out. The department continued monitoring the implementation of disciplinary measures to address internal controls. One hundred and fifteen (115) departmental employees were reached, covered and capacitated during the information sessions.

The above efforts contributed in maintaining and promoting a high standard of professional ethics in the workplace in terms of Section 195 (1)(a) of the Constitution of the Republic dealing with “Basic values and Principles governing public administration” and towards the effective, efficient and economical utilisation of the state resources which are funded by the taxpayer’s coffers as well as delivering services impartially, fairly, equitably and without bias. The majority of SMS Members, MMS Members and supervisors from all programmes are trained through the Labour Relations Training for Managers on “How to chair disciplinary hearings” and to represent the employer when the provisions of the Code of Conduct are violated.

This intervention promotes exemplary conduct in the public service administration.

## 6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The department strives to ensure compliance with all Health and Safety legislation through implementation of various interventions that include, conducting of risk assessments, health and safety audits, establishment of Health and Safety governance structures and further capacitating employees on health and safety legislation and policies.

The nature of work in DRDAR poses 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 ensure compliance with the Occupational Health and Safety Act (OHSA), which is enforced through a Departmental Risk register to monitor compliance to the OHSA. The department managed to inspect a total of seventy-eight (78) sites which include various offices at Head Office and in the districts, construction sites, and Veterinary Labs and Clinics in order to ensure full compliance with the OHS Act. Findings revealed that despite efforts made to improve conditions, but all sites were still not fully compliant.

The Occupational Health and Safety Act requires capacitation of employees on occupational health and safety as a result ninety (90) Veterinary Service employees were trained on Hazardous Biological Agents (HBA). The purpose of the training was to ensure that employees are aware of hazards that they are exposed to and what precautions they should implement. Employees of the department were also educated on general occupational health and safety in the workplace and a total of three hundred and forty-one (341) employees were reached.

In efforts to promote the safety of employees in the workplace, a total of forty-eight (48) Veterinary employees participated in medical surveillance of rabies and brucellosis diseases due to the risky environment they operate under.

## 7. PORTFOLIO COMMITTEES

The Department met with the Portfolio Committee on 31st October, 15th November 2019 to discuss the Annual Report and Financial Oversight Reports. The Portfolio Committee met on 26th November 2019 to finalise and adopt the report. The report was finalized and adopted on 26th November 2019.

## RESOLUTIONS / RECOMMENDATIONS OF PORTFOLIO COMMITTED ON DRDAR'S ANNUAL REPORT FOR 2018-19

### Programme I: Administration

FINDINGS	RECOMMENDATIONS	RESPONSES FROM DRDAR
a) There are delays in the filling of 328 vacancies despite the high unemployment rate and this negatively affects the state of service delivery.	a) The Department must as a matter of urgency ensure that all the vacancies are filled. A plan with clear measures that will be applied to fast-track the process must be submitted to the Committee within 30 days.	The Department notes the findings and will prioritize critical vacant posts in the Annual Recruitment Plan. The Annual Recruitment Plan will be monitored weekly to ensure that these posts are filled in good time.
b) The Department has obtained an unqualified audit opinion with findings in audit outcomes after the assessment by the Auditor-General due to improper record keeping on performance information and weak security controls of the IT system.	b) The Department must intensify its Internal Audit controls and ensure that the Information Technology security system is strengthened. Furthermore, an audit improvement plan with clear roles and responsibilities that will improve the current situation must be submitted to the Committee within 30 days.	<p>To address the weaknesses in the record keeping of pre-determined objectives, the department has provided support to the Districts where service delivery occurs:</p> <ul style="list-style-type: none"> <li>To keep proper records of quarterly reports, validate Portfolio of Evidence (POE) whereby the District Director, Line Manager from Head Office and the M&amp;E official confirm the reliability of the validation outcomes (validated report, POE lists and proper recording).</li> <li>The department is currently developing an automated reporting system with the assistance of GITO. The system will be ready for testing in April 2020 by reporting the 4<sup>th</sup> Quarter alongside with the manual system currently being used.</li> </ul> <p>To address the weak security controls of the IT System DRDAR have implemented the following control measures:-</p> <ol style="list-style-type: none"> <li>To minimise the risks of potential breaches and pick up vulnerability attacks, the department has since acquired a network vulnerability-testing i.e. Nessus tool and this proactive approach enables the department to identify threats to the network and thereby enabling continuous improvement on the network security.</li> <li>Network vulnerability test has been conducted, Nessus tool was run and picked up 3 vulnerability warnings on SQL server edition 2008 R2 on AGR-BIS-SQL01(10.219.78.238) whose patches are ending on Mid July 2019.</li> <li>Subsequent to the implementation, four (4) clean vulnerability test outcomes have been achieved.</li> <li>The servers were then upgraded to SQL 2012 R2. Another re-run of the test was run and Nessus did not pick up any vulnerabilities.</li> <li>Installation of firewall technology for a secure network environment has been completed for Head Office including district.</li> <li>Firewall devices are functioning properly from Head Office to all districts. Monitoring process is in place across the province to check the performance of all devices in the network.</li> </ol>

FINDINGS	RECOMMENDATIONS	RESPONSES FROM DRDAR
<p>c) Procurement processes followed by the Department are sometimes parallel and non-compliant to procurement policies and regulations, this is evidenced by the:</p> <ul style="list-style-type: none"> <li>● Transfer of funds from Letsema grant without approval by the Treasury.</li> <li>● Irregular expenditure of R7, 9 million incurred as a result of exceeding the approved budget amount and variation orders.</li> </ul>	<p>c) The Department must at all times comply with the stipulated procurement policies and regulations and consequence management must be effected to the implicated officials.</p>	<p>The Department is committed to ensuring procurement processes are complied with at all times. Even in the case of Grain Farmers Development Association (GFADA) after the decision to increase the scope of work done by GFADA was taken, efforts were made to increase the allocation during the finalization of the budget for 2018/19.</p> <p>Provincial Treasury refused and recommended that such increase be done during the Adjustment Estimate Process. The release of the National Treasury Circular 21 before the Adjustment Estimate Process was never anticipated. Care will be taken going forward to ensure that issues of this nature are not repeated.</p>
<p>d) Employment Equity at Senior Management Services has been achieved, however, 2% employment equity target on people with disabilities is still a challenge.</p>	<p>d) The Department is commended for meeting the requirement, however, full compliance with Section 6 of the Employment Equity Act, 1998 must be adhered to. A clear plan to address this challenge must be submitted to Committee within 30 days.</p>	<ol style="list-style-type: none"> <li>1. The Department currently submits its recruitment advert to Disabled People of South Africa, an organisation which deals with all the disabled persons' organisations. This is an effort to attract disabled persons to the employment of the Department.</li> <li>2. Training for selection panels on Employment Equity (EE) by 31 March 2021.</li> <li>3. Detailed EE plan to be used as a guideline for appointments by 31 March 2021.</li> <li>4. The department currently provides bursaries for designated groups to attract and retain them in the departmental careers.</li> <li>5. Conduct awareness sessions on staff to enable them to disclose their disability, target date, 30 September 2020.</li> <li>6. To create an environment where staff feel supported and equally valued if they disclose a disability by providing reasonable accommodation for disabled employees, 30 September 2020.</li> </ol>
<p>e) Quality assurance on the submitted documents has not been properly done, incorrect figures are evident and pages were not numbered.</p>	<p>e) The Department must strengthen the quality assurance on documents to avoid mistakes as they have a potential of misleading the Committee and addendums should be made available.</p>	<p>Finding acknowledged. The department will ensure quality assurance of any documents destined for external oversight purposes.</p>
<p>f) The Department lacks proper financial management and planning and this is evidenced by:</p> <ul style="list-style-type: none"> <li>● All the programmes have underspent their budget allocations resulting to the total under-expenditure of R80 595 million.</li> <li>● Regression in the Department's spending and overall performance.</li> <li>● Target setting, over/under performance and under-spending.</li> </ul>	<p>f) The Department must develop a mechanism to minimise the risk of underspending the allocated budget and thus compromise service delivery. Also target setting must be determined by the baseline to avoid variations in the actual performance.</p>	<p>Procurement Planning and In Year Monitoring will be strengthened and projected areas of under expenditure and over expenditure attended to on time.</p>

## Programme 2: Sustainable Resource Management

FINDINGS	RECOMMENDATIONS	RESPONSES FROM DRDAR
(a) There is no correlation between the set targets, performance and expenditure, the Land Care sub-programme incurred under-expenditure of R12 million but has over performed on the set targets.	a) The Department must always ensure that the target setting is realistic and aligned to the allocated budget in order to avoid the contradiction of over-performance and underspending.	The Department will use a project management system and budget as key controls to monitor performance.
b) Although the province has been declared as drought disaster area there are delays in the implementation of the drought mitigation plan and this negatively affects the farmers.	b) The Department must as a matter of urgency implement the drought mitigation plan. Construction of the boreholes, dam scooping and supply of the feed to the farmers must be prioritised.	Progress on the implementation of the drought relief programme are reported in Annexure 1.
c) There is a concern about the delays in the implementation of agricultural infrastructure programmes in Alfred Nzo due to community protests and this can be attributed to the lack of social facilitation.	c) The Department must strengthen its social facilitation programmes and a plan on how this will be addressed must be submitted to the Committee within 30 days.	In order to strengthen social facilitation programmes, the Department has developed a standard operation procedure for infrastructure which will allow farmers and communities to participate in the application process, thus reducing social unrest in projects.

## Programme 3: Farmer Support Development

FINDINGS	RECOMMENDATIONS	RESPONSES FROM DRDAR
(a) Although there is a drought mitigation plan, the programme incurred underspending for 3 consecutive years due to drought.	a) The Department must submit to the Committee within 30 days a plan with clear measures to be taken in order to ensure that the allocated budget is utilised within the financial year as intended. The progress report on the implementation of the drought mitigation plan must further be submitted.	<p>Drought conditions always influences performance towards grain production and thus expenditure.</p> <p>The budget on production inputs will be spent as these items are delivered before the start of the cropping season. Expenditure on mechanisation is closely related to rainfall and rollout of planting and crop management.</p> <p>On infrastructure expenditure, contract management guidelines will be used strictly to ensure that contractors adhere to their work schedules. Close monitoring that will be applied will ensure that slow performance and expenditure are detected on time.</p>

## Programme 4: Veterinary Services

FINDINGS	RECOMMENDATIONS	RESPONSES FROM DRDAR
a) All the sub-programmes in this programme have underspent their allocation resulting in the total under-expenditure of R10, 523 million and this impacts negatively on the service delivery.	a) A clear action plan with measures to be taken to address the problem of underspending the allocated budget must be submitted to the Committee within 30 days.	The RT contract for Veterinary medicine has been concluded and will reduce the risk of under spending and will ensure timely delivery of veterinary requisites.
b) The reasons provided for under-performance in Veterinary Laboratory Services sub-programme are the same for the past 3 financial years.	b) The Review Plan on the target setting must be developed and the previous year's targets must always be used as a baseline.	The finding is acknowledged, the setting of the targets going forward will be based on the previous achievement and allowances for new entrants in the field will be made. The accreditation of Grahamstown in 2019 has offered an opportunity to address the achievement of targets.

## Programme 5: Research and Technology Development Services

FINDINGS	RECOMMENDATIONS	RESPONSES FROM DRDAR
(a) There is no sequence in the manner in which the Department sets the targets and the previous year's set targets and actual achievements are not considered as a baseline. The setting of low targets and over-performance/under-performance in all the set targets is the evidence.	a) The Department must always consider the previous year's set targets and the actual achievements as baseline when planning.	The department acknowledges the finding and will ensure that reference is made to previous year's targets and achievements during planning.

## Programme 6: Agricultural Economics Services

FINDINGS	RECOMMENDATIONS	RESPONSES FROM DRDAR
a) There is a recurring underspending in Agri-Business Support and Development.	a) The Department must submit to the Committee a clear plan that will address this challenge.	The under expenditure stems from collective amounts of under-expenditure in the cost centres across the province contributing to R527 000 under goods and services and R306 000 under capital expenditure. The plan to prevent under expenditure occurring in the future comprises: <ol style="list-style-type: none"> <li>1. Attention to the accuracy and detail of the Procurement Plan for the year to ensure cash flow projections are based on sound procurement planning.</li> <li>2. Increasing the detail and frequency of monitoring of each cost centre against the Procurement Plan for each centre and following up on the implementation of any remedial action that is formulated to address any deviations from the plan.</li> <li>3. The third element of the plan is to apply progressive administrative justice to any failure to follow through with the agreed upon remedial action.</li> </ol>

## Programme 7: Structured Agricultural Education and Training

FINDINGS	RECOMMENDATIONS	RESPONSES FROM DRDAR
(a) Lack of quality assurance is evident on the document that was submitted by the Fort Cox College, the document is not user-friendly, it does not have the page numbers and the reasons provided for the performance deviations are not convincing.	a) The College must strengthen quality assurance in ensuring that the documents are error free.	The recommendation of the Committee is noted and will be communicated to the College to improve on quality assurance and presentation.
b) The Fort Cox College Council is composed of only 4 members and the term of office is only 6 months, this contradicts with the regulations of the Eastern Cape Fort Cox Institute Interim Provision Act no 7 of 2015.	b) The Department must as a matter of urgency ensure that the composition of the College Council as well as the term of office complies with the regulations of the Eastern Cape Fort Cox Institute Interim Provision Act no 7 of 2015. A progress report on the matter must be submitted to the Committee within 30 days.	A process of appointing a full time council consisting of 11 members and 3 Ex Officio members (The Principal, The SRC President and Labour Representative) that will serve the stipulated 3 years as per the Act has been completed including the formal appointment process. An induction process is scheduled for the 28 <sup>th</sup> February 2020.

FINDINGS	RECOMMENDATIONS	RESPONSES FROM DRDAR
c) There is a concern that Agricultural Colleges should be removed from DRDAR and be placed under Higher Education and Training.	c) The Department must review the current situation and assist the colleges to be under Higher Education and Training.	The process of shifting Agricultural Colleges either to the National Department of Agriculture or the Department of Higher Education and Training is an imperative of the National Departments and not the Provincial Departments, since the situation of the agricultural colleges is not unique to the Eastern Cape but affects all 11 colleges throughout the country. However, indications are that subject to a proclamation by the President all 11 Colleges in the country will be shifted to the Department Agriculture, Land Reform and Rural Development.

## Programme 8: Rural Development Coordination

FINDINGS	RECOMMENDATIONS	RESPONSES FROM DRDAR
(a) Social facilitation is a constraint in project implementation and completion even though there is a sub-programme that deals specifically with it.	a) The Department must double its efforts in ensuring that the implementation of projects is always presided by a meaningful social facilitation.	The recommendation by the committee is noted and the department will ensure that there is proper social facilitation done before implementation of each project by the extension officers on the ground through the ward councillors and traditional leadership.
b) The Department transferred funds to the Amajingqi Macadamia project without conducting the meaningful social facilitation.	b) The Department must submit a detailed report to the Committee on why the House resolution was not considered and implemented when transferring funds to the project. Furthermore, the Department must as a matter of urgency engage all the affected stakeholders in the project in order to provide amicable and lasting solutions to the encountered problems.	The social facilitation by the Department was superseded by the appointment of the social facilitator, ECSECC, following the interventions by the portfolio committee and significant time and processes had taken place consistent with meaningful progress been made.  This left weak legal substance to justify breach of contract by the Department to continue to withhold the transfer and the transfers were proceeded with to mitigate potential legal action. The success and progress of the social facilitation is evident in the parties' subsequently entering constructive engagement on the matters in the absence of a facilitator.
c) There is a concern that the terms and conditions with regard to the disbursed loans are not effectively applied and this negatively affects the loan recovery rate. Furthermore, there is lack of monitoring on disbursed loans to ensure that funds follow the function.	c) The terms and conditions with regard to the disbursed loans must be effectively applied in order to improve the recovery rate and legal actions must be followed against the defaulters.	The resolution is noted. The handling of defaulters is to be applied in terms of due process to improve the recovery rates including support from the Departments local officials.
d) 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 the ECRDA.	d) The Department must explore and implement strategies that will strengthen the IGR to ensure that there is collaboration with other departments and state-owned companies for the viability of Rural Development concept.	The recommendation by the committee is noted and the Department will strengthen the facilitation and coordination of the implementation of Rural Development Priorities as outlined in the Outcome 7 across all spheres of government for the integration of all government resources.



## General Findings:

FINDINGS	RECOMMENDATIONS	RESPONSES FROM DRDAR
a) There are challenges in the setting of the performance targets.	a) The Department must improve on planning and always ensure that the setting of targets is reasonable, realistic and is based on the previous trends.	The department will set the performance targets in terms of the current baseline date, historical performance of each performance indicators and work on the realistic budget taking into account the inflation on a year-on-year basis.
b) Monitoring of the spending patterns of the Departmental programmes and the entity is lacking and this results to underspending.	b) The Department must strengthen its monitoring and financial control systems to ensure that the allocated budget for the financial year is utilised as intended.	The department has strengthened the effectiveness of the Budget Advisory Committee by ensuring that more detailed information is presented as well as corrective steps to be taken, when explaining deviation of actual expenditure to projections.
c) Quality assurance was not properly done on the documents that were submitted to the Committee.	c) The Department must strengthen the quality assurance in ensuring that all its documents are error free.	The finding is acknowledged. The department will ensure quality assurance of any documents including the Committee presentations destined for external oversight purposes.
d) Compliance to Treasury Regulations is not observed.	d) The Department must double its effort in ensuring that there is compliance to the Treasury Regulations in order to improve the audit outcomes.	The finance personnel will be sensitised in terms of improving their understanding of the PFMA and the Treasury Regulations by constantly referring to these documents when processing documentation or giving advice.
e) Recommendations of the Portfolio Committee are not taken seriously and implemented.	e) House Resolutions must be taken seriously and be implemented.	The recommendations of the Portfolio Committee are given serious consideration and every effort is made to implement as practically as possible.

## RESOLUTIONS / RECOMMENDATIONS OF PORTFOLIO COMMITTEE ON DRDAR FINANCIAL OVERSIGHT REPORT

### Programme 1: Administration

FINDINGS	RECOMMENDATIONS	RESPONSES FROM DRDAR
a) Over-expenditure amounting to R8, 242 million was incurred and this can be attributed to poor planning.	The Department must strengthen its internal audit controls and ensure that there is correlation between planning, performance and expenditure.	Procurement Planning and In Year Monitoring will be strengthened and projected areas of under expenditure and over expenditure attended to on time.
b) Performance on the set targets and also the spending patterns on the projections are not convincing and this negatively affects the service delivery.	b) The Department must within 30 days submit to the Committee an improvement plan on the performance set targets and also the budget spending patterns to ensure that there is no under-performance and under expenditure.	The department will set the performance targets in terms of the current baseline date, historical performance of each performance indicators and work on the realistic budget taking into account the inflation on a year-on-year basis.
c) There are delays in the filling of vacancies despite the high rate of resignations.	c) The Department must as a matter of urgency ensure that all the vacant funded posts are filled. A progress report must be submitted to the Committee within 30 days.	DRDAR prioritized 96 posts which were approved by the PCMT on 10 May 2019 and were advertised as HR Circular No.4 2019 with the closing date of 28 June 2019.  The Department has thus far effected 65 appointments of the abovementioned circular and is currently working on the remaining posts to be filled before the end of the financial year.  DRDAR has further prioritised 125 posts to be presented to PCMT before the end of February 2020.

### Programme 2: Sustainable Resource Management

FINDINGS	RECOMMENDATIONS	RESPONSES FROM DRDAR
a) There is an under-performance on the targeted agricultural infrastructure projects to be established, out of 95 only 36 were realised.	a) The Department must improve its target setting and the previous year's targets and performance must always be used as baseline.	The target setting for the 2020/21 year will be reviewed and based on both the performance of the previous year and guided by the policy on target setting.

### Programme 3: Farmer Support Development

FINDINGS	RECOMMENDATIONS	RESPONSES FROM DRDAR
a) The projections in the programme are far below the expectations and are not convincing, there is a concern that the programme will underspend at the end of the financial year.	b) The Department must within 30 days submit a clear plan to prevent the anticipated underspending.	The Department notes the concerns raised. During the period under review, it was off-season for main projects implemented. The projections included cropping and infrastructure projects that were earmarked for payment in the third and fourth quarter.  The project management for all the service providers will be monitored closely so as to timeously identify and deal with the potential risk of non-performance. The contractor performance will always be monitored together with the financial expenditure.  All service providers that are not performing will be managed in accordance with contract management prescripts.

## Programme 4: Veterinary Services

FINDINGS	RECOMMENDATIONS	RESPONSES FROM DRDAR
b) There is a concern about the poor state of animal handling facilities which still pose challenges of under-performance in the number of animals vaccinated against controlled animal diseases.	b) The Department must within 30 days submit to the Committee a clear plan on how the situation in the handling facilities will be improved.	<p>The province has in excess of 1450 dip tanks spread across the Province. These also serve as animal handling facilities. The oldest facility having been built in about 1947. As such the backlog is substantial. The age of the dipping tanks and the new environmental laws that dictate that the old siting of dip tanks along river valleys is no longer permissible.</p> <p>This prerequisite has contributed to the slow refurbishment of existing dip tanks while the cost of constructing new ones is hamstrung by budgetary constraints. However, the Department in the 2019/20 financial year has set a side budget to construct 6 new dip tanks (4 at Alfred Nzo and 2 at Chris Hani DM) and renovate a total of 27 dipping tanks with 11 in Chris Hani and 16 in OR Tambo.</p> <p>In the next financial year, the department is targeting to construct a total of 8 new dip tanks and renovate 25 existing ones.</p> <p>The Department has also entered into a partnership with Afrivet, who has donated a 4x4 bakkie to the department while committing to employ a total of 15 Communal Animal Health Workers to service 45 dipping sites in the Ngcobo Municipality as a pilot project. This partnership is worth about R2 million per annum.</p>
b) The Department has managed to surpass the set target on the number of specimen tested for diagnostic purposes. This is attributed to the Grahamstown Veterinary Laboratory which is now SANAS accredited.	b) The Department is commended for obtaining accreditation for the laboratory, however, it must double its efforts in ensuring that all the laboratories meet the accreditation requirements.	The commendation is noted with appreciation and assures the Portfolio Committee all efforts are being made to meet accreditation requirements.

## Programme 5: Research and Technology Development Services

FINDINGS	RECOMMENDATIONS	RESPONSES FROM DRDAR
(a) The Department has a partnership with the University of Illinois in United States of America to share knowledge and best practices.	a) The Department is commended for establishing partnership with the international communities and is further advised to form more of these partnerships with countries like Netherlands where there is plenty of water reservoir strategies.	The Department is working with the Office of the Premier (International Relations Unit) to establish collaboration with the Netherlands for water reservoirs strategies. The department was also advised to explore Israel and United Arab Emirates (Dubai) water harvesting technologies. The Department is currently engaging with Germany to establish the collaboration for Aquaculture farming.

FINDINGS	RECOMMENDATIONS	RESPONSES FROM DRDAR
(b) The research work done by the Department is commended, however, it is not assisting in terms of fighting the persistent drought.	b) The Department must not conduct business as usual and must always ensure that research is conducted for specific purposes such as the increase of productivity in crop production and animal improvement.	<p>The department releases climate forecasts with estimated chances of rainfall expected, drought and disaster incidents. Awareness campaigns are conducted on possible incidents that are as a result of drought, e.g. Disease and pest outbreaks. Furthermore, the Department has recently assessed the state of readiness for extension officers and farmers for the current cropping season. The Department also conducts research on indigenous animals (Nguni Cattle and Mbuli Goats), indigenous vegetables (Amaranthus) that are tolerant to persistent drought conditions to ensure increased productivity. The department does demonstration trials with farmers on maize cultivars that are developed to be tolerant to drought.</p> <p>Water harvesting techniques for rangeland management, livestock grazing pattern work received a boost with new GPS technology. In application of Climate Smart Agriculture (CSA), the department procured 86 weather monitoring instruments to assist in drought monitoring and improve planning of farming activities.</p>

### Programme 6: Agricultural Economics Services

FINDINGS	RECOMMENDATIONS	RESPONSES FROM DRDAR
a) The Department is projecting to underspend with R8, 5 million at the end of 2019/20 financial year.	a) The Department must submit to the Committee within 30 days a plan to prevent this projected under-expenditure.	The Department will use project management systems and budget as key controls to monitor performance.

### Programme 7: Structured Agricultural Education and Training

FINDINGS	RECOMMENDATIONS	RESPONSES FROM DRDAR
a) The Department is not performing as expected to expose and attract school going learners in agricultural related fields.	a) The Department must intensify its efforts and expose more school going learners in the field of agriculture. An action plan must be submitted to the Committee within 30 days.	<p>The department recognises the need to engage school going learners in activities that will attract them to the sector such that this is one of the performance indicators where it over-performed during the term.</p> <p>With support from the two agricultural colleges the departments hosts career days as well as field day excursions for learners from surrounding schools. The department also supports similar activities conducted by the Department of Education.</p> <p>The department also has a school gardening programme that it supports in selected schools where schools are supported with seedlings and some equipment for the students to conduct hands on practical activities.</p>

## Programme 8: Rural Development Coordination

FINDINGS	RECOMMENDATIONS	RESPONSES FROM DRDAR
(a) The Mbizana Red Hub has not yet been fenced and this situation makes it vulnerable to stray animals.	a) The Department must within the available resources ensure that the Red Hub is properly fenced to make it productive and self-reliant.	The recommendation is noted; the department will ensure that the RED Hub is properly fenced.
(b) There are forestry projects that are not tax compliant and this makes it difficult for them to be funded by government.	b) The Department must visit these forestry projects and ensure that they are registered with South African Revenue Services.	The department through ECRDA will ensure that all the forestry projects are compliant to SARS to ensure that they operate successfully and are able to source government and other forms of funding support.

## General Findings

GENERAL FINDING	GENERAL RECOMMENDATION	RESPONSES FROM DRDAR
a) There is lack of correlation between the set targets, performance and expenditure.	a) A plan to improve this challenge must be submitted to the Committee within 30 days.	Finding acknowledged.
b) There is a projected underspending in almost all the programmes of the Department.	b) The Department must improve on its planning, target settings and spending patterns to ensure that the allocated budget is spent as planned. A plan to address this challenge must be submitted to the Committee within 30 days.	Procurement Planning and In Year Monitoring will be strengthened and projected areas of under expenditure and over expenditure attended to on time.

## 10. SCOPA RESOLUTIONS

Resolution No.	Subject (Finding)	Details (Recommendations)	Response by the department	Resolved (Yes/No)
AUDIT REPORT/ FINDING PARAGRAPH 7	As disclosed in note 26.1 to the financial statements, the department incurred irregular expenditure of R7,9 million, as it exceeded the approved budgeted amount and approved variation orders.	<p>The Accounting Officer should monitor spending to ensure that allocated funds are spent as per the strategic priorities while ensuring overall fiscal discipline.</p> <p>The Accounting officer is to provide reasons for the Department exceeding the approved budget amounts and variation orders.</p> <p>The Accounting Officer must establish measures to restrict spending and recover the amounts exceeded without compromising service delivery in other programmes.</p> <p>The Accounting Officer must institute consequence management against the officials responsible for over expenditure.</p>	<p>Expenditure is monitored to ensure that allocated funds are spent as per the Strategic priorities.</p> <p>On the Cropping programme the over expenditure was detected and a request was made to Provincial Treasury to increase transfers. This was declined on the basis of Circular 21 of National Treasury. The corresponding budget of this over expenditure is under Goods and Services of Programme 3, under the item: Farming Supplies for R7 million.</p> <p>On Mdeni Feedlot the value of the contract was R 2.4 million for the construction of a feedlot and procured correctly through procurement processes, however the engineer allowed a variation which exceeded the threshold of 20%. A disciplinary process was initiated against the engineer, who elected to resign.</p> <p>The following measures are in place to restrict spending:</p> <ul style="list-style-type: none"> <li>• Programme Managers sign financial pledges every year after the final budget submission to commit on monitoring and implementing their budget.</li> <li>• Monthly preparation and submission of In-year-monitoring reports.</li> <li>• A management structure (Budget Advisory Committee), chaired by the accounting officer, sits monthly to monitor spending and for Programme Managers to account for their expenditure.</li> <li>• Accrual reports are circulated on a monthly basis to end-users and programme managers to track status of spending.</li> <li>• Quarterly expenditure is presented to the Audit Committee on a quarterly basis.</li> <li>• An approved Budget Policy restricts shifting and virements of funds without prior approval.</li> <li>• The over expenditure occurred under Transfers of Programme 3 and there was adequate budget under goods and services which was used to settle the outstanding amount.</li> <li>• On Mdeni Feedlot, disciplinary action was initiated against the responsible manager, who, thereafter, elected to resign. The irregular expenditure was condoned by Provincial Treasury after thorough assessment and no criminality was established in their assessment of the matter.</li> </ul>	YES

Resolution No.	Subject (Finding)	Details (Recommendations)	Response by the department	Resolved (Yes/No)
UNDERSPENDING OF VOTE	<p>As disclosed in the appropriation statement, the department materially underspent on the vote by R80,5 million, due to material underspending in Programme 1: Administration (R4,9 million);</p> <p>Programme 2: Sustainable Resource Management (R14,4 million);</p> <p>Programme 3: Farmer Support and Development (R39,5 million);</p> <p>Programme 4: Veterinary Services (R10,5 million);</p> <p>Programme 5: Research and Technology Development (R2,2 million);</p> <p>Programme 6: Agricultural Economic Services (R0,834 million);</p> <p>Programme 7: Structured Agricultural Education and Training (R5,2 million);</p> <p>Programme 8: Rural Development Coordination (R2,8 million).</p>	<p>The Accounting Officer must effectively manage the budget and improve the budget processes to ensure that there is no under expenditure.</p>	<p>The overall performance of the department was significantly affected as only 73% of the planned targets were achieved in the year under review. (2018/19) It is important to bring to the attention of the Committee that the Department adopted a new Agricultural Economic Transformation Strategy in the middle of the term, focusing on the commercialisation of agriculture. This was a drive to ensure the sustainability of the sector in terms of job creation, economic growth and food security. It is also our belief that during the sixth Administration, the Department will pursue this strategy going forward.</p> <p>Provincial Treasury and Office of the Premier issue a Planning and Budget Calendar to all departments which includes guidelines, milestones and commitments of the Accounting Officer. The Department then customises these guidelines to align with the departmental processes.</p> <p>The Programme Managers and responsibility managers are appointed annually to oversee and coordinate the sitting of the Budget Advisory Structures and their respective cost centres, which are later presented at Head Office.</p> <p>The Department is focused on building the capacity of the technical support in infrastructure planning, implementation and monitoring.</p> <p>The Department is also reviewing the current models of support provided to subsistence and smallholder farmers.</p> <p>The department is developing a customised focus support to all categories of farmers to ensure effective support is provided timeously. The Department's approach is to support farmers through their commodity organisations to circumvent the need for agencies / middleman.</p> <p>The Department assures the Committee that there is no intention to under spend to offset over expenditure. This is evident in that the reasons provided for under spending is beyond the control of the department such as prevailing drought conditions, local service provider protests and social community conflicts. It is further indicative that the Department has over the past 5 years attained 99% expenditure.</p> <p><b>Cropping Programme</b></p> <ul style="list-style-type: none"> <li>● <b>Procurement of production inputs</b> <ul style="list-style-type: none"> <li>➤ The department has embarked on a competitive bidding process by advertising term contracts for production inputs for a period of three years with the intention to enter into framework agreements for production inputs</li> </ul> </li> </ul>	YES

Resolution No.	Subject (Finding)	Details (Recommendations)	Response by the department	Resolved (Yes/No)
			<ul style="list-style-type: none"> <li>● <b>Procurement mechanisation contractors</b> <ul style="list-style-type: none"> <li>➤ Expression of Interest has been advertised to develop a database of mechanisation contractors that will be used for a period of three years and thereby avoiding procuring on a limited bidding deviation process.</li> <li>➤ Mechanisation has approved tariffs and therefore, there is no competition but contractors indicate their interest and submissions are evaluated to ensure that the contractor has the required equipment for ploughing in a particular district or local municipality and their capacity is also ascertained for allocation of hectares.</li> </ul> </li> <li>● <b>Procurement training of farmers</b> <ul style="list-style-type: none"> <li>➤ Training of farmers is procured through Agri-SETA accredited suppliers. A database is being developed for a period of three years but updated annually with new entrants. Service providers are allocated per municipality using pre-determined Agri-SETA rates.</li> <li>➤ Fort Cox Agricultural College is a departmental in-house institution and a Service Level Agreement will be entered into with the institution. In sourcing of the in-house Institution will be considered for all training that can be provided by the institution.</li> </ul> </li> <li>● <b>Procurement for Vet Medicine</b> <ul style="list-style-type: none"> <li>➤ Vet Medicine is procured using the National Transversal Contract and no problems are anticipated. A letter of participation has been approved for the new transversal contract.</li> </ul> </li> <li>● <b>Procurement for drought emergency.</b> <ul style="list-style-type: none"> <li>➤ Expression of Interest was advertised to develop a database of contractors that will be used for drought procurement, for a period of three years and thereby avoiding procuring on a deviation process.</li> </ul> </li> </ul>	



Resolution No.	Subject (Finding)	Details (Recommendations)	Response by the department	Resolved (Yes/No)
CONDITIONAL GRANTS	Portion of the funds received from the Letsema/Ilima grant were transferred to a public corporation and private enterprise without approval of the transfer by the National Treasury, as required by section 17(2)(a)(i)(bb) of the DORA.	The Accounting Officer is to ensure that all prescripts of the PFMA and DORA are adhered to with regards to conditional grants	<p>The over expenditure-under Transfer and Subsidies is a technical over expenditure as the corresponding budget is under Goods and Services, Programme 3, Item Farming Supplies.</p> <p>However, these funds could not be shifted to Transfers and Subsidies due to Circular 21 from National Treasury. Furthermore, the changes to increase transfers were post the audit adjustments. In our initial submission on the 31 March 2019 these were included in Goods and Services.</p> <p>Yes, the department has appointed conditional grant officers as follows:</p> <p>Officials dedicated to manage the conditional grants.</p> <ul style="list-style-type: none"> <li>● Programme Director: Mr M. Ramncwana (Chief Director: Farmer Support)</li> <li>● CASP - Ms T. April (Director: PIMS).</li> <li>● Letsema – Mr. N Kalawe (Director: Food Security).</li> <li>● Land Care – Mr. F. Hobson (Chief Director: Entrepreneurial Development).</li> <li>● EPWP – Mr. F Hobson (Chief Director: Entrepreneurial Development)</li> </ul> <p>The matter was referred to Provincial Treasury and subsequently, there is a forensic report from Provincial Treasury that is to be presented to the newly appointed Accounting Officer. The matter will be concluded as part of the Audit Improvement Plan.</p> <p>Furthermore, the department has issued a tender for expressions of interest to ensure open and transparent processes for engagement of commodity partners. Due to the complexity of the procurement,</p> <p>Provincial Treasury is supporting the department to ensure full compliance with all relevant prescripts. Budget for all commodities are loaded under the correct item i.e. goods and services as required by NT circular 21 of 2018.</p>	YES

Resolution No.	Subject (Finding)	Details (Recommendations)	Response by the department	Resolved (Yes/No)
INTERNAL CONTROL DEFICIENCIES	<p>Management did not implement all the processes and controls required to ensure compliance with all laws and regulations. Non-compliance with legislation could have been prevented had compliance been properly reviewed and monitored.</p>	<p>The Accounting Officer is to ensure there are appropriate processes and controls in place to ensure compliance with legislation.</p>	<p>● Yes, the department implements effective internal control systems through its fully fledged Internal Control Unit and pre-audit. The system is effective as it has assisted the department to reduce irregular transactions significantly. There is a Risk Management Committee which is chaired by an external person and designated Risk Management Unit where Strategic and Operational Risks are identified and monitored quarterly. There is a Strategic and Operational Risk Register which is monitored quarterly and reports quarterly to the Audit Committee.</p> <p>The Department is further strengthening the operation of the Governance Structures in that the post of Director: Anti-Corruption, Fraud and Risk Management has been advertised.</p> <p>MDENI FEEDLOT:</p> <p>Disciplinary measures were initiated against the responsible engineer, who, thereafter, elected to resign. The irregular expenditure was subsequently condoned by Provincial Treasury after thorough assessment and no criminality was established in their assessment of the matter.</p> <p>GRAINSA:</p> <p>The matter was referred to Provincial Treasury and subsequent to that there was a part of the forensic report from Provincial Treasury which is to be presented to the newly appointed Accounting Officer, had the appointment was finalised as per projections.</p> <p>The matter will be concluded as part of the Audit Improvement Plan.</p> <p>All SMS members have Risk Management as a Key Performance Area on the Performance Agreements. The Department has appointed an Ethics Officer. The Ethics reports are submitted quarterly to the Office of the Premier.</p> <p>The Department is in a process of engaging an independent service provider to conduct an Ethics Assessment.</p>	YES

## 9. PRIOR MODIFICATIONS TO AUDIT REPORTS

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing / resolving the matter
None	None	None

## 10. INTERNAL CONTROL UNIT

During the year under review (2019-20 financial year), 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. The Unit is assisting The Chief Financial Officer by co-ordinating the external audit processes for the department by submitting all requested information on RFIs and CoAFs timely by the given deadlines. Successful implementation of the Audit Intervention Plan submitted and reviewed monthly by Provincial Treasury resulted in completed action plans with full implementation as at 31 March 2020. 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 on the monthly Top Management meetings held by the department. Enforcement of compliance with relevant prescripts, laws & Treasury regulations and the periodical review of internal controls and maintenance of Financial BAS systems are always an on-going process in the department. The department's Information Systems are working effectively and tested to acknowledge unqualified audit status for the past few years. Due to the stringent controls introduced and bi-monthly awareness programmes provided by this unit to all district offices, all the irregular, fruitless and wasteful expenditures of the department are always minimal. The department's approved Irregular Committee is functioning effectively at all times as its recommendations and decisions are implemented timeously. Monthly irregular, fruitless & wasteful expenditure registers are presented and discussed in the Budget Advisory Committees (BAC).

## II. INTERNAL AUDIT AND AUDIT COMMITTEES

We are pleased to present our report for the financial year ended 31 March 2020.

### Background

The Audit Committee is established as a statutory committee in terms of section 38(1)(a)(ii) of the Public Finance Management Act and Treasury Regulation 3.1.13. The committee has adopted an audit committee charter and has fulfilled its responsibilities in line with its charter.

### Membership and attendance

The Audit Committee consists of the members listed hereunder and meets at least four times per annum as per its approved terms of reference. During the current year seven meetings were held. The members and their attendance of the meetings held are as follows:

The table below discloses relevant information on the audit committee members:

Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Date Resigned	No. of Meetings attended
Ms T Cumming	B.Comm CTA CA (SA)	External	Chairperson	01 August 2017	N/A	7
Adv Gugwini – Peter	Bachelor of Laws degree (LLB)	External	Ordinary member	01 August 2017	N/A	7
Mr M Baza	B.Juris (Private and Criminal Law)	External	Ordinary member	21 November 2018	N/A	6
Mr L Mabombo	B.Comm (Accounting)	External	Ordinary member	21 November 2018	N/A	6

## Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 38 (1) (a) (ii) of the Public Finance Management Act and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

## The Effectiveness of Internal Control

In line with PFMA and King IV Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. From the various reports of the Internal Auditors, it was noted that matters were reported indicating deficiencies in the system of internal control or deviations there from. Accordingly, we can report that the system of internal control was not entirely effective for the year under review.

## Internal Audit

The Audit Committee evaluated the Internal Audit Activity's performance with an overall scoring percentage result as good. The Internal Audit Activity has continued to strengthen the department's control environment and assisted in the achievement of objectives.

The Committee approved a risk-based three year rolling strategic Internal Audit Plan and an annual audit coverage plan for the period 1 April 2019 to 31 March 2022 covering the following key audit activities:

Type	Total Planned Audits	Total Completed
Regularity and Compliance Audits	20	20
Performance Audits	-	-
Information Technology Audits	1	-
Ad hoc audits	-	-
<b>TOTAL</b>	<b>21</b>	<b>20</b>

## The table below depicts the total completed audit projects as defined in the audit plan

Finance	Administration	Core Business	Governance
Asset Management Review	Performance Information	Performance audit: Food Security Follow-up	Occupational Health and Safety follow-up
Interim Financial Statements	Annual Report	Land care Consulting	
Travel expenditure management	Recruitment and Selection	Transfer Payments (i.e. Fort Cox and ECRDA)	
Annual Financial Statements	Records management	Conditional Grants Comprehensive Agricultural Support Programme (CASP)	
Contract Management	Security Management	Veterinary Services	
		EPWP	
		Structured Agricultural Education and Training Follow-up	

The Audit Committee has approved that the IT General Controls per the approved internal audit plan for 2019/20 be deferred to 2020/21.

Management have been slow in implementing internal audit findings, resulting in a breakdown in internal controls and a weakening of the control environment.

The following were areas of concern:

- Records management;
- Travel expenditure management;
- Asset Management;
- Performance management and record management;
- Contract Management; and
- Conditional Grants (CASP).

## Risk Management

The Head of Department established the Risk Management Committee (RMC) to exercise certain responsibilities, as set out in the approved RMC Charter.

The RMC is chaired by an external Chairperson who brings a lot of valuable experience in Governance matters. The RMC reviewed risk management processes during the year. The following policy related documents on Risk Management were approved, such as, Risk Management Policy and Framework; Risk Management Strategy, Risk Management Committee Charter and Risk Management Implementation Plan. The Risk Appetite Framework and Business Continuity Plan are yet to be completed and approved.

The Head of Department committed management of the Department to comply with all relevant Corporate Governance processes. Risk management and Internal Audit of the department reports at an appropriate level (administratively reports to the Head of Department and functionally to the Audit

Committee). All governance structures were established, such as Risk Management and IT Governance Committees.

There is a noticeable increase in risk management awareness in the Department, however, there appears to be a challenge in the capacity of the unit, integration and reporting processes. For risk management maturity of the Department to improve, it is critical that recommendation made by the RMC are implemented timely by management and effective monitoring of implementation take place. Some risks were unassured due to their inherent nature to the business, transversal nature and ineffective controls to reduce the risks. They are as following:

- Uncontrolled animal disease outbreaks;
- Failure to meet the accreditation requirements;
- Delays in filling of critical posts;
- Inadequate prevention of loss damage or unlawful access to information;
- Ageing cabling on shared buildings;
- Inadequate systems development capacity;
- Low adoption of research results;
- Unsustainable agri-businesses;
- Destruction of research infrastructure by the surrounding communities;
- Ineffective management of employer/employees relations; and
- Loss of production potential of agricultural land.

## ICT Governance

Significant progress has been made over strengthening internal controls in respect of the ICT control environment. There is a low level of residual risk exposure due to effective and efficient operation of controls, which provides management with reasonable assurance that risks will be mitigated and that process objectives will be achieved.

Although, most components of the Corporate Governance of ICT Policy Framework (CGICT) have been addressed, the Audit Committee highlighted the risks of not having the Business Continuity Management Program in place and a tested Disaster Recovery Plan. The Committee further noted that, although the IT Steering Committee is in place, it is not yet fully effective due to non-attendance by some of the key stakeholders in the Department and this needs urgent management intervention.

Other than matters stated above, there is nothing of significance that has come to the attention of the committee indicating any material breakdown in the functioning and controls within the department.

## In-Year Management and Monthly/Quarterly Report

The Audit Committee is satisfied with the content and quality of the quarterly financial reports prepared and issued by the Accounting Officer of the Department during the year under review.

The Audit Committee is not satisfied with the content and quality of quarterly performance reports, due to the inherent control weaknesses in the performance management system and portfolio of evidence.

## 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 unaudited Annual Financial Statements (AFS) and Pre-Determined Objectives (PDO) for the year ended 31 March 2020, the Audit Committee recommended, that they be submitted to the Auditor General South Africa for auditing.

## Auditor General's Report

The Audit Committee has met with the Auditor General of South Africa to discuss the Audit Strategy at the commencement of the audit and has planned to meet at the conclusion of the audit to ensure that there are no unresolved issues.

## 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.



MRS T CUMMING

AUDIT COMMITTEE CHAIRPERSON  
DEPARTMENT OF RURAL DEVELOPMENT  
AND AGRARIAN REFORM  
31 July 2020

## 12. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table has been completed in accordance with the compliance to the BBBEE requirements of the BBBEE Act of 2013 and as determined by the Department of Trade and Industry.

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Response Yes / No	Discussion (include a discussion on your response and indicate what measures have been taken to comply)
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	DRDAR, through its Veterinary Services ONLY issues export control certificates for livestock as a legislation but not as a compliance to B-BBEE Code of Good Practice.
Developing and implementing a preferential procurement policy?	Yes	DRDAR implements the PPP (as one of the elements of the AgriBEE Sector Score Card – Codes of Good Practice). The PPP guidelines (as per BBBEE Amendment Act No. 46 of 2013, which was gazetted on 11 October 2013 and 6 May 2015) are applied during Supply Chain Management (SCM) bidding process and recorded in the Bids Register for example.
Determining qualification criteria for the sale of state-owned enterprises?	No	DRDAR has no known mandate of conducting sales of State-owned enterprises.
Developing criteria for entering into partnerships with the private sector?	Yes	DRDAR has a partnership policy, which embraces BBBEE compliance in partnership arrangements with private sector. The Department promotes four categories of partnerships, namely: Joint venture initiatives; Contract farming; Commodity/ industry partnerships guided by The Agricultural Economic Transformation Strategy (AETS); and Skills based partnerships.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	Yes	DRDAR strictly considers BBBEE compliance in making recommendations of agri-businesses for grant funding and the AgriBEE Fund towards agro-processing, marketing infrastructure development and even Equity, for example.





# PART D

## HUMAN RESOURCE MANAGEMENT



## I. INTRODUCTION

The information contained in this part of the annual report has been prescribed by the Minister for the Public Service and Administration for all departments in the public service. The role of departments human resource chief directorate is to ensure that departments most important asset that is its human capital is being nurtured and supported through the creation and management of programs, policies, and procedures, and by fostering a positive work environment through effective employee-employer relations.

## 2. OVERVIEW OF HUMAN RESOURCES

Human Resource in the department seeks to build on the existing strengths of the workforce and to enhance the development of a highly professional workforce. The Department deems management of the workforce key i.e. aligning them and their performance with institutional values, principles and standards that propel its success. Employees are seen as 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.

For the year under review, Human Resource priorities have been narrated below as follows: -

- To develop an organisational structure, which is aligned to SDM, which will indicate the chain of command to be utilised as a management tool that, will assist the organization of its functions in the workplace.
- To build an appropriately sized, adequately competent and sufficiently skilled human capital that will enhance service delivery.
- 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, and Agricultural Engineers etc.
- Implement employee development practices such as job shadowing, mentoring of younger employees among others to encounter loss institutional memory due to staff turnover.
- Implementation of employment equity specific measures that will ensure adherence of 50% of females in SMS level and 2% for people living with disabilities.
- 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.
- Enhancing and maintenance of sound labour relations in the Department.

The Department is challenged in attracting differently abled people and as such, it is at 0.6% in terms of achieving its equity targets. Furthermore, the department faces a challenge in recruiting the youth. Employee Health and Wellness Programme caseload and sick leave analysis reveal that employees are experiencing mental health challenges which include, stress, anxiety, depression and the root cause being finance related problems, trauma and work related matters.

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: -

- To design an organizational structure that is aligned to the approved Service Delivery Model.
- To build an appropriately sized, adequately competent and sufficiently skilled human capital that will enhance service delivery.
- 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, and Agricultural Engineers etc.
- Implement employee development practices such as job shadowing, mentoring of younger employees among others to encounter loss institutional memory due to staff turnover.
- Implementation of employment equity specific measures that will ensure sustain the 50% threshold of females in SMS level and 2% for people living with disabilities.
- 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. Enhance implementation of Employee Health and Wellness Programmes
- Enhancing and maintenance of sound labour relations in the Department. Capacitate workforce to be able to apply Labour relations legislative framework.

### 3. HUMAN RESOURCES OVERSIGHT STATISTICS

#### 3.1. Personnel related expenditure

The following tables summarises the final audited personnel related expenditure by programme and by salary bands. In particular, it provides an indication of amount spent on personnel, salaries, overtime, homeowner's allowances and medical aid.

**Table 3.1.1 Personnel expenditure by programme for the period 1 April 2019 and 31 March 2020**

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	501 453	322 172	2 265 050	294 274.18	64.2	45 248.9
Sustainable Resource Management	136 140	94 121	99 567	242 165.50	69.1	57 043.0
Farmer Support & Development	788 269	378 889	734 648	254 293	48.1	48 451.3
Veterinary Services	330 636	248 219	238 846	374 056.36	75.1	48 766.2
Research & Techno Development Services	137 530	110 851	545 537	78 501	80.6	36 827.6
Agricultural Economics Services	34 104	30 483	39 549	89 255	89.4	69 279.5
Structured Agriculture Education & Train	168 782	67 674	467 029	469 770	40.1	35 431.4
Rural Development Coordination	285 291	17 085	12 656	105 90	6	53 390.6
<b>Total</b>	<b>2 382 205</b>	<b>1 269 494</b>	<b>4 402 882</b>	<b>4 461 372</b>	<b>53.3</b>	<b>46 399.7</b>

**Table 3.1.2 Personnel costs by salary band for the period 1 April 2019 and 31 March 2020**

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)	50 532	3,70	300	168 410
Skilled (level 3-5)	114 034	8,40	443	257 413
Highly skilled production (levels 6-8)	555 799	40,80	1 173	473 827
Highly skilled supervision (levels 9-12)	475 795	34,90	646	736 525
Senior and Top management (levels 13-16)	67 639	5,00	49	1 380 388
<b>Total</b>	<b>1 269 495</b>	<b>92,80</b>	<b>2 611</b>	<b>484 028</b>

**Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2019 and 31 March 2020**

Programme	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	277 334	86.1	1 028	0.3	11 180	3.5	15 759	4.9
Sustainable resource management	81 904	87	-	-	2 510	2.7	3 627	3.9
Farmer support & development	326 008	86	3	-	10 525	2.8	17 552	4.6
Veterinary services	212 974	85.8	89	-	7 775	3.1	11 948	4.8
Technology research & development services	94 872	85.6	2 248	2	5 554	5	6 649	6
Agricultural economics	26 537	87.1	-	-	690	2.3	1 113	3.7
Structured agricultural training	58 131	85.9	1 335	2	2 992	4.4	3 467	5.1
Rural development coordination	15 253	89.3	-	-	435	2.5	674	3.9
<b>TOTAL</b>	<b>1 093 013</b>	<b>86.1</b>	<b>4 703</b>	<b>0.4</b>	<b>41 661</b>	<b>3.3</b>	<b>60 789</b>	<b>4.8</b>

**Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2019 and 31 March 2020**

Salary band	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)	34 857	69	1 524	3	4 360	8.6	5 330	10.5
Skilled (level 3-5)	84 598	73.6	2 044	1.8	7 312	6.4	8 860	7.7
Highly skilled production (levels 6-8)	444 626	82	599	0.1	18 879	3.5	31 999	5.9
Highly skilled supervision (levels 9-12)	459 859	96.4	518	0.1	9 602	2	13 989	2.9
Senior management (level 13-16)	55 002	78.1	-	-	1 508	2.1	611	0.9
Contract other	14 071	99.5	18	0.1	-	-	-	-
<b>TOTAL</b>	<b>1 093 013</b>	<b>86.1</b>	<b>4 703</b>	<b>0.4</b>	<b>41 661</b>	<b>3.3</b>	<b>60 789</b>	<b>4.8</b>

## Employment and Vacancies

**Table 3.2.1 Employment and vacancies by programme as on 31 March 2020**

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Programme 1	776	700	8.25	12
Programme 2	186	164	11.29	1
Programme 3	834	677	6.24	105
Programme 4	570	509	10.70	0
Programme 5	340	301	11.47	0
Programme 6	48	44	8.33	0
Programme 7	210	191	9.05	0
Programme 8	33	28	3.03	4
<b>Totals</b>	<b>2 997</b>	<b>2 614</b>	<b>8.71</b>	<b>122</b>

**Table 3.2.2 Employment and vacancies by salary band as on 31 March 2020**

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled ( 1-2)	568	438	6.51	93
Skilled(3-5)	390	340	12.05	3
Highly skilled production (6-8)	1 420	1 317	6.20	15
Highly skilled supervision (9-12)	559	469	14.31	10
Senior management (13-16)	60	50	15	1
<b>TOTAL</b>	<b>2 997</b>	<b>2 614</b>	<b>8.71</b>	<b>122</b>

**Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2020**

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Artisans	49	38	12,7	-
Agriculture advisors	626	538	22,4	-
Animal health tech	307	285	7,2	-
Engineering technicians	16	13	18,8	-
Engineers	10	6	40	-
Meat inspectors	27	24	11,1	-
Scientist	32	27	15,6	-
Scientific technicians	33	32	3	-
State vet technologist	12	11	8,3	-
State veterinarian	42	33	21,4	-
<b>TOTAL</b>	<b>1 154</b>	<b>1 007</b>	<b>12,73</b>	<b>-</b>

### 3.2. Filling of SMS Posts

**Table 3.3.1 SMS post information as on 31 March 2020**

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Executive Authority	1	1	100	-	-
Head of Department	1	-	-	1	100
Salary Level 15	3	3	100	-	-
Salary Level 14	13	12	92,3	1	7,69
Salary Level 13	41	34	82,9	7	17,07
<b>TOTAL</b>	<b>59</b>	<b>50</b>	<b>84,74</b>	<b>9</b>	<b>15,3</b>

**Table 3.3.2 SMS post information as on 30 September 2019**

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	-	-
Head of Department	1	-	-	1	100
Salary Level 15	3	3	100	-	-
Salary Level 14	13	10	76,92	3	23,07
Salary Level 13	39	35	89,74	4	10,25
<b>TOTAL</b>	<b>57</b>	<b>49</b>	<b>85,96</b>	<b>8</b>	<b>14,03</b>



**Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2019 and 31 March 2020**

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	1	-	-
Salary Level 15	-	-	-
Salary Level 14	1	1	1
Salary Level 13	2	2	1
<b>TOTAL</b>	<b>4</b>	<b>3</b>	<b>2</b>

**Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2019 and 31 March 2020**

Reasons for vacancies not advertised within six months
The posts were advertised, however not filled within six months.

Reasons for vacancies not filled within twelve months
Change of Accounting Officers, which resulted to rescheduling of selection process for the post of Chief Director Veterinarian Services, Director Strategy including Anti-Corruption & Integrity Management Risk, which affected process of filling of SMS post within the 6 months after closing of the advert.

**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 2019 and 31 March 2020**

Reasons for vacancies not advertised within six months
N/A refer to table 3.3.4

Reasons for vacancies not filled within six months
N/A

### 3.4. Job Evaluation

Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in his or her 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 Evaluation by Salary band for the period 1 April 2019 and 31 March 2020**

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower Skilled (Levels 1-2)	477	-	-	-	-	-	-
Skilled (Levels 3-5)	405	-	-	-	-	-	-
Highly skilled production (Levels 6-8)	1 486	-	-	-	-	-	-

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Highly skilled supervision (Levels 9-12)	533	-	-	-	-	-	-
Senior Management Service Band A	42	-	-	-	-	-	-
Senior Management Service Band B	13	-	-	-	-	-	-
Senior Management Service Band C	3	-	-	-	-	-	-
Senior Management Service Band D	2	-	-	-	-	-	-
<b>Total</b>	<b>2 961</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The following table provides a summary of the number of employees whose positions were upgraded due to their post 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 also be vacant.

**Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2019 and 31 March 2020**

Gender	African	Asian	Coloured	White	Total
Female	-	-	-	-	-
Male	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

**Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2019 and 31 March 2020**

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

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

**Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2019 and 31 March 2020**

<b>Female</b>	-	-	-	-	-
<b>Male</b>	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

<b>Employees with a disability</b>	-	-	-	-	-
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Total number of Employees whose salaries exceeded the grades determine by job evaluation	None
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### 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 (see definition in notes below).

**Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2019 and 31 March 2020**

Salary band	Number of employees at beginning of period- April 2019	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled ( Levels 1-2)	422	43	6	1,4
Skilled (Levels 3-5)	352	16	51	14,5
Highly skilled production (Levels 6-8)	1 346	20	59	4,3
Highly skilled supervision (Levels 9-12)	460	19	43	9,3
Senior Management Service Bands A	1	1	1	100
Senior Management Service Bands B	3	-	-	-
Senior Management Service Bands C	13	1	3	23
Senior Management Service Bands D	36	1	4	11,1
<b>TOTAL</b>	<b>2 633</b>	<b>101</b>	<b>167</b>	<b>6,3</b>

**Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2019 and 31 March 2020**

Critical occupation	Number of employees at beginning of period- April 2019	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Artisans	40	1	3	7.5
Agricultural Advisors	494	-	18	3.6
Animal Health Technicians	331	1	13	3.9
Engineering Technicians	23	-	1	4.3
Engineers	6	-	1	16.7
Meat Inspectors	23	2	2	8.7
Scientists	57	1	2	3.5

Critical occupation	Number of employees at beginning of period- April 2019	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Scientific Technicians	33	-	-	-
State Veterinarians Technologists	11	-	-	-
State Veterinarians	38	4	9	23.7
<b>TOTAL</b>	<b>1 056</b>	<b>9</b>	<b>49</b>	<b>4.6</b>

**Table 3.5.3 Reasons why staff left the department for the period 1 April 2019 and 31 March 2020**

Termination Type	Number	% of Total Resignations
Death	12	0.45
Resignation	37	1.41
Expiry of contract	15	0.57
Dismissal – operational changes	-	-
Dismissal – misconduct	2	0.07
Dismissal – inefficiency	-	-
Discharged due to ill-health	2	0.07
Retirement	79	3.02
Transfer to other Public Service Departments	11	0.45
Other Early Retirement+	9	0.34
<b>Total</b>	<b>167</b>	<b>100</b>
<b>Total number of employees who left as a % of total employment</b>	<b>167</b>	<b>6.34</b>

**Table 3.5.4 Promotions by critical occupation for the period 1 April 2019 and 31 March 2020**

Occupation	Employees 1 April 2019	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
Agric advisors	538	8	1.5	387	71.9
Artisans	38	-	-	9	23.7
Meat inspectors	24	-	-	7	29.2
Animal health	285	-	-	116	40.7
Engineers	6	-	-	-	-
Engineering tech	13	-	-	13	100
Scientist	27	1	3.70	11	40.7
Scientific tech	32	-	-	4	12.5
Vet tech	11	-	-	4	36.4
State vet	33	-	-	1	3
<b>TOTAL</b>	<b>1 007</b>	<b>9</b>	<b>0.9</b>	<b>552</b>	<b>54.8</b>

**Table 3.5.5 Promotions by salary band for the period 1 April 2019 and 31 March 2020**

Salary Band	Employees 1 April 2020	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower skilled ( Levels 1-2)	438	-	-	112	25.6
Skilled (Levels3-5)	340	1	0.3	287	84.4
Highly skilled production (Levels 6-8)	1 317	8	0.6	256	19.4
Highly skilled supervision (Levels 9-12)	469	13	2.8	163	34.8
Senior Management (Level 13-16)	50	4	8	1	2
<b>TOTAL</b>	<b>2 614</b>	<b>26</b>	<b>1</b>	<b>819</b>	<b>31.3</b>

### 3.6. Employment Equity

**Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2020**

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Managers	20	1	1	2	24	-	1	1	50
Professionals	252	2	1	13	236	3	1	13	521
Technicians and associate professionals	569	5	1	17	417	4	1	14	1 028
Clerks	88	3	-	1	288	10	1	10	401
Service and sales workers	58	3	-	-	43	-	-	-	104
Skilled agriculture and fishery workers	243	6	-	-	190	4	-	-	443
Craft and related trades workers	37	-	-	-	1	-	-	-	38
Plant and machine operators and assemblers	29	-	-	-	-	-	-	-	29
<b>Total</b>	<b>1 296</b>	<b>20</b>	<b>3</b>	<b>33</b>	<b>1 199</b>	<b>21</b>	<b>4</b>	<b>38</b>	<b>2 614</b>
<b>Employees with disabilities</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12</b>

**Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2020**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	-	-	1	2	-	-	-	4
Senior Management	19	1	1	1	22	-	1	1	46
Professionally qualified and experienced specialists and mid-management	234	1	1	24	152	3	2	14	431
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	654	6	-	7	694	9	1	21	1 392
Semi-skilled and discretionary decision making	270	10	-	-	154	6	-	1	441
Unskilled and defined decision making	124	2	-	-	171	3	-	-	300
<b>Total</b>	<b>1 302</b>	<b>20</b>	<b>2</b>	<b>33</b>	<b>1 195</b>	<b>21</b>	<b>4</b>	<b>37</b>	<b>2 614</b>

**Table 3.6.3 Recruitment for the period 1 April 2019 to 31 March 2020**

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	8	-	-	-	4	-	-	-	12
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	8	-	-	1	6	-	-	-	15
Semi-skilled and discretionary decision making	17	-	-	-	39	-	-	-	56
Unskilled and defined decision making	3	-	-	-	-	-	-	-	3
<b>Total</b>	<b>37</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>50</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>88</b>
<b>Employees with disabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Table 3.6.4 Promotions for the period 1 April 2019 to 31 March 2020**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	-	-	-	-	-	-	-	1
Senior Management	2	-	-	-	1				3
Professionally qualified and experienced specialists and mid-management	5	-	-	-	7				12
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0	-	-	-	8				8
Semi-skilled and discretionary decision making	1	-	-	-	-	-	-		1
Unskilled and defined decision making	-	-	-	1	-	-	-		1
<b>Total</b>	<b>9</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26</b>
<i>Employees with disabilities</i>	-	-	-	-	-	-	-	-	-

**Table 3.6.5 Terminations for the period 1 April 2019 to 31 March 2020**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	-	-	-	-	-	-	-	-	-
Senior Management	6	-	-	-	1	-	-	-	7
Professionally qualified and experienced specialists and mid-management	27	-	-	3	7	-	-	1	38
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	14	-	-	2	18	-	-	2	36
Semi-skilled and discretionary decision making	52	1	-	-	13	2	-	-	68
Unskilled and defined decision making	6	-	-	-	-	-	-	1	7
<b>Total</b>	<b>105</b>	<b>1</b>	<b>-</b>	<b>5</b>	<b>39</b>	<b>2</b>	<b>-</b>	<b>4</b>	<b>156</b>
<i>Employees with disabilities</i>	-	-	-	-	-	-	-	-	-

**Table 3.6.6 Disciplinary action for the period 1 April 2019 to 31 March 2020**

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	-	-	-	-	-	-	-	-	-
Senior Management	-	-	-	-	-	-	-	-	-
Professionally qualified and experienced specialists and mid-management	-	-	-	-	-	-	-	-	-
Skilled technical and academically qualified workers, junior management, supervisors, foremen	1	-	-	-	-	-	-	-	1
Semi-skilled and discretionary decision making, Permanent	5	-	-	-	-	-	-	-	5
Unskilled and defined decision making	2	-	-	-	1	-	-	-	3
<b>Total</b>	<b>8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9</b>
<b>Employees with disabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Table 3.6.7 Skills development for the period 1 April 2019 to 31 March 2020**

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	3	-	-	1	7	-	-	-	11
Professionals	97	-	-	-	48	-	-	3	148
Technicians and associate professionals	64	4	1	2	117	6	-	1	195
Clerks	43	1	-	-	180	2	-	1	227
Service and sales workers	-	-	-	-	-	-	-	-	-
Skilled agriculture and fishery workers	-	-	-	-	-	-	-	-	-
Craft and related trades workers	-	-	-	-	-	-	-	-	-
Plant and machine operators and assemblers	3	-	-	-	-	-	-	-	3
Elementary occupations	65	-	-	-	203	-	-	-	268
<b>Total</b>	<b>275</b>	<b>5</b>	<b>1</b>	<b>3</b>	<b>555</b>	<b>8</b>	<b>-</b>	<b>5</b>	<b>852</b>
<b>Employees with disabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



### 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 2020**

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	1	1	-	-
Salary Level 16	1	-	-	-
Salary Level 15	3	3	1	33.3
Salary Level 14	13	12	7	58.3
Salary Level 13	41	34	19	55.9
<b>Total</b>	<b>59</b>	<b>50</b>	<b>27</b>	<b>54%</b>

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

Reasons
23 Senior Managers failed to submit their performance agreement before 31 May 2019.

**Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2020**

Reasons
SMS members who do not comply in terms of submission of Performance Agreements are immediately
Disqualified from Performance incentives. Warning letters are issued for non-compliance.

### 3.8. Performance Rewards

To encourage good performance, the department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, disability, salary bands and critical occupations (see definition in notes below).

**Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2019 to 31 March 2020**

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
<b>African</b>	1 154	2 497	46.21	17 219 584.95	14 921.65
Male	536	1 195	44.85	8 044 231.35	15 007.89
Female	618	1 302	47.46	91 475 353.51	14 846.85
<b>Asian</b>	4	6	66.66	126 674,52	31 668,63
Male	1	2	50	38 921,88	38 921,88
Female	3	4	75	87 752,64	29 250,88
<b>Coloured</b>	26	41	63.41	374 462,12	14 402,39
Male	11	20	55	96 125,10	8 738,65

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
Female	15	21	71.42	278 337,02	18 555,80
<b>White</b>	32	70	45.71	731 164,81	22 848,90
Male	11	33	33.33	292 204,71	26 564,06
Female	21	37	56.75	438 960,10	20 902,86
<b>TOTAL</b>	<b>1 216</b>	<b>2 614</b>	<b>46.51</b>	<b>18 451 886.40</b>	<b>15 174. 25</b>

**Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2019 to 31 March 2020**

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	
Lower Skilled (Levels 1-2)	115	438	26.25	692 220,04	6 019.30	3.84
Skilled (level 3-5)	243	340	71.47	1 930 545,43	7 912.07	10.72
Highly skilled production (level 6-8)	582	1 317	44.19	9 530 39887	16 403.44	52.93
Highly skilled supervision (level 9-12)	259	469	55.22	5 910831.08	22 821.74	32.49
<b>TOTAL</b>	<b>1 199</b>	<b>2 564</b>	<b>46.76</b>	<b>18 063 995.42</b>	<b>15 065.88</b>	<b>100</b>

**Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2019 to 31 March 2020**

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Agric Advisers	77	538	14,31	1 682 962,95	21 856,66
Artisans	-	38	-	-	-
Meat Inspectors	-	24	-	-	-
Animal Health Tech	-	285	-	-	-
Engineers	1	6	16,66	12 840,75	12 840,75
Engineering Tech	5	13	38,46	89 531,28	35 836,11
Scientists	-	27	0	0	0
Scientific Tech	27	32	84,37	587 219,85	21 748,88
Vet Technologist	6	11	54,54	89 701,35	14 950,23
State Veterinarian	6	33	18,18	149 495,86	24 915,98
<b>TOTAL</b>	<b>122</b>	<b>1 007</b>	<b>12,11</b>	<b>2 611 752,04</b>	<b>21 407,80</b>

**Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2019 to 31 March 2020**

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	-	1	-	-	-	-
Band B	-	3	-	-	-	-
Band C	4	12	33.3	295 992,40	22 768,65	76,3
Band D	13	34	38.2	91 898,58	22 974,65	23,7
<b>TOTAL</b>	<b>17</b>	<b>50</b>	<b>34</b>	<b>387 890,98</b>	<b>22 817,12</b>	<b>100</b>

### 3.9 Foreign Workers

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

**Table 3.9.1 Foreign workers by salary band for the period 1 April 2019 and 31 March 2020**

Salary band	01 April 2019		31 March 2020		Change	
	Number	% of total	Number	% of total	Number	% Change
Highly skilled production (Lev. 6-8)	1	4.34	1	5.6	-	-
Highly skilled supervision (Lev. 9-12)	21	91.30	16	88.9	5	27.27
Senior Management (level 13-16)	1	4.34	1	5.6	-	-
<b>TOTAL</b>	<b>23</b>	<b>100</b>	<b>18</b>	<b>100</b>	<b>5</b>	<b>100</b>

**Table 3.9.2 Foreign workers by major occupation for the period 1 April 2019 and 31 March 2020**

Major occupation	01 April 2019		31 March 2020		Change	
	Number	% of total	Number	% of total	Number	% Change
Agricultural Advisors	-	-	-	-	-	-
Artisans	-	-	-	-	-	-
Animal Health Technician	-	-	-	-	-	-
Meat Inspector	-	-	-	-	-	-
Engineers	1	5,26	1	6,25	-	-
Engineering Technician	-	-	-	-	-	-
Scientists	3	15,78	-	-	3	18.8
Scientific Technicians	-	-	-	-	-	-
Veterinarian Technologists	1	5,26	1	6,25	-	-
State Veterinarian	14	73,64	14	87,5	-	-
<b>Total</b>	<b>19</b>	<b>100</b>	<b>16</b>	<b>100</b>	<b>3</b>	<b>18.8</b>

### 3.10 Leave utilisation

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

**Table 3.10.1 Sick leave for the period 1 January 2019 to 31 December 2019**

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 Skills (Level 1-2)	1 724,50	84,80	204	13,80	8,00	994
Skilled (levels 3-5)	2 271	85,40	236	15,90	10,00	1 902
Highly skilled production (levels 6-8)	5 495	86,90	653	44,10	8,00	8 959
Highly skilled supervision (levels 9 -12)	2 688	83,70	353	23,90	8,00	7 218
Top and Senior management (levels 13-16)	164	89,60	18	1,20	9,00	753
Contract other	70	80	16	1,10	4	29
<b>TOTAL</b>	<b>12 413</b>	<b>86,10</b>	<b>1 480</b>	<b>100</b>	<b>8,00</b>	<b>19 855</b>

**Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2019 to 31 December 2019**

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)	432	100	4	14,80	86	194
Skilled (Levels 3-5)	169	100	5	18,50	34	125
Highly skilled production (Levels 6-8)	361	100	13	48,10	28	615
Highly skilled supervision (Levels 9-12)	485	100	5	18,50	97	1 328
Senior management (Levels 13-16)	-	-	-	-	-	-
<b>TOTAL</b>	<b>1 447</b>	<b>100</b>	<b>27</b>	<b>100</b>	<b>50</b>	<b>2 262</b>

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

**Table 3.10.3 Annual Leave for the period 1 January 2019 to 31 December 2019**

Salary band	Total days taken	Average per employee	Number of Employees using annual leave
Lower skilled (Levels 1-2)	5 619,50	276	20
Skilled Levels 3-5)	10 482,25	22	482
Highly skilled production (Levels 6-8)	29 573	24	1254
Highly skilled supervision (Levels 9-12)	15 288	23	661

Salary band	Total days taken	Average per employee	Number of Employees using annual leave
Senior management (Levels 13-16)	1 064	21	51
Other	373	8	48
<b>TOTAL</b>	<b>62 399.75</b>	<b>23</b>	<b>2 772</b>

**Table 3.10.4 Capped leave for the period 1 January 2019 to 31 December 2019**

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2020
Lower skilled (Levels 1-2)	-	-	-	-
Skilled Levels 3-5)	47	12	4	68
Highly skilled production (Levels 6-8)	73	13	6	109
Highly skilled supervision (Levels 9-12)	30	9	3	113
Senior management (Levels 13-16)	-	-	-	120
<b>TOTAL</b>	<b>150</b>	<b>34</b>	<b>4</b>	<b>100</b>

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

**Table 3.10.5 Leave payouts for the period 1 April 2019 and 31 March 2020**

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave discounting with resignation	376	32	11 750
Leave pay out for 2018/19 due to non-utilisation of leave for the previous cycle	61	1	61 000
Gratuity: Death\Retirement\Ill Health pay outs for 2019/20	3 167	82	38 622
Capped: Gratuity Death\Retirement\Ill Health pay outs for 2019/20	18 338	69	265 768
<b>TOTAL</b>	<b>21 942</b>	<b>184</b>	<b>119 250</b>

### 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 of the department	Education and awareness sessions are conducted. Education Material is distributed. HIV Screenings are conducted.

**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.	x		Ms. Nosivatho Mkalipi Director: Corporate Advisory Services
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	x		10 Practitioners and 3 Interns  R480 000
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	x		HIV Awareness and Screenings. Awareness sessions on Gender Based Violence. Awareness on Multiple and Concurrent Partners. Education and screenings on Non-Communicable and communicable diseases. Education and Campaigns on Promotion of Healthy Lifestyles.
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.	x		Chief Directors (Corporate Services, Supply Chain Management, Veterinary Services). Directors (Corporate Advisory, District directors, Budget and Planning). Labour Union Representatives. Employee Health and Wellness Practitioners. Occupational Health and Safety Officer.
5. Has the department reviewed its employment policies and practices 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.	x		HIV,STI and TB Policy.
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.	x		HIV, STI and TB Policy promotes non-discrimination of employees.  Human rights awareness sessions.
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	x		211 employees participated in VCT.
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.		x	

## Labour Relations

**Table 3.12.1 Collective agreements for the period 1 April 2019 and 31 March 2020**

Total number of Collective agreements	None
---------------------------------------	------

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

**Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2019 and 31 March 2020**

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	-	-
Verbal warning	-	-
Written warning	5	100
Final written warning	-	-
Suspended without pay	-	-
Fine	-	-
Demotion	-	-
Dismissal	-	-
Not guilty	-	-
Case withdrawn	-	-
<b>TOTAL</b>	<b>5</b>	<b>100</b>

## Notes

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

Total number of Disciplinary hearings finalised	None
---	------

**Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2019 and 31 March 2020**

Type of misconduct	Number	% of total
Alleged Negligence	1	11.1
Alleged Assault	2	22.2
Alleged Intimidation	1	11.1
Alleged non-disclosure of financial interests	5	55.6
<b>TOTAL</b>	<b>9</b>	<b>100</b>

**Table 3.12.4 Grievances logged for the period 1 April 2019 and 31 March 2020**

Grievances	Number	% of Total
Number of grievances resolved	6	31.6
Number of grievances not resolved	13	68.4
<b>Total number of grievances lodged</b>	<b>19</b>	<b>100</b>

**Table 3.12.5 Disputes logged with Councils for the period 1 April 2019 and 31 March 2020**

Disputes	Number	% of Total
Number of disputes upheld	-	-
Number of disputes dismissed	5	100
<b>Total number of disputes lodged</b>	<b>5</b>	<b>100</b>

**Table 3.12.6 Strike actions for the period 1 April 2019 and 31 March 2020**

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

**Table 3.12.7 Precautionary suspensions for the period 1 April 2019 and 31 March 2020**

Number of people suspended	Nil
Number of people who's suspension exceeded 30 days	Nil
Average number of days suspended	Nil
<b>Cost of suspension(R'000)</b>	

### 3.12 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 2019 and 31 March 2020**

Occupational category	Gender	Number of employees as at 1 April 2019	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	24	-	-	10	10
	Male	39	-	-	10	10
Professionals	Female	163	-	51	62	113
	Male	385	-	97	58	155
Technicians and associate professionals	Female	648	-	124	124	248
	Male	530	-	71	132	203
Clerks	Female	9	-	183	41	224
	Male	533	-	44	44	88
Service and sales workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Skilled agriculture and fishery workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Craft and related trades workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Plant and machine operators and assemblers	Female	-	-	-	-	-
	Male	-	-	3	-	3
Elementary occupations	Female	142	-	203	60	263
	Male	156	-	65	104	169
Sub Total	Female	986	-	561	297	858
	Male	1 643	-	280	348	628
<b>TOTAL</b>		<b>2 629</b>	<b>-</b>	<b>841</b>	<b>645</b>	<b>1 486</b>



**Table 3.13.2 Training provided for the period 1 April 2019 and 31 March 2020**

Occupational category	Gender	Number of employees as at 1 April 2019	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	24	-	7	-	7
	Male	39	-	4	-	4
Professionals	Female	163	-	51	52	103
	Male	385	-	97	61	158
Technicians and associate professionals	Female	648	-	124	102	226
	Male	530	-	71	80	151
Clerks	Female	09	-	183	95	278
	Male	533	-	44	46	90
Service and sales workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Skilled agriculture and fishery workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Craft and related trades workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Plant and machine operators and assemblers	Female	-	-	-	-	-
	Male	-	-	3	2	5
Elementary occupations	Female	142	-	203	-	203
	Male	156	-	65	2	67
Sub Total	Female	986	-	568	249	817
	Male	1 643	-	284	189	475
<b>TOTAL</b>		<b>2 629</b>	<b>-</b>	<b>852</b>	<b>438</b>	<b>1 292</b>

### 3.13 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 2019 and 31 March 2020**

Nature of injury on duty	Number	% of total
Required basic medical attention only	1	50
Temporary Total Disablement	-	-
Permanent Disablement	-	-
Fatal	1	50
<b>TOTAL</b>	<b>2</b>	<b>100</b>

### 3.14 Utilisation of Consultants

The following tables relates 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 2019 and 31 March 2020**

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 2019 and 31 March 2020**

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 2019 and 31 March 2020**

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	-	-	-

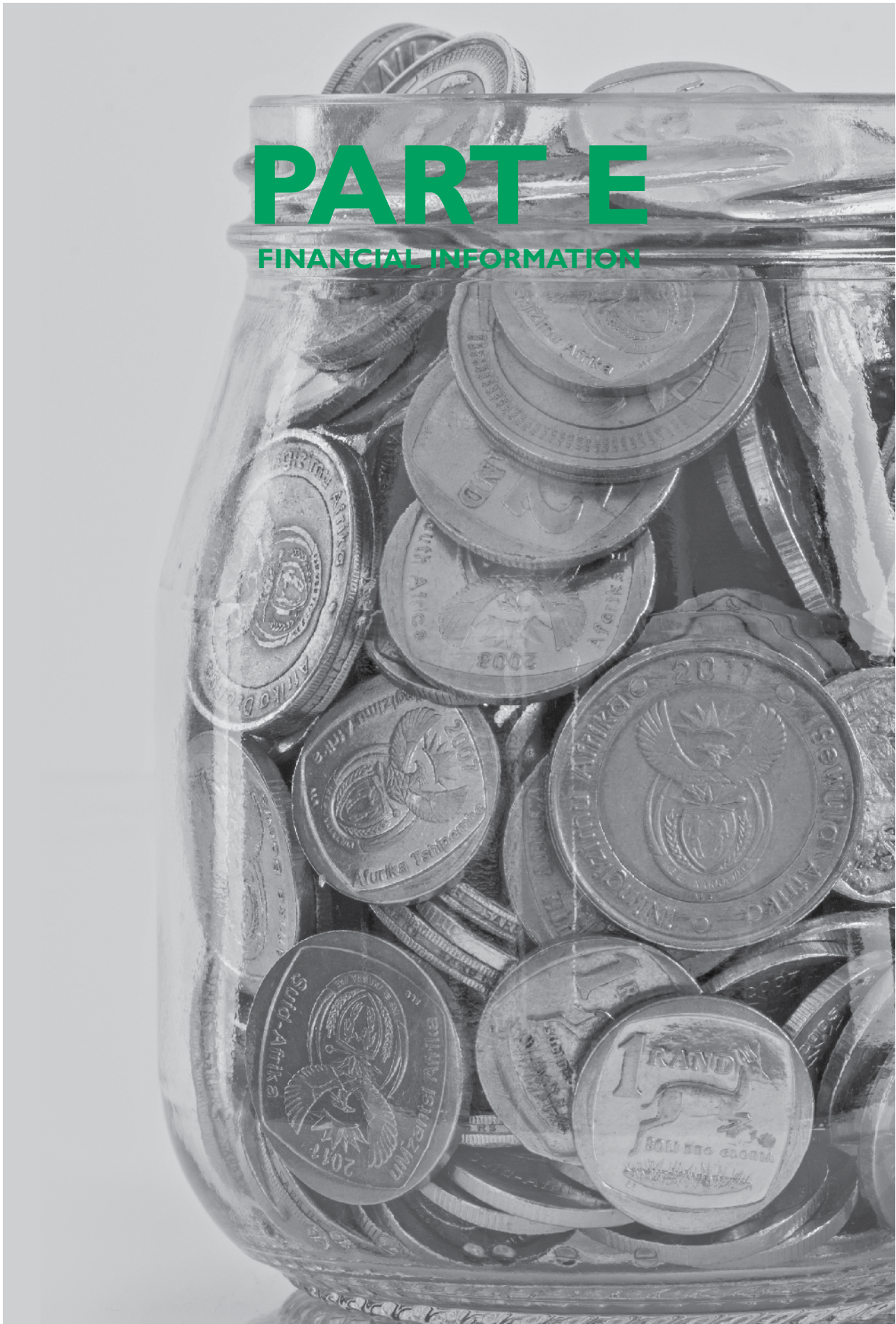
**Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2019 and 31 March 2020**

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 2019 and 31 March 2020**

Salary band	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of packages approved by department
Lower skilled (Levels 1-2)	-	-	-	-
Skilled Levels 3-5)	-	-	-	-
Highly skilled production (Levels 6-8)	-	-	-	-
Highly skilled supervision(Levels 9-12)	-	-	-	-
Senior management (Levels 13-16)	-	-	-	-
<b>TOTAL</b>	-	-	-	-



# PART E

## FINANCIAL INFORMATION

## I. REPORT OF THE AUDITOR GENERAL

### Report of the auditor-general to the Eastern Cape Provincial Legislature on vote no. 8: 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 Department of Rural Development and Agrarian Reform set out on pages 163 to 241, which comprise the appropriation statement, statement of financial position as at 31 March 2020, statement of financial performance, the statement of changes in net assets, and the 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 Department of Rural Development and Agrarian Reform as at 31 March 2020, and its financial performance and cash flows for the year then ended in accordance with Modified Cash Standard prescribed by the National Treasury, and the requirements of the Public Finance Management Act of South Africa, 1999( Act No.1 of 1999) and the Division of Revenue Act of South Africa, 2019 ( Act No.16 of 2019) (Dora).

#### Basis for the 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 sections 290 and 291 of the *Code of ethics for professional accountants* and parts 1 and 3 of the *International code of ethics for professional accountants (including International Independence Standards)* of the International Ethics Standards Board for Accountants (IESBA codes) as well as 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 codes.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Emphasis of matter

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

#### Underspending of the vote.

7. As disclosed in the appropriation statement, the department materially underspent on the vote by R25,1 million, due to material underspending in programme 1: administration (R0,9 million), programme 2: sustainable resource management (R1,4 million), programme 3: farmer support and development

(R14,7 million), programme 4: veterinary services (R1 million), programme 5: research and technology development (R0,4 million), programme 6: agricultural economic services (R0,2 million), programme 7: structured agricultural education and training (R6,1 million) and programme 8: rural development coordination (R0,4 million).

### Other matter

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

### Unaudited supplementary schedules

9. The supplementary information set out on pages 242 to 255 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

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

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

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

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

## Report on the audit of the annual performance report

### Introduction and scope

14. 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 on the usefulness and reliability of the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
15. My procedures address the usefulness and reliability of 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 do not examine whether the actions taken by the department enabled service delivery. My procedures also do 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.
16. 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 2020:

Programmes	Pages in the annual performance report
Programme 3 – farmer support and development	62 - 68
Programme 8 – rural development	90 - 93

17. 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.
18. I did not identify any material findings on the usefulness and reliability of the reported performance information for these programmes.

### Other matter

19. I draw attention to the matter below.

### Achievement of planned targets

20. Refer to the annual performance report on pages 47 to 93 for information on the achievement of planned targets for the year and explanations provided for the under-/overachievement of a significant number of targets.

## Report on the audit of compliance with legislation

### Introduction and scope

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

### Expenditure management

23. Effective steps were not taken to prevent irregular expenditure amounting to R4,6 million as disclosed in note 26 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The majority of the irregular expenditure was caused by payments made not in line with the PFMA and treasury regulations on contractual obligations.
24. Effective steps were not taken to prevent fruitless and wasteful expenditure amounting to R1,3 million as disclosed in note 27 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The majority of the fruitless and wasteful expenditure was caused by interest on late payments and goods not received.

### Other information

25. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, which includes the audit committee's report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.
26. 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.
27. 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.
28. If, based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact. I have nothing to report in this regard.

### Internal control deficiencies

29. 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 compliance with legislation included in this report.



- There was a prolonged vacancy in the key position of accounting officer, which resulted in leadership instability that undermined accountability. The absence of this leadership resulted in inadequate direction within the department to direct and guide its strategies and operations such as ensuring compliance with all laws and regulations.
- Management did not implement all the processes and controls required to ensure compliance with all laws and regulations. Non-compliance with legislation could have been prevented had compliance been properly reviewed and monitored.

## Other reports

30. I draw attention to the following engagements conducted by various parties which had, or could have, an impact on the matters reported in the department's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
31. The president, through Proclamation no. R36 of 2019 (GG 42577 dated 12 July 2019) has referred matters for investigation by the Special Investigating Unit. The matters relate to the following:
- Maladministration in the affairs of the Department of Agriculture, Forestry and Fisheries related to the mismanagement of the comprehensive agriculture support programme grant.
  - Unauthorised, irregular and fruitless and wasteful expenditure.
  - Irregularities in supply chain management processes.
32. The investigations were still in progress at the date of signing this report.

Auditor General

East London  
30 September 2020



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

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

32. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the separate 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

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

## Communication with those charged with governance

34. 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.
35. 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, actions taken to eliminate threats or safeguards applied.

## APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

## 2. ANNUAL FINANCIAL STATEMENTS

Appropriation per programme											
APPROPRIATION STATEMENT	2019/20						2018/19				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
Programmes	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
1. Administration	492 335	122	7 573	500 030	499 351	679	99.9%	477 037	472 123	477 037	472 123
2. Sustainable Resource Management	146 590	(122)	(8 950)	137 518	136 140	1 378	99.0%	162 908	148 500	162 908	148 500
3. Farmer Support and Development	799 579	-	3 366	802 945	788 269	14 676	98.2%	833 282	793 762	833 282	793 762
4. Veterinary Services	339 555	-	(7 909)	331 646	330 636	1 010	99.7%	326 659	316 136	326 659	316 136
5. Research And Technology Development	139 033	-	(1 082)	137 951	137 530	421	99.7%	135 758	133 530	135 758	133 530
6. Agricultural Economics Services	33 958	-	364	34 322	34 104	218	99.4%	88 765	87 931	88 765	87 931
7. Structured Agricultural Education and Training	168 233	-	6 638	174 871	168 782	6 089	96.5%	167 036	161 762	167 036	161 762
8. Rural Development Coordination	285 641	-	-	285 641	285 291	350	99.9%	192 688	189 793	192 688	189 793
<b>Subtotal</b>	<b>2 404 924</b>	-	-	<b>2 404 924</b>	<b>2 380 103</b>	<b>24 821</b>	<b>99.0%</b>	<b>2 384 132</b>	<b>2 303 537</b>	<b>2 384 132</b>	<b>2 303 537</b>
<b>Statutory Appropriation</b>	<b>2 368</b>	-	-	<b>2 368</b>	<b>2 102</b>	<b>266</b>	<b>88.8%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Provincial MEC</b>	<b>2 368</b>	-	-	<b>2 368</b>	<b>2 102</b>	<b>266</b>	<b>88.8%</b>	<b>2 033</b>	<b>2 033</b>	<b>2 033</b>	<b>2 033</b>
<b>TOTAL</b>	<b>2 407 292</b>	-	-	<b>2 407 292</b>	<b>2 382 205</b>	<b>25 087</b>	<b>99.0%</b>	<b>2 386 165</b>	<b>2 305 570</b>	<b>2 386 165</b>	<b>2 305 570</b>

**APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2020**

	2019/20		2018/19	
	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
<b>TOTAL (brought forward)</b>				
Reconciliation with statement of financial performance			2 386 165	
ADID	2 407 924		-	
Departmental receipts	32 961		1 723	
Actual amounts per statement of financial performance (total revenue)				
ADD				
Aid assistant				
Prior year unauthorised expenditure without funding				
Actual amounts per statement of financial performance (total expenditure)	2 440 253	2 382 205	2 387 888	2 305 570

## APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

Appropriation per economic classification									
	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>1 867 673</b>	<b>(209)</b>	<b>(25 978)</b>	<b>1 841 486</b>	<b>1 849 634</b>	<b>(8 148)</b>	<b>100,4%</b>	<b>1 770 091</b>	<b>1 710 778</b>
<b>Compensation of employees</b>	<b>1 290 206</b>	<b>-</b>	<b>(20 693)</b>	<b>1 269 513</b>	<b>1 269 494</b>	<b>19</b>	<b>100,0%</b>	<b>1 226 190</b>	<b>1 218 377</b>
Salaries and wages	1 109 353	6 137	(21 229)	1 094 261	1 093 012	1 249	99,9%	1 056 598	1 049 936
Social contributions	180 853	(6 137)	536	175 252	176 482	(1 230)	100,7%	169 592	168 441
<b>Goods and services</b>	<b>577 467</b>	<b>(209)</b>	<b>(5 285)</b>	<b>571 973</b>	<b>580 122</b>	<b>(8 149)</b>	<b>101,5%</b>	<b>543 901</b>	<b>492 293</b>
Administrative fees	1 941	(4)	(6)	1 931	1 593	338	82,5%	3 851	3 497
Advertising	6 457	(888)	(186)	5 383	5 403	(20)	100,4%	11 458	10 823
Minor assets	15 614	(11 303)	(2 265)	2 046	966	1 080	47,2%	2 271	1 763
Audit costs: External	7 127	-	(270)	6 857	6 857	-	100,0%	6 749	6 588
Bursaries: Employees	777	600	-	1 377	1 179	198	85,6%	2 402	2 263
Catering: Departmental activities	10 256	(1 528)	694	9 422	8 742	680	92,8%	9 763	9 358
Communication	13 909	(310)	2 225	15 824	15 779	45	99,7%	15 817	15 477
Computer services	24 727	1 507	3 597	29 831	29 617	214	99,3%	20 429	19 180
Consultants: Business and advisory services	2 034	(451)	(228)	1 355	1 348	7	99,5%	2 054	2 280
Infrastructure and planning services	4 661	(615)	(1 798)	2 248	1 479	769	65,8%	2 766	2 017
Laboratory services	461	38	-	499	468	31	93,8%	501	308
Legal services	3 193	(248)	554	3 499	3 498	1	100,0%	3 583	3 493
Contractors	17 003	(1 054)	(172)	15 777	16 001	(224)	101,4%	28 680	22 926
Agency and support / outsourced services	49 660	(2 155)	759	48 264	45 707	2 557	94,7%	43 645	26 267
Entertainment	127	12	-	139	117	22	84,2%	138	112
Fleet services	23 343	2 381	(2 181)	23 543	23 477	66	99,7%	25 897	24 366
Inventory: Clothing material and supplies	-	-	-	-	-	-	-	41	42
Inventory: Farming supplies	158 111	5 836	(3 430)	160 517	166 935	(6 418)	104,0%	115 712	106 364
Inventory: Food and food supplies	103	-	-	103	126	(23)	122,3%	765	530

**APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2020**

Appropriation per economic classification										
	2019/20					2018/19				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Inventory: Fuel, oil and gas	2 557	(255)	4	2 306	2 156	150	93,5%	2 005	1 826	
Inventory: Learner and teacher support material	74	330	-	404	378	26	93,6%	67	29	
Inventory: Materials and supplies	13 724	(1 086)	34	12 672	12 957	(285)	102,2%	21 132	18 973	
Inventory: Medical supplies	3 028	190	(195)	3 023	2 567	456	84,9%	842	823	
Inventory: Medicine	34 469	(1 587)	(38)	32 844	32 753	91	99,7%	33 520	33 307	
Inventory: Other supplies	11 246	(942)	(1 269)	9 035	16 078	(7 043)	178,0%	18 766	17 250	
Consumable supplies	9 896	805	(2 274)	8 427	9 167	(740)	108,8%	9 876	7 546	
Consumable: Stationery, printing and office supplies	5 871	(237)	(47)	5 587	5 199	388	93,1%	5 945	5 337	
Operating leases	15 972	155	(593)	15 534	15 212	322	97,9%	15 756	14 317	
Property payments	19 349	897	1 277	21 523	21 522	1	100,0%	17 621	21 150	
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-	
Travel and subsistence	88 293	7 320	716	96 329	97 934	(1 605)	101,7%	87 600	87 089	
Training and development	17 958	1 543	573	20 074	19 536	538	97,3%	19 961	14 206	
Operating payments	5 191	(578)	205	4 818	4 968	(150)	103,1%	6 154	5 754	
Venues and facilities	8 924	1 151	(1 279)	8 796	8 541	255	97,1%	4 616	3 899	
Rental and hiring	1 411	267	308	1 986	1 862	124	93,8%	3 518	3 133	
Interest on rent on land	-	-	-	-	18	(18)	-	-	108	
Interest paid	-	-	-	-	18	(18)	-	-	108	
Transfers and subsidies	<b>357 845</b>	-	<b>724</b>	<b>358 569</b>	<b>358 569</b>	-	<b>100,0%</b>	<b>386 097</b>	<b>393 856</b>	
Departmental agencies and accounts	271 953	-	(852)	271 101	271 101	-	100,0%	282 317	282 318	
Departmental agencies and accounts(non-business entities)	271 953	-	(852)	271 101	271 101	-	100,00%	282 317	282 318	

## APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

Appropriation per economic classification										
	2019/20					2018/19				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
<b>Economic classification</b>										
Higher education institutions	58 704	-	-	58 704	58 704	-	100.0%	57 218	57 218	
Public corporations and private enterprises	-	-	-	-	-	-	-	27 234	34 170	
Private enterprises	-	-	-	-	-	-	-	27 234	34 170	
Subsidies on products and production (pe)	-	-	-	-	-	-	-	8 627	10 422	
Other transfers to private enterprises	-	-	-	-	-	-	-	18 607	23 748	
<b>Households</b>	27 188	-	1 576	28 764	28 764	-	100.0%	19 328	20 150	
Social benefits	-	-	-	-	-	-	-	502	-	
Other transfers to households	27 188	-	1 576	28 764	28 764	-	100.0%	18 826	20 150	
Payments for capital assets	<b>181 774</b>	<b>209</b>	<b>24 459</b>	<b>206 441</b>	<b>173 207</b>	<b>33 235</b>	<b>83.9%</b>	<b>220 615</b>	<b>191 575</b>	
<b>Buildings and other fixed structures</b>	98 211	(5 056)	12 653	105 808	99 981	5 827	94.5%	117 335	105 605	
Buildings	39 724	(4 283)	542	35 983	33 877	2 106	94.1%	56 916	50 279	
Other fixed structures	58 487	(773)	12 111	69 825	66 104	3 721	94.7%	60 419	55 326	
<b>Machinery and equipment</b>	74 113	7 498	5 000	86 611	73 111	13 500	84.4%	103 080	84 793	
Transport equipment	24 264	389	3 507	28 160	27 628	532	98.1%	30 456	30 328	
Other machinery and equipment	49 849	7 109	1 493	58 451	45 482	12 968	77.8%	72 624	54 465	
<b>Biological assets</b>	9 450	(2 233)	6 341	13 558	115	13 443	0.8%	200	193	
Software and other intangible assets	-	-	<b>465</b>	<b>465</b>	-	<b>465</b>	-	-	<b>984</b>	
Payments for financial assets	-	-	<b>795</b>	<b>795</b>	<b>795</b>	-	<b>100.0%</b>	<b>9 361</b>	<b>9 361</b>	
<b>TOTAL</b>	<b>2 407 292</b>	-	-	<b>2 407 292</b>	<b>2 382 205</b>	<b>25 087</b>	<b>99.0%</b>	<b>2 386 165</b>	<b>2 305 570</b>	



## APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

Statutory Appropriation per economic classification									
2019/20							2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>									
Current payments	2 368	-	-	2 368	2 102	266	1%	2 033	2 033
Compensation of employees	2 368	-	-	2 368	2 102	266	1%	2 033	2 033
<b>TOTAL</b>	<b>2 368</b>	<b>-</b>	<b>-</b>	<b>2 368</b>	<b>2 102</b>	<b>266</b>	<b>1%</b>	<b>2 033</b>	<b>2 033</b>

## APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

Programme 1: ADMINISTRATION										
	2019/20					2018/19				
	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	16 151	122	277	16 550	16 588	(38)	100,2%	9 282	7 528	
1.2 Senior Management	50 562	-	(1 233)	49 329	48 749	580	98,8%	47 901	48 482	
1.3 Corporate Services	244 417	-	8 347	252 764	252 307	457	99,8%	230 860	228 444	
1.4 Financial Management	172 132	-	432	172 564	173 152	(588)	100,3%	179 831	179 210	
1.5 Communication Services	9 073	-	(250)	8 823	8 555	268	97,0%	9 163	8 459	
<b>Total for sub programmes</b>	<b>492 335</b>	<b>122</b>	<b>7 573</b>	<b>500 030</b>	<b>499 351</b>	<b>679</b>	<b>99,9%</b>	<b>477 037</b>	<b>472 123</b>	
<b>Economic classification</b>										
<b>Current payments</b>	<b>451 977</b>	<b>122</b>	<b>2 047</b>	<b>454 146</b>	<b>453 990</b>	<b>156</b>	<b>100,0%</b>	<b>429 740</b>	<b>424 201</b>	
<b>Compensation of employees</b>	<b>323 784</b>	<b>-</b>	<b>(3 751)</b>	<b>320 033</b>	<b>320 070</b>	<b>(37)</b>	<b>100,0%</b>	<b>309 727</b>	<b>309 431</b>	
Salaries and wages	278 436	998	(4 248)	275 186	275 509	(323)	100,1%	267 060	266 866	
Social contributions	45 348	(998)	497	44 847	44 561	286	99,4%	42 667	42 565	
<b>Goods and services</b>	<b>128 193</b>	<b>122</b>	<b>5 798</b>	<b>134 113</b>	<b>133 920</b>	<b>193</b>	<b>99,9%</b>	<b>120 013</b>	<b>114 770</b>	
Administrative fees	199	(54)	30	175	167	8	95,4%	291	236	
Advertising	4 407	(632)	31	3 806	3 934	(128)	103,4%	5 436	5 369	
Minor assets	441	(124)	(26)	291	141	150	48,5%	849	664	
Audit costs: External	7 127	-	(270)	6 857	6 857	-	100,0%	6 749	6 588	
Bursaries: Employees	777	461	-	1 238	1 179	59	95,2%	2 402	2 263	
Catering: Departmental activities	257	(433)	441	265	229	36	86,4%	383	293	
Communication	12 842	(543)	2 225	14 524	14 506	18	99,9%	11 966	11 644	
Computer services	22 830	(304)	3 804	26 330	26 303	27	99,9%	17 998	17 058	
Consultants: Business and advisory services	1 534	49	(228)	1 355	1 348	7	99,5%	1 554	2 252	
Legal services	3 193	(248)	554	3 499	3 498	1	100,0%	2 524	2 521	
Contractors	896	(905)	768	759	1 203	(444)	158,5%	1 395	1 199	
Entertainment	68	13	-	81	70	11	86,4%	72	60	

## APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

Programme 1: ADMINISTRATION										
	2019/20					2018/19				
	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	
Fleet services	5 996	909	(1 008)	5 897	5 897	-	100,0%	7 461	6 383	
Inventory: Farming supplies	91	-	-	91	91	-	100,0%	351	151	
Inventory: Food and food supplies	-	-	-	-	-	-	-	211	-	
Inventory: Fuel, oil and gas	5	(8)	4	1	1	-	100,0%	16	9	
Inventory: Materials and supplies	82	(52)	10	40	37	3	92,5%	158	148	
Consumable supplies	1 747	885	(839)	1 793	1 704	89	95,0%	1 960	1 067	
Consumable: Stationery, printing and office supplies	1 948	(68)	191	2 071	1 910	161	92,2%	2 285	1 945	
Operating leases	14 295	(725)	(593)	12 977	12 851	126	99,0%	13 689	12 553	
Property payments	17 047	672	1 346	19 065	19 360	(295)	101,5%	13 272	16 319	
Travel and subsistence	21 757	764	(12)	22 509	22 439	70	99,7%	20 844	19 019	
Training and development	4 961	(794)	354	4 521	4 516	5	99,9%	4 920	4 329	
Operating payments	1 343	50	346	1 739	1 655	84	95,2%	1 410	1 194	
Venues and facilities	4 130	1 057	(1 274)	3 913	3 723	190	95,1%	1 617	1 358	
Rental and hiring	220	152	(56)	316	301	15	95,3%	200	148	
<b>Interest and rent on land</b>	-	-	-	-	<b>18</b>	<b>(18)</b>	-	-	-	
Interest paid	-	-	-	-	18	(18)	-	-	-	
<b>Transfers and subsidies</b>	<b>21 988</b>	-	<b>3 284</b>	<b>25 272</b>	<b>25 272</b>	-	<b>100,0%</b>	<b>17 428</b>	<b>18 250</b>	
<b>Households</b>	21 988	-	3 284	25 272	25 272	-	100,0%	17 428	18 250	
Social benefits	-	-	-	-	-	-	-	502	-	
<b>Other transfers to households</b>	21 988	-	3 284	25 272	25 272	-	100,0%	16 926	18 250	
<b>Payments for capital assets</b>	<b>18 370</b>	-	<b>2 237</b>	<b>20 607</b>	<b>20 084</b>	<b>523</b>	<b>97,5%</b>	<b>20 508</b>	<b>20 311</b>	
Machinery and equipment	18 370	-	1 772	20 142	20 084	58	99,7%	20 508	19 327	
Transport equipment	7 014	12	1 112	8 138	8 205	(67)	100,8%	9 329	9 311	
Other machinery and equipment	11 356	(12)	660	12 004	11 879	125	99,0%	11 179	10 016	

## APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

Programme 1: ADMINISTRATION									
2019/20					2018/19				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Software and other intangible assets	-	-	465	465	-	465	-	-	984
Payments for financial assets	-	-	5	5	5	-	100.0%	9 361	9 361
<b>TOTAL</b>	<b>492 335</b>	<b>122</b>	<b>7 573</b>	<b>500 030</b>	<b>499 351</b>	<b>679</b>	<b>99.9%</b>	<b>477 037</b>	<b>472 123</b>

1.1 Office of the MEC									
2019/20					2018/19				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification	16 151	122	247	16 520	16 588	(68)	100.4%	9 282	7 528
Current payments	7 069	-	(599)	6 470	6 477	(7)	100.1%	4 035	4 024
Goods and services	9 082	122	846	10 050	10 111	(61)	100.6%	5 247	3 504
Payments for capital assets	-	-	30	30	-	30	-	-	-
Other Machinery and equipment	-	-	30	30	-	30	-	-	-
<b>TOTAL</b>	<b>16 151</b>	<b>122</b>	<b>277</b>	<b>16 550</b>	<b>16 588</b>	<b>(38)</b>	<b>100.2%</b>	<b>9 282</b>	<b>7 528</b>

## APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

1.2 Senior Management									
2019/20					2018/19				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>									
<b>Current payments</b>	50 246	-	(1 748)	48 498	48 386	112	99.8%	47 694	48 338
Compensation of employees	38 931	-	(1 764)	37 167	37 153	14	100.0%	37 269	37 262
Goods and services	11 315	-	16	11 331	11 233	98	99.1%	10 425	11 076
<b>Payments for capital assets</b>	316	-	515	831	363	468	43.7%	207	144
Other Machinery and equipment	316	-	50	366	363	3	99.0%	207	144
Software and other intangible assets	-	-	465	465	-	465	-	-	-
<b>TOTAL</b>	50 562	-	(1 233)	49 329	48 749	580	98.8%	47 901	48 482

1.3 Corporate Services									
2019/20					2018/19				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>									
<b>Current payments</b>	212 300	-	4 476	216 776	216 430	346	99.8%	201 891	198 478
Compensation of employees	127 512	-	(1 803)	125 709	125 612	97	99.9%	121 058	121 038
Goods and services	84 788	-	6 279	91 067	90 800	267	99.7%	80 833	77 440
Interest and rent on land	-	-	-	-	18	(18)	-	-	-
<b>Transfers and subsidies</b>	21 988	-	3 263	25 251	25 251	-	100.0%	17 428	18 250
Households	21 988	-	3 263	25 251	25 251	-	100.0%	17 428	18 250
<b>Payments for capital assets</b>	10 129	-	608	10 737	10 626	111	99.0%	11 541	11 716
Machinery and equipment	10 129	-	608	10 737	10 626	111	99.0%	11 541	10 732
Software & other intangible asset	-	-	-	-	-	-	-	-	984
<b>TOTAL</b>	244 417	-	8 347	252 764	252 307	457	99.8%	230 860	228 444

## APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

1.4 Financial Management									
2019/20					2018/19				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	164 462	-	(678)	163 784	164 282	(498)	100.3%	161 951	161 623
Compensation of employees	143 867	-	665	144 532	144 720	(188)	100.1%	141 246	141 155
Goods and services	20 595	-	(1 343)	19 252	19 562	(310)	101.6%	20 705	20 468
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfer and subsidies	-	-	21	21	21	-	100.0%	-	-
Household	-	-	21	21	21	-	100.0%	-	-
Payments for capital assets	7 670	-	1 084	8 754	8 844	(90)	101.0%	8 519	8 226
Machinery and equipment	7 670	-	1 084	8 754	8 844	(90)	101.0%	8 519	8 226
Payment of financial assets	-	-	5	5	5	-	100.0%	9 361	9 361
<b>TOTAL</b>	<b>172 132</b>	<b>-</b>	<b>432</b>	<b>172 564</b>	<b>173 152</b>	<b>(588)</b>	<b>100.3%</b>	<b>179 831</b>	<b>179 210</b>

1.5 Communication Services									
2019/20					2018/19				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	8 818	-	(250)	8 568	8 304	264	96.9%	8 922	8 234
Compensation of employees	6 405	-	(250)	6 155	6 108	47	99.2%	6 119	5 952
Goods and services	2 413	-	-	2 413	2 196	217	91.0%	2 803	2 282
Payments for capital assets	255	-	-	255	251	4	98.4%	241	225
Machinery and equipment	255	-	-	255	251	4	98.4%	241	225
<b>TOTAL</b>	<b>9 073</b>	<b>-</b>	<b>(250)</b>	<b>8 823</b>	<b>8 555</b>	<b>268</b>	<b>97.0%</b>	<b>9 163</b>	<b>8 459</b>

## APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

Programme 2: SUSTAINABLE RESOURCE MANAGEMENT									
2019/20					2018/19				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Sub programme</b>									
2.1 Engineering Services	69 155	(122)	(9 494)	59 539	58 927	612	99,0%	61 274	60 397
2.2 Land Care	21 191	-	-	21 191	21 191	-	100,0%	48 418	35 640
2.3 Land Use Management	56 153	-	544	56 697	56 022	675	98,8%	53 125	52 440
2.4 Disaster Risk Management	91	-	-	91	-	91	-	91	23
	<b>146 590</b>	<b>(122)</b>	<b>(8 950)</b>	<b>137 518</b>	<b>136 140</b>	<b>1 378</b>	<b>99,0%</b>	<b>162 908</b>	<b>148 500</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>133 746</b>	<b>(314)</b>	<b>(9 815)</b>	<b>123 617</b>	<b>128 767</b>	<b>(5 150)</b>	<b>104,2%</b>	<b>145 956</b>	<b>140 098</b>
<b>Compensation of employees</b>	<b>103 884</b>	-	<b>(9 134)</b>	<b>94 750</b>	<b>94 121</b>	<b>629</b>	<b>99,3%</b>	<b>93 831</b>	<b>93 642</b>
Salaries and wages	89 818	97	(7 539)	82 376	81 904	472	99,4%	81 307	81 237
Social contributions	14 066	(97)	(1 595)	12 374	12 217	157	98,7%	12 524	12 405
<b>Goods and services</b>	<b>29 862</b>	<b>(314)</b>	<b>(681)</b>	<b>28 867</b>	<b>34 646</b>	<b>(5 779)</b>	<b>120,0%</b>	<b>52 125</b>	<b>46 456</b>
Administrative fees	193	(6)	(5)	182	174	8	95,6%	140	138
Advertising	505	16	(21)	500	490	10	98,0%	255	246
Minor assets	77	4	-	81	41	40	50,6%	166	126
Catering: Departmental activities	788	(31)	(39)	718	707	11	98,5%	620	583
Computer services	658	(82)	46	622	623	(1)	100,2%	782	561
Infrastructure and planning services	390	-	(88)	302	302	-	100,0%	486	487
Contractors	3 506	(183)	-	3 323	3 619	(296)	108,9%	17 228	13 840
Agency and support / outsourced services	-	-	-	-	-	-	-	27	27
Entertainment	2	-	-	2	1	1	50,0%	2	1
Fleet services	3 083	-	-	3 083	3 077	6	99,8%	2 920	2 536
Inventory: Farming supplies	2 480	701	(423)	2 758	2 647	111	96,0%	4 581	4 591
Inventory: Fuel, oil and gas	346	-	-	346	336	10	97,1%	417	317

## APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

Programme 2: SUSTAINABLE RESOURCE MANAGEMENT										
	2019/20					2018/19				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Inventory: Materials and supplies	2 287	201	(48)	2 440	2 439	1	100.0%	2 004	1 998	
Inventory: medical suppliers	4	(1)	-	3	2	1	66.7%	-	-	
Inventory: Other supplies	2 190	(823)	(93)	1 274	7 286	(6 012)	571.9%	9 707	8 719	
Consumable supplies	1 061	(101)	(328)	633	658	(25)	103.9%	884	678	
Consumable: Stationery, printing and office supplies	625	16	9	650	641	9	98.6%	580	499	
Operating leases	381	(31)	(57)	293	243	50	82.9%	357	346	
Property payments	6	10	(10)	6	6	-	100%	9 658	9 393	
Travel and subsistence	10 137	(98)	414	10 453	10 207	246	97.6%	939	930	
Training and development	562	155	(32)	685	683	2	99.7%	194	275	
Operating payments	265	(2)	5	268	224	44	83.6%	35	36	
Venues and facilities	224	(50)	(4)	170	165	5	97.1%	143	129	
Rental and hiring	92	(9)	(8)	75	75	-	100%	-	-	
<b>Payments for capital assets</b>	<b>12 844</b>	<b>192</b>	<b>865</b>	<b>13 901</b>	<b>7 373</b>	<b>6 528</b>	<b>53.0%</b>	<b>16 952</b>	<b>8 402</b>	
<b>Buildings and other fixed structures</b>	-	-	346	346	346	-	100.0%	621	257	
Other fixed structures	-	-	346	346	346	-	100.0%	621	257	
<b>Machinery and equipment</b>	<b>12 844</b>	<b>192</b>	<b>519</b>	<b>13 555</b>	<b>7 027</b>	<b>6 528</b>	<b>51.8%</b>	<b>16 331</b>	<b>8 145</b>	
Transport equipment	2 244	-	14	2 258	2 178	80	96.5%	2 320	2 271	
Other machinery and equipment	10 600	192	505	11 297	4 849	6 448	42.9%	14 011	5 874	
<b>Total</b>	<b>146 590</b>	<b>(122)</b>	<b>(8 950)</b>	<b>137 518</b>	<b>136 140</b>	<b>1 378</b>	<b>99.0%</b>	<b>162 908</b>	<b>148 500</b>	



## APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

Sub -Programme 2.1: Engineering Services									
2019/20					2018/19				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>65 722</b>	<b>(122)</b>	<b>(9 488)</b>	<b>56 112</b>	<b>55 651</b>	<b>461</b>	<b>99.2%</b>	<b>58 128</b>	<b>57 436</b>
Compensation of employees	57 601	-	(9 599)	48 002	47 768	234	99.5%	50 050	49 863
Goods and services	8 121	(122)	111	8 110	7 883	227	97.2%	8 078	7 573
<b>Payments for capital assets</b>	<b>3 433</b>	<b>-</b>	<b>(6)</b>	<b>3 427</b>	<b>3 276</b>	<b>151</b>	<b>95.6%</b>	<b>3 146</b>	<b>2 961</b>
Machinery and equipment	3 433	-	(7)	3 427	3 276	151	95.6%	3 146	2 961
<b>Total</b>	<b>69 155</b>	<b>(122)</b>	<b>(9 494)</b>	<b>59 939</b>	<b>58 927</b>	<b>612</b>	<b>99.0%</b>	<b>61 274</b>	<b>60 397</b>

Sub -Programme 2.2: Land Care									
2019/20					2018/19				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>13 271</b>	<b>-</b>	<b>(1 059)</b>	<b>12 212</b>	<b>18 407</b>	<b>(6 195)</b>	<b>150.7%</b>	<b>36 491</b>	<b>31 792</b>
Goods and services	13 271	-	(1 059)	12 212	18 407	(6 195)	150.7%	36 491	31 792
<b>Payments for capital assets</b>	<b>7 920</b>	<b>-</b>	<b>1 059</b>	<b>8 979</b>	<b>2 784</b>	<b>6 195</b>	<b>31.0%</b>	<b>11 927</b>	<b>3 848</b>
Buildings and other fixed structures	-	-	346	346	346	-	100.0%	621	257
Machinery and equipment	7 920	-	713	8 633	2 438	6 195	28.2%	11 306	3 591
<b>Total</b>	<b>21 191</b>	<b>-</b>	<b>-</b>	<b>21 191</b>	<b>21 191</b>	<b>-</b>	<b>100.0%</b>	<b>48 418</b>	<b>35 640</b>

## APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

Sub -Programme 2.3: Land Use Management									
2019/20					2018/19				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>54 707</b>	<b>(192)</b>	<b>732</b>	<b>55 247</b>	<b>54 709</b>	<b>538</b>	<b>99,0%</b>	<b>51 291</b>	<b>50 847</b>
Compensation of employees	46 283	-	465	46 748	46 353	395	99,2%	43 781	43 779
Goods and services	8 424	(192)	267	8 499	8 356	143	98,3%	7 510	7 068
<b>Payments for capital assets</b>	<b>1 446</b>	<b>192</b>	<b>(188)</b>	<b>1 450</b>	<b>1 313</b>	<b>137</b>	<b>90,6%</b>	<b>1 834</b>	<b>1 593</b>
Machinery and equipment	1 446	192	(188)	1 450	1 313	137	90,6%	1 834	1 593
<b>Total</b>	<b>56 153</b>	<b>-</b>	<b>544</b>	<b>56 697</b>	<b>56 022</b>	<b>675</b>	<b>98,8%</b>	<b>53 125</b>	<b>52 440</b>

Sub -Programme 2.4: Disaster Risk Management									
2019/20					2018/19				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>46</b>	<b>-</b>	<b>-</b>	<b>46</b>	<b>-</b>	<b>46</b>	<b>-</b>	<b>46</b>	<b>23</b>
Goods and services	46	-	-	46	-	46	-	46	23
<b>Payments for capital assets</b>	<b>45</b>	<b>-</b>	<b>-</b>	<b>45</b>	<b>-</b>	<b>45</b>	<b>-</b>	<b>45</b>	<b>-</b>
Machinery and equipment	45	-	-	45	-	45	-	45	-
<b>Total</b>	<b>91</b>	<b>-</b>	<b>-</b>	<b>91</b>	<b>-</b>	<b>91</b>	<b>-</b>	<b>91</b>	<b>23</b>

## APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

Programme 3: FARMER SUPPORT AND DEVELOPMENT									
2019/20									
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	2018/19 Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Sub programme</b>									
3.1 Farmer Settlement	162 642	(1 173)	3 242	164 711	159 209	5 502	96.7%	242 559	224 356
3.2 Extension and Advisory Services	450 591	219	(4 632)	446 178	445 795	383	99.9%	423 084	417 940
3.3 Food Security	186 346	954	4 756	192 056	183 265	8 791	95.4%	167 638	151 466
	<b>799 579</b>	-	<b>3 366</b>	<b>802 945</b>	<b>788 269</b>	<b>14 676</b>	<b>98.2%</b>	<b>833 282</b>	<b>793 762</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>666 371</b>	-	<b>(17 072)</b>	<b>649 299</b>	<b>654 232</b>	<b>(4 933)</b>	<b>100.8%</b>	<b>602 209</b>	<b>569 185</b>
<b>Compensation of employees</b>	<b>381 672</b>	-	<b>(4 500)</b>	<b>377 172</b>	<b>378 889</b>	<b>(1 717)</b>	<b>100.5%</b>	<b>362 092</b>	<b>359 057</b>
Salaries and wages	327 207	3 560	(4 730)	326 037	326 008	29	100.0%	310 975	308 625
Social contributions	54 465	(3 560)	230	51 135	52 881	(1 746)	100%.3	51 117	50 432
<b>Goods and services</b>	<b>284 699</b>	-	<b>(12 572)</b>	<b>272 126</b>	<b>275 343</b>	<b>(3 216)</b>	<b>101.2%</b>	<b>240 117</b>	<b>210 020</b>
Administrative fees	314	(70)	-	244	226	18	92.6%	370	291
Advertising	1 193	(291)	(28)	874	816	58	93.4%	5 480	4 952
Minor assets	14 356	(11 415)	(2 147)	794	150	644	18.9%	551	399
Bursaries: Employees	-	139	-	139	-	139	-	-	-
Catering: Departmental activities	1 123	12	-	1 135	1 126	9	99.2%	2 761	2 707
Communication	1 000	210	-	1 210	1 209	1	99.9%	3 769	3 768
Computer services	23	1 701	-	1 724	1 723	1	99.9%	726	726
Consultants: Business and advisory services	500	(500)	-	-	-	-	-	-	-
Infrastructure and planning services	3 684	(615)	(1 710)	1 359	872	487	64.2%	1 423	1 018
Legal services	-	-	-	-	-	-	-	1 059	972
Contractors	7 609	225	(648)	7 186	7 097	89	98.8%	6 355	5 193
Agency and support / outsourced services	49 660	(2 155)	759	48 264	45 707	2 557	94.7%	43 618	33 176

## APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

Programme 3: FARMER SUPPORT AND DEVELOPMENT									
2019/20									
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	2018/19
Entertainment	10	-	-	10	11	(1)	110.0%	10	9
Fleet services	7 984	-	(698)	7 286	7 257	29	99.6%	7 836	7 784
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and supplies	-	-	-	-	-	-	-	14	15
Inventory: Farming supplies	151 513	5 308	(6 457)	150 364	157 378	(7 014)	104.7%	104 059	96 845
Inventory: Food and food supplies	63	-	-	63	63	-	100.0%	283	283
Inventory: Fuel, oil and gas	1 068	(17)	-	1 051	1 052	(1)	100.1%	838	826
Inventory: Materials and supplies	5 728	(424)	(475)	4 829	5 390	(561)	111.6%	15 127	14 394
Inventory: Medical supplies	-	390	-	390	-	390	-	-	-
Inventory: Other supplies	4 304	71	(1 174)	3 201	3 619	(418)	113.1%	4 640	3 963
Consumable supplies	4 387	305	(246)	4 446	4 448	(2)	100.0%	3 844	3 271
Consumable: Stationery, printing and office supplies	1 200	(24)	(3)	1 173	1 125	48	95.9%	1 201	1 215
Operating leases	330	(95)	(5)	230	195	35	84.8%	1 063	981
Property payments	5	110	(2)	113	79	34	69.9%	1 216	1 146
Travel and subsistence	22 384	5 040	(48)	27 376	27 184	192	99.3%	26 638	26 333
Training and development	210	1 675	312	2 197	2 197	-	100.0%	1 674	1 548
Operating payments	1 478	197	-	1 675	1 683	(8)	100.5%	2 210	2 195
Venues and facilities	3 684	(7)	(1)	3 676	3 621	55	98.5%	2 238	1 861
<b>Rental and hiring</b>	889	230	(1)	1 118	1 115	3	99.7%	1 114	1 095
<b>Interest and rent on land</b>	-	-	-	-	-	-	-	-	108
Interest	-	-	-	-	-	-	-	-	108
Transfers and subsidies	<b>18 449</b>	-	(852)	<b>17 597</b>	<b>17 597</b>	-	<b>100.0%</b>	<b>91 663</b>	<b>98 600</b>
Departmental agencies and accounts	18 449	-	(852)	17 597	17 597	-	100.0%	62 529	62 530
Departmental agencies	18 449	-	(852)	17 597	17 597	-	100.0%	62 529	62 530

## APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

Programme 3: FARMER SUPPORT AND DEVELOPMENT									
2019/20									
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	2018/19 Actual expenditure
<b>Public corporations and private enterprises</b>	-	-	-	-	-	-	-	27 234	34 170
Private enterprises	-	-	-	-	-	-	-	27 234	34 170
Subsidies on products and production	-	-	-	-	-	-	-	8 627	10 422
Other transfers to private enterprises	-	-	-	-	-	-	-	18 607	23 748
<b>Non-profit institutions</b>	-	-	-	-	-	-	-	1 900	1 900
Households	-	-	-	-	-	-	-	1 900	1 900
<b>Payments for capital assets</b>	<b>114 759</b>	-	<b>21 290</b>	<b>136 049</b>	<b>116 440</b>	<b>19 609</b>	<b>85.6%</b>	<b>139 410</b>	<b>125 977</b>
<b>Buildings and other fixed structures</b>	82 518	(303)	14 307	96 522	91 912	4 610	95.2%	96 650	87 252
Buildings	37 243	(4 409)	542	33 376	31 679	1 697	94.9%	55 031	48 450
Other fixed structures	45 275	4 106	13 765	63 146	60 223	2 913	95.4%	41 619	38 802
<b>Machinery and equipment</b>	23 041	2 403	642	26 086	24 528	1 558	94.0%	42 759	38 725
Transport equipment	8 406	-	1 796	10 202	10 046	156	98.5%	9 443	9 381
Other machinery and equipment	14 635	2 403	(1 154)	15 884	14 482	1 402	91.2%	33 316	29 344
<b>Biological assets</b>	<b>9 200</b>	<b>(2 100)</b>	<b>6 341</b>	<b>13 441</b>	<b>-</b>	<b>13 441</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>799 579</b>	<b>-</b>	<b>3 366</b>	<b>802 945</b>	<b>788 269</b>	<b>14 676</b>	<b>98.2%</b>	<b>833 282</b>	<b>793 762</b>

## APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

Sub -Programme 3.1: Farmer Settlement									
2019/20					2018/19				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>									
<b>Current payments</b>	60 237	(1 173)	(15 065)	43 999	43 653	346	99.2%	64 282	57 152
Compensation of employees	17 242		220	17 462	17 453	9	99.9%	17 647	17 122
Goods and services	42 995	(1 173)	(15 285)	26 537	26 200	337	98.7%	46 635	40 030
<b>Transfer and subsidies</b>	16 360	-	-	16 360	16 360	-	100.0	61 579	61 580
Departmental agencies and accounts	16 360	-	-	16 360	16 360	-	100.0%	57 529	57 530
Public corporations and private enterprises	16 360	-	-	16 360	16 360	-	100.0%	4 050	4 050
<b>Payments for capital assets</b>	86 045	-	18 307	104 352	99 196	5 156	95.1%	116 699	105 624
Buildings and other fixed structures	82 518	(303)	14 307	96 522	91 912	4 610	95.2%	96 650	87 252
Machinery and equipment	3 527	303	4 000	7 830	7 284	546	93.0%	20 049	18 372
<b>Total</b>	162 642	(1 173)	3 242	164 711	159 209	5 502	96.7%	242 559	224 356

Sub -Programme 3.2: Extension And Advisory Services									
2019/20					2018/19				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>									
<b>Current payments</b>	434 209	219	(4 777)	429 651	429 881	(230)	100.1%	402 858	397 951
Compensation of employees	361 724		(4 620)	357 104	358 864	(1 760)	100.5%	342 014	339 522
Goods and services	72 485	219	(157)	72 547	71 017	1 530	97.9%	60 844	58 408
interest	-	-	-	-	-	-	-	-	21
<b>Payments for capital assets</b>	16 382	-	145	16 527	15 914	613	96.3%	20 226	19 989
Machinery and equipment	16 382	-	145	16 527	15 914	613	96.3%	20 226	19 989
<b>Total</b>	450 591	219	(4 632)	446 178	445 795	383	99.9%	423 084	417 940

## APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

Sub -Programme 3.3: Food Security										
	2019/20					2018/19				
	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	
<b>Economic classification</b>										
<b>Current payments</b>	<b>171 925</b>	<b>954</b>	<b>2 770</b>	<b>175 649</b>	<b>180 698</b>	<b>(5 049)</b>	<b>102.9%</b>	<b>135 069</b>	<b>114 082</b>	
Compensation of employees	2 706	-	(100)	2 606	2 572	34	98.7%	2 431	2 413	
Goods and services	169 219	954	2 870	173 043	178 126	(5 083)	102.9%	132 638	111 582	
Interest	-	-	-	-	-	-	-	-	87	
<b>Transfers and subsidies</b>	<b>2 089</b>	<b>-</b>	<b>(852)</b>	<b>1 237</b>	<b>1 237</b>	<b>-</b>	<b>100.0%</b>	<b>30 084</b>	<b>37 020</b>	
Departmental agencies and accounts	2 089	-	(852)	1 237	1 237	-	100.0%	5000	5000	
Public corporations and private enterprises	-	-	-	-	-	-	-	23 184	30 120	
Households	-	-	-	-	-	-	-	1 900	1 900	
<b>Payments for capital assets</b>	<b>12 332</b>	<b>-</b>	<b>2 838</b>	<b>15 170</b>	<b>1 330</b>	<b>13 840</b>	<b>8.8%</b>	<b>2 485</b>	<b>364</b>	
Machinery and equipment	3 132	2 100	(3 503)	1 729	1 330	399	76.9%	2 485	364	
Biological assets	9 200	(2 100)	6 341	13 441	-	13 441	-	-	-	
<b>Total</b>	<b>186 346</b>	<b>954</b>	<b>4 756</b>	<b>192 056</b>	<b>183 265</b>	<b>8 791</b>	<b>95.4%</b>	<b>167 638</b>	<b>151 466</b>	

## APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

Programme 4: VETERINARY SERVICE									
2019/20					2018/19				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Sub programme</b>									
4.1 Animal Health	289 263	54	(6 714)	282 603	282 051	553	99.8%	273 339	269 632
4.2 Export Control	10 678	-	(145)	10 533	10 442	91	99.1%	10 146	8 694
4.3 Veterinary Public Health	17 508	(54)	(886)	16 568	16 410	158	99.0%	16 678	15 784
4.4 Veterinary Laboratory Services	22 106	-	(164)	21 942	21 733	209	99.0%	26 495	22 026
	<b>339 555</b>	<b>-</b>	<b>(7 909)</b>	<b>331 646</b>	<b>330 636</b>	<b>1 010</b>	<b>99.7%</b>	<b>326 659</b>	<b>316 136</b>
<b>Economic classification</b>									
Current payments	325 346	-	(4 150)	321 196	320 796	400	99.9%	312 714	306 550
<b>Compensation of employees</b>	255 007	-	(6 700)	248 307	248 219	88	100.0%	244 851	241 233
Salaries and wages	219 764	294	(6 969)	213 089	212 973	116	99.9%	211 136	207 519
Social contributions	35 243	(294)	269	35 218	35 246	(28)	100.1%	33 715	33 714
<b>Goods and services</b>	70 339	-	2 550	72 889	72 577	312	99.6%	67 863	65 317
Administrative fees	502	(72)	(31)	399	360	39	90.2%	2 281	2 232
Advertising	229	138	(168)	199	161	38	80.9%	215	123
Minor assets	543	156	(88)	611	498	113	81.5%	208	335
Catering: Departmental activities	303	(45)	-	258	252	6	97.7%	255	216
Communication	16	50	-	66	64	2	96.5%	26	24
Computer services	81	186	(197)	70	70	-	100.0%	47	47
Consultants: Business and advisory services	-	-	-	-	-	-	-	500	28
Laboratory services	461	38		499	468	31	93.8%	501	308
Contractors	899	(147)	(221)	531	525	6	98.9%	543	395
Entertainment	6	-	-	6	6	-	100.0%	6	6
Fleet services	3 782	1 472	(59)	5 195	5 193	2	98.7%	5 358	5 358
Inventory: Farming supplies	2	(402)	4 200	3 800	3 800	-	100.0%	3	2
Inventory: Fuel, oil and gas	192	(79)		113	110	3	97.3%	154	119



## APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

Programme 4: VETERINARY SERVICE									
2019/20									
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	2018/19 Actual expenditure
Inventory: Materials and supplies	566	(294)	(13)	279	263	16	94.3%	49	1
Inventory: Medical supplies	2 994	(185)	(195)	2 614	2 550	64	97.6%	842	823
Inventory: Medicine	33 916	(1 590)	(38)	32 288	32 215	73	99.8%	33 068	32 706
Inventory: Other supplies	567	(28)	(2)	537	496	41	92.4%	635	532
Consumable supplies	737	(224)	(35)	477	549	(72)	115.1%	624	543
Consumable: Stationery, printing and office supplies	842	(43)	(17)	782	755	27	96.5%	809	759
Operating leases	234	850	(97)	987	983	4	99.6%	371	241
Property payments	818	(222)	(57)	983	957	26	97.4%	1 167	864
Travel and subsistence	20 577	682	(346)	20 913	20 921	(8)	100.0%	17 879	17 525
Training and development	118	(57)	(61)	-	-	-	-	105	-
Operating payments	1 559	(718)	(24)	817	920	(103)	112.6%	1 763	1 717
Venues and facilities	237	150	-	387	385	2	99.5%	306	269
Rental and hiring	138	(60)	-	78	76	2	97.4%	148	144
<b>Transfer and subsidies</b>	5 200	-	(4 200)	1 000	1 000	-	100.0%	-	-
<b>Household</b>	5 200	-	(4 200)	1 000	1 000	-	100.0%	-	-
<b>Payments for capital assets</b>	<b>9 009</b>	<b>-</b>	<b>(349)</b>	<b>8 660</b>	<b>8 050</b>	<b>610</b>	<b>93.0%</b>	<b>13 945</b>	<b>9 586</b>
<b>Buildings and other fixed structures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>467</b>	<b>176</b>
Other fixed structures	-	-	-	-	-	-	-	467	176
<b>Machinery and equipment</b>	<b>9 009</b>	<b>-</b>	<b>(349)</b>	<b>8 660</b>	<b>8 050</b>	<b>610</b>	<b>93.0%</b>	<b>13 478</b>	<b>9 410</b>
Transport equipment	2 480	60	169	2 709	2 451	258	90.5%	5 784	5 784
Other machinery and equipment	6 529	(60)	(518)	5 951	5 599	352	94.1%	7 694	3 626
Payment of financial assets	-	-	790	790	790	-	100.0%	-	-
<b>TOTAL</b>	<b>339 555</b>	<b>-</b>	<b>(7 909)</b>	<b>331 646</b>	<b>330 636</b>	<b>1 010</b>	<b>99.7%</b>	<b>326 659</b>	<b>316 136</b>

## APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

Sub-Programme 4.1: Animal Health											
2019/20						2018/19					
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
<b>Economic classification</b>											
<b>Current payments</b>	277 312	54	(2 886)	274 480	274 385	96	100.0%	263 943	260 944		
Compensation of employees	215 726	54	(6 300)	209 480	209 469	11	100.0%	206 922	204 471		
Goods and services	61 586	-	3 414	65 000	64 916	85	99.9%	57 021	56 473		
<b>Transfer and subsidies</b>	5 200	-	(4 200)	1 000	1 000	-	100.0%	-	-		
<b>household</b>	5 200	-	(4 200)	1 000	1 000	-	100.0%	-	-		
<b>Payments for capital assets</b>	6 751	-	372	7 123	6 666	457	93.6%	9 396	8 688		
Machinery and equipment	6 751	-	372	7 123	6 666	457	93.6%	9 396	8 688		
<b>Total</b>	289 263	54	(6 714)	282 603	282 051	553	99.8%	273 339	269 632		

Programme 4.2: Export Control											
2019/20						2018/19					
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
<b>Economic classification</b>											
<b>Current payments</b>	10 508	-	(191)	10 317	10 343	(26)	100.3%	10 016	8 623		
Compensation of employees	8 868	-	104	8 972	8 971	1	100.0%	8 150	7 467		
Goods and services	1 640	-	(295)	1 345	1 372	(27)	102.0%	1 867	1 185		
<b>Payments for capital assets</b>	170	-	46	216	99	117	45.8%	130	42		
Machinery and equipment	170	-	46	216	99	117	45.8%	130	42		
<b>Total</b>	10 678	-	(145)	10 533	10 442	91	99.1%	10 146	8 694		

## APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

Sub -Programme 4.3: Veterinary Public Health									
2019/20					2018/19				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>	<b>17 286</b>	<b>(54)</b>	<b>(972)</b>	<b>16 260</b>	<b>16 124</b>	<b>136</b>	<b>99.2%</b>	<b>16 430</b>	<b>15 651</b>
Current payments	14 472	(54)	(694)	13 724	13 651	73	99.5%	13 549	13 065
Compensation of employees	2 814	-	(278)	2 536	2 473	63	97.5%	2 881	2 586
Goods and services	222	-	86	308	286	22	92.9%	248	133
<b>Payments for capital assets</b>	<b>222</b>	<b>-</b>	<b>86</b>	<b>308</b>	<b>286</b>	<b>22</b>	<b>92.9%</b>	<b>248</b>	<b>133</b>
Machinery and equipment	222	-	86	308	286	22	92.9%	248	133
<b>Total</b>	<b>17 508</b>	<b>(54)</b>	<b>(886)</b>	<b>16 568</b>	<b>16 410</b>	<b>158</b>	<b>99.0%</b>	<b>16 678</b>	<b>15 784</b>

Sub -Programme 4.4: Veterinary Lab Service									
2019/20					2018/19				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>	<b>20 240</b>	<b>-</b>	<b>(101)</b>	<b>20 139</b>	<b>19 944</b>	<b>195</b>	<b>99.0%</b>	<b>22 324</b>	<b>21 303</b>
Current payments	15 941	-	190	16 131	16 128	3	100.0%	16 230	16 230
Compensation of employees	4 299	-	(291)	4 008	3 816	192	95.2%	6 094	5 073
Goods and services	1 866	-	(853)	1 013	999	14	98.6%	4 171	723
<b>Payments for capital assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>467</b>	<b>176</b>
Building and other fixed structure	1 866	-	(853)	1 013	999	14	98.6%	3 704	547
Machinery and equipment	-	-	790	790	790	-	100.0%	-	-
Payment of financial assets	22 106	-	(164)	21 942	21 733	209	99.0%	26 495	22 026
<b>Total</b>	<b>22 106</b>	<b>-</b>	<b>(164)</b>	<b>21 942</b>	<b>21 733</b>	<b>209</b>	<b>99.0%</b>	<b>26 495</b>	<b>22 026</b>

## APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

PROGRAMME 5: RESEARCH AND TECHNOLOGY DEVELOPMENT									
	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
5.1 Research	130 695	-	(316)	130 379	130 269	110	99.9%	127 681	126 766
5.2 Technology Transfer Services	6 596	-	(360)	6 236	6 001	235	96.2%	6 424	5 483
5.3 Infrastructure Support Services	1 742	-	(406)	1 336	1 260	76	94.3%	1 653	1 281
<b>Total for sub programmes</b>	<b>139 033</b>	<b>-</b>	<b>(1 082)</b>	<b>137 951</b>	<b>137 530</b>	<b>421</b>	<b>99.7%</b>	<b>135 758</b>	<b>133 530</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>134 484</b>	<b>-</b>	<b>(3 574)</b>	<b>130 910</b>	<b>131 046</b>	<b>(136)</b>	<b>100.1%</b>	<b>131 326</b>	<b>129 647</b>
<b>Compensation of employees</b>	<b>113 486</b>	<b>-</b>	<b>(2 608)</b>	<b>110 878</b>	<b>110 851</b>	<b>27</b>	<b>100.0%</b>	<b>109 486</b>	<b>108 875</b>
Salaries and wages	96 617	1 250	(2 908)	94 959	94 872	87	99.9%	93 895	93 485
Social contributions	16 869	(1 250)	300	15 919	15 979	(60)	100.4%	15 591	15 390
<b>Goods and services</b>	<b>20 998</b>		<b>(966)</b>	<b>20 032</b>	<b>20 195</b>	<b>(163)</b>	<b>100.8%</b>	<b>21 840</b>	<b>20 772</b>
Administrative fees	676	(14)	-	662	633	29	95.6%	563	520
Advertising	109	(109)	-	-	-	-	-	4	4
Minor assets	121	83	-	204	111	93	54.4%	245	159
Catering: Departmental activities	346	(156)	-	190	177	13	93.2%	89	83
Communication	43	(20)	-	23	17	6	73.9%	22	15
Computer services	1 135	6	(56)	1 085	898	187	82.8%	876	788
Infrastructure and planning services	500	-	-	500	218	282	43.6%	332	80
Contractors	1 732	(46)	(356)	1 330	972	358	73.1%	1 850	1 468
Entertainment	18	(1)	-	17	11	6	64.7%	14	16
Fleet services	557	-	-	557	528	29	94.8%	475	468
Inventory: Farming supplies	3 873	(320)	(150)	3 403	2 920	483	85.8%	6 531	4 634
Inventory: Food and food supplies	946	(151)	-	795	657	138	82.6%	561	551
Inventory: Fuel, oil and gas	38	-	-	38	18	20	47.4%	29	29

## APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

PROGRAMME 5: RESEARCH AND TECHNOLOGY DEVELOPMENT									
	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Inventory: Learner and teacher support material	920	30	(40)	910	682	228	74.9%	975	602
Inventory: Medicine	500	-	-	500	498	2	99.6%	437	428
Inventory: Other supplies	59	-	-	59	228	(169)	386.4%	129	117
Consumable supplies	867	(18)	(10)	839	623	216	74.3%	1 006	755
Consumable: Stationery, printing and office supplies	581	(128)	(29)	424	380	44	89.6%	376	303
Operating leases	647	100	-	747	669	78	89.6%	47	44
Property payments	849	(60)	-	789	566	223	71.7%	1 162	1 054
Travel and subsistence	5 854	915	(203)	6 566	8 970	(2 404)	136.6%	5 158	7 733
Training and development	-	-	-	-	-	-	-	89	75
Operating payments	272	(91)	(122)	59	84	(25)	142.4%	281	266
Venues and facilities	335	-	-	335	335	-	100.0%	-	-
Rental and hiring	20	(20)	-	-	-	-	-	588	580
<b>Transfers and subsidies</b>	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	2 492	2 494	2 492	-	100.0%	-	-
<b>Household</b>	-	-	2 492	2 494	2 492	-	100.0%	-	-
<b>Payments for capital assets</b>	4 549	-	-	4 549	3 992	557	87.8%	4 432	3 883
Buildings and other fixed structures	900	(900)	-	-	-	-	-	-	-
Machinery and equipment	3 399	1 033	-	4 432	3 877	557	87.5%	4 232	3 690
Transport equipment	825	-	-	825	790	35	95.8%	755	755
Other machinery and equipment	2 574	1 033	-	3 607	3 087	520	86.6%	3 477	2 935
Biological assets	250	(133)	-	117	115	1	99.3%	200	193
<b>Total</b>	<b>139 033</b>	<b>-</b>	<b>(1 082)</b>	<b>137 951</b>	<b>137 530</b>	<b>421</b>	<b>99.7%</b>	<b>135 758</b>	<b>133 530</b>

## APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

SUB -PROGRAMME 5.1: RESEARCH									
2019/20					2018/19				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>	<b>126 146</b>	<b>-</b>	<b>(2 808)</b>	<b>123 338</b>	<b>123 785</b>	<b>(447)</b>	<b>100,4%</b>	<b>123 277</b>	<b>122 898</b>
Current payments	110 666	-	(2 608)	108 058	108 009	49	100,0%	106 596	106 193
Compensation of employees	15 480	-	(200)	15 280	15 776	(496)	103,2%	16 681	16 705
Goods and services	-	-	2 492	2 492	2 492	-	100,0%	-	-
<b>Transfer and subsidies household</b>	<b>-</b>	<b>-</b>	<b>2 492</b>	<b>2 492</b>	<b>2 492</b>	<b>-</b>	<b>100,0%</b>	<b>-</b>	<b>-</b>
<b>Payments for capital assets</b>	<b>4 549</b>	<b>-</b>	<b>-</b>	<b>4 549</b>	<b>3 992</b>	<b>557</b>	<b>87,8%</b>	<b>4 404</b>	<b>3 868</b>
Building and other fixed structure	900	(900)	-	-	-	-	-	-	-
Machinery and equipment	3 399	1 033	-	4 432	3 877	556	87,5%	4 204	3 675
Biological assets	250	(133)	-	117	115	1	99,1%	200	193
<b>Total</b>	<b>130 695</b>	<b>-</b>	<b>(316)</b>	<b>130 379</b>	<b>130 269</b>	<b>110</b>	<b>99,9</b>	<b>127 681</b>	<b>126 766</b>

SUB -PROGRAMME 5.2: TECHNOLOGY TRANSFER SERVICES									
2019/20					2018/19				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>	<b>6 596</b>	<b>-</b>	<b>(360)</b>	<b>6 236</b>	<b>6 001</b>	<b>235</b>	<b>96,2</b>	<b>6 396</b>	<b>5 468</b>
Current payments	2 820	-	-	2 820	2 842	(22)	100,8%	2 890	2 689
Compensation of employees	3776	-	(360)	3 416	3 159	257	92,5%	3 506	2 779
Goods and services	-	-	-	-	-	-	-	28	15
<b>Payments for capital assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28</b>	<b>15</b>
Machinery and equipment	6 596	-	(360)	6 236	6 001	235	96,2%	6 424	5 483
<b>Total</b>	<b>6 596</b>	<b>-</b>	<b>(360)</b>	<b>6 236</b>	<b>6 001</b>	<b>235</b>	<b>96,2%</b>	<b>6 424</b>	<b>5 483</b>

## APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

SUB -PROGRAMME 5.3: INFRASTRUCTURE SUPPORT SERVICES									
2019/20					2018/19				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>									
<b>Current payments</b>	1 742	-	(406)	1 336	1 260	76	94.3%	1 653	1 281
Compensation of employees	-	-	-	-	-	-	-	-	(7)
Goods and services	1 742	-	(406)	1 336	1 260	76	94.3%	1 653	1 288
<b>Total</b>	1 742	-	(406)	1 336	1 260	76	94.3%	1 653	1 281

Programme 6: AGRICULTURAL ECONOMICS SERVICE									
2019/20					2018/19				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic Classification</b>									
<b>Sub programme</b>									
6.1 Production Economics & Marketing Support	3 864	-	(438)	3 426	3 226	200	94.2%	60 980	60 406
6.2 Macroeconomics Support	30 094	-	802	30 896	30 878	18	99.9%	27 785	27 525
	33 958	-	364	34 322	34 104	218	99.4%	88 765	87 931
<b>Economic classification</b>									
<b>Current payments</b>	33 365	(17)	364	33 712	33 610	102	99.7%	31 411	30 883
<b>Compensation of employees</b>	30 102	-	500	30 602	30 483	119	99.6%	28 017	28 016
Salaries and wages	26 278	(62)	405	26 621	26 537	84	99.7%	24 373	24 373
Social contributions	3 824	62	95	3 981	3 946	35	99.1%	3 644	3 643
<b>Goods and services</b>	3 263	(16)	(136)	3 110	3 127	(17)	100.5%	3 394	2 867
Administrative fees	29	(13)	-	16	16	-	100.0%	65	34
Advertising	-	-	-	-	-	-	-	22	21

## APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

Programme 6: AGRICULTURAL ECONOMICS SERVICE									
2019/20									
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Minor assets	9	(3)	4	8	-	8	-	78	42
Catering: Departmental activities	96	-	(8)	87	78	9	89.7%	89	42
Infrastructure and planning services	-	-	-	-	-	-	-	15	14
Entertainment	7	-	-	7	4	3	57.1%	6	4
Fleet services	112	-	-	112	112	-	100.0%	106	106
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	2
Consumable supplies	16	(20)	4	-	-	-	-	14	14
Consumable: Stationery, printing and office supplies	293	-	(198)	95	85	10	89.5%	135	108
Operating Leases	(159)	-	159	-	-	-	-	-	-
Travel and subsistence	2 611	13	(89)	2 535	2 522	13	99.5%	2 592	2 414
Operating payments	250	-	-	250	310	(60)	124.0%	232	50
Venues and facilities	-	-	-	-	-	-	-	40	16
<b>Transfers and subsidies</b>	-	-	-	-	-	-	-	<b>56 813</b>	<b>56 813</b>
<b>Departmental agencies and accounts</b>	-	-	-	-	-	-	-	<b>56 813</b>	<b>56 813</b>
Departmental agencies	-	-	-	-	-	-	-	56 813	56 813
<b>Payments for capital assets</b>	<b>593</b>	<b>17</b>	-	<b>610</b>	<b>494</b>	<b>116</b>	<b>81.1%</b>	<b>541</b>	<b>235</b>
<b>Machinery and equipment</b>	<b>593</b>	<b>17</b>	-	<b>610</b>	<b>494</b>	<b>116</b>	<b>81.1%</b>	<b>541</b>	<b>235</b>
Transport equipment	340	-	-	340	323	17	95.0%	101	101
Other machinery and equipment	253	17	-	270	171	99	63.3%	440	134
<b>Total</b>	<b>33 958</b>	<b>-</b>	<b>364</b>	<b>34 322</b>	<b>34 104</b>	<b>218</b>	<b>99.4%</b>	<b>88 765</b>	<b>87 931</b>



## APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

SUB -PROGRAMME 6.1: PRODUCTION ECONOMICS AND MARKETING SUPPORT									
2019/20					2018/19				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>									
<b>Current payments</b>	3 774	-	(438)	3 336	3 167	169	94.9%	3 899	3 593
Compensation of employees	3 337	-	(400)	2 937	2 872	65	97.8%	3 270	3 270
Goods and services	437	-	(38)	399	295	104	73.9%	629	323
<b>Transfers and subsidies</b>	-	-	-	-	-	-	-	56 813	56 813
Departmental agencies and accounts	-	-	-	-	-	-	-	56 813	56 813
<b>Payments for capital assets</b>	90	-	-	90	59	31	65.6%	268	-
Machinery and equipment	90	-	-	90	59	31	65.6%	268	-
<b>Total</b>	3 864	-	(438)	3 426	3 226	200	94.2%	60 980	60 406

SUB -PROGRAMME 6.2: MACRO-ECONOMICS SUPPORT									
2019/20					2018/19				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>									
<b>Current payments</b>	29 591	(17)	802	30 376	30 443	(67)	100.2%	27 512	27 290
Compensation of employees	26 765	-	900	27 665	27 611	54	99.8%	24 747	24 746
Goods and services	2 826	(17)	(98)	2 711	2 832	(121)	104.5%	2 765	2 544
<b>Payments for capital assets</b>	503	17	-	520	435	85	83.7%	273	235
Machinery and equipment	503	17	-	520	435	85	83.7%	273	235
<b>Total</b>	30 094	-	802	30 896	30 878	18	99.9%	27 785	27 525

## APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

Programme 7: STRUCTURED AGRICULTURAL EDUCATION AND TRAINING									
2019/20									
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	2018/19 Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Sub programme</b>									
7.1 Higher Education and Training	58 704	-	-	58 704	58 704	-	100.0%	57 218	57 218
7.2 Further Education & Training (FET)	109 529	-	6 638	116 167	110 078	6 089	94.8%	109 818	104 544
	<b>168 233</b>	-	<b>6 638</b>	<b>174 871</b>	<b>168 782</b>	<b>6 089</b>	<b>96.5%</b>	<b>167 036</b>	<b>161 762</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>88 272</b>	-	<b>6 222</b>	<b>94 494</b>	<b>93 628</b>	<b>866</b>	<b>99.1%</b>	<b>86 032</b>	<b>82 087</b>
<b>Compensation of employees</b>	<b>62 310</b>	-	<b>5 500</b>	<b>67 810</b>	<b>67 674</b>	<b>136</b>	<b>99.8%</b>	<b>59 573</b>	<b>59 575</b>
Salaries and wages	53 450	-	4 800	58 250	58 131	119	99.8%	51 284	51 287
Social contributions	8 860	-	700	9 560	9 543	17	99.8%	8 288	8 288
<b>Goods and services</b>	<b>25 962</b>	-	<b>722</b>	<b>26 684</b>	<b>25 954</b>	<b>730</b>	<b>97.3%</b>	<b>26 460</b>	<b>22 515</b>
Administrative fees	12	217	-	229	-	229	-	80	31
Advertising	14	(10)	-	4	2	2	50.0%	46	108
Minor assets	57	(10)	-	47	23	24	48.9%	136	23
Catering: Departmental activities	7 224	(815)	300	6 709	6 115	594	91.1%	5 381	5 344
Communication	7	(7)	-	-	-	-	-	33	26
Infrastructure and planning services	87	-	-	87	87	-	100.0%	510	418
Contractors	165	6	285	456	400	56	87.7%	122	104
Entertainment	4	-	-	4	3	1	75.0%	10	4
Fleet services	1 829	-	(416)	1 413	1 413	-	100.0%	1 741	1 731
Inventory: Farming supplies	152	(51)	-	101	99	2	98.0%	186	141
Inventory: Food and food supplies	40	-	-	40	63	(23)	157.5%	138	138
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	19	4
Inventory: Learner and teacher support material	36	330	-	366	360	6	98.4%	38	-
Inventory: Materials and supplies	53	-	-	53	51	2	96.2%	-	-

## APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

Programme 7: STRUCTURED AGRICULTURAL EDUCATION AND TRAINING									
2019/20									
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	2018/19 Actual expenditure
Inventory: Medical supplies	30	(14)	-	16	15	1	93.8%	-	-
Inventory: Medicine	53	3	-	56	40	16	71.4%	15	173
Inventory: Other supplies	278	(65)	-	213	702	(489)	329.6%	200	711
Consumable supplies	126	(92)	180	214	283	(69)	132.2%	669	396
Consumable: Stationery, printing and office supplies	115	22	-	137	117	20	85.4%	191	172
Operating leases	244	56	-	300	271	29	90.3%	229	152
Property payments	168	(57)	-	111	101	10	91.0%	359	1 325
Travel and subsistence	2 962	(64)	-	2 898	3 131	(233)	108.0%	3 098	3 285
Training and development	12 107	564	-	12 671	12 140	531	95.8%	12 235	7 324
Operating payments	24	(14)	-	10	92	(82)	920.0%	33	57
Venues and facilities	175	1	-	176	175	1	99.4%	-	-
Rental and hiring	-	-	373	373	271	102	72.7%	991	845
<b>Transfers and subsidies</b>	<b>58 704</b>	<b>-</b>	<b>-</b>	<b>58 704</b>	<b>58 704</b>	<b>-</b>	<b>100.0%</b>	<b>57 218</b>	<b>57 218</b>
<b>Higher education institutions</b>	<b>58 704</b>	<b>-</b>	<b>-</b>	<b>58 704</b>	<b>58 704</b>	<b>-</b>	<b>100.0%</b>	<b>57 218</b>	<b>57 218</b>
<b>Payments for capital assets</b>	<b>21 257</b>	<b>-</b>	<b>416</b>	<b>21 673</b>	<b>16 450</b>	<b>5 223</b>	<b>75.9%</b>	<b>23 785</b>	<b>22 457</b>
Buildings and other fixed structures	14 601	(3 853)	(2 000)	8 748	7 533	1 215	86.1%	18 976	17 495
Buildings	2 289	126	-	2 415	2 008	407	83.1%	1 884	1 404
Other fixed structures	12 312	(3 979)	(2 000)	6 333	5 525	808	87.2%	17 092	16 091
<b>Machinery and equipment</b>	<b>6 656</b>	<b>3 853</b>	<b>2 416</b>	<b>12 925</b>	<b>8 917</b>	<b>4 008</b>	<b>69.0%</b>	<b>4 809</b>	<b>4 962</b>
Transport equipment	2 905	317	416	3 638	3 635	3	99.9%	2 724	2 725
Other machinery and equipment	3 751	3 536	2 000	9 287	5 282	4 005	56.9%	2 085	2 237
<b>Totals</b>	<b>168 233</b>	<b>-</b>	<b>6 638</b>	<b>174 871</b>	<b>168 782</b>	<b>6 089</b>	<b>96.5%</b>	<b>167 036</b>	<b>161 762</b>

## APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

SUB -PROGRAMME 7.1: HIGHER EDUCATION AND TRAINING									
2019/20					2018/19				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>									
<b>Transfers and subsidies</b>	58 704	-	-	58 704	58 704	-	100.0%	57 218	57 218
Higher Education	58 704	-	-	58 704	58 704	-	100.0%	57 218	57 218
<b>Totals</b>	58 704	-	-	58 704	58 704	-	100.0%	57 218	57 218

SUB -PROGRAMME 7.2: FURTHER EDUCATION AND TRAINING									
2019/20					2018/19				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>									
<b>Current payments</b>	88 272	-	6 222	94 494	93 628	866	99.1%	86 033	82 087
Compensation of employees	62 310	-	5 500	67 810	67 674	136	99.8%	59 573	59 575
Goods and services	25 962	-	722	26 684	25 954	730	97.3%	26 460	22 512
<b>Payments for capital assets</b>	21 257	-	416	21 673	16 450	5 223	75.9%	23 785	22 457
Buildings and other fixed structures	14 601	(3 853)	(2 000)	8 748	7 533	1 215	86.1%	18 976	17 495
Machinery and equipment	6 656	3 853	2 416	12 925	8 917	4 008	69.0%	4 809	4 962
<b>Total</b>	109 529	-	6 638	116 167	110 078	6 089	94.8%	109 818	104 544

## APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

PROGRAMME 8: RURAL DEVELOPMENT COORDINATION									
2019/20					2018/19				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Sub programme</b>									
8.1 Development Planning and Monitoring	265 069	-	1 049	266 118	276 028	(910)	100.3%	191 224	188 885
8.2 Social Facilitation	20 572	-	(1 049)	19 523	18 263	1 260	93.5%	1 464	908
	<b>285 641</b>	-	-	<b>285 641</b>	<b>285 291</b>	<b>350</b>	<b>99.9%</b>	<b>192 688</b>	<b>189 793</b>
<b>Economic classification</b>									
<b>Current payments</b>	<b>31 744</b>	-	-	<b>31 744</b>	<b>31 463</b>	<b>281</b>	<b>99.1%</b>	<b>28 671</b>	<b>26 094</b>
<b>Compensation of employees</b>	17 593	-	-	17 593	17 085	508	97.1%	16 581	16 515
Salaries and wages	15 712	-	(40)	15 672	15 253	419	97.3%	14 845	14 788
Social contributions	1 881	-	40	1 921	1 832	89	95.4%	1 736	1 727
<b>Goods and services</b>	14 151	-	-	14 151	14 378	(227)	101.6%	12 090	9 579
Administrative fees	16	8	-	24	17	7	70.8%	61	15
Minor assets	10	-	-	10	2	8	20.0%	38	15
Catering: Departmental activities	120	(60)	-	60	58	2	96.7%	185	90
Communication	1	-	-	1	1	-	100.0%	1	-
Contractors	2 196	(4)	-	2 192	2 185	7	99.7%	1 187	727
Entertainment	12	-	-	12	11	1	91.7%	18	12
Inventory: Clothing material and supplies	-	-	-	-	-	-	-	27	27
Inventory farming supplies	-	600	(600)	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	133	109
Inventory: Materials and supplies	4 068	(547)	600	4 121	4 095	26	99.4%	2 818	1 828
Inventory: Other supplies	3 848	(97)	-	3 751	3 747	4	99.9%	3 455	3 218
Consumable supplies	955	70	(1 000)	25	902	(877)	3608.0%	874	822
Consumable: Stationery, printing and office supplies	267	(12)	-	255	186	69	72.9%	368	336

## APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

PROGRAMME 8: RURAL DEVELOPMENT COORDINATION									
2019/20									
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Operating leases	-	-	-	-	-	-	-	-	-
Property payments	456	-	-	456	453	3	99.3%	445	442
Travel and subsistence	2 011	68	1 000	3 079	2 560	519	83.1%	1 734	1 387
Operating payments	139	-	-	139	137	2	98.6%	31	-
Venues and facilities	52	(26)	-	26	24	2	92.3%	380	359
Rental and hiring	-	-	-	-	-	-	-	335	192
<b>Transfers and subsidies</b>	<b>253 504</b>	-	-	<b>253 504</b>	<b>253 504</b>	-	<b>100.0%</b>	<b>162 975</b>	<b>162 975</b>
Departmental agencies and accounts	253 504	-	-	253 504	253 504	-	100.0%	162 975	162 975
Departmental agencies	253 504	-	-	253 504	253 504	-	100.0%	162 975	162 975
<b>Payments for capital assets</b>	<b>393</b>	-	-	<b>393</b>	<b>324</b>	<b>69</b>	<b>82.4%</b>	<b>1 042</b>	<b>724</b>
<b>Buildings and other fixed structures</b>	<b>192</b>	-	-	<b>192</b>	<b>190</b>	<b>2</b>	<b>99.0%</b>	<b>620</b>	<b>425</b>
Buildings	192	-	-	192	190	2	99.0%	-	425
Other fixed structures	-	-	-	-	-	-	-	620	-
<b>Machinery and equipment</b>	<b>201</b>	-	-	<b>201</b>	<b>134</b>	<b>67</b>	<b>66.7%</b>	<b>422</b>	<b>299</b>
Transport equipment	50	-	-	50	-	50	-	422	299
<b>Other machinery and equipment</b>	<b>151</b>	-	-	<b>151</b>	<b>134</b>	<b>17</b>	<b>88.7%</b>	<b>-</b>	<b>-</b>
<b>TOTALS</b>	<b>285 641</b>	-	-	<b>285 641</b>	<b>285 291</b>	<b>350</b>	<b>99.9%</b>	<b>192 688</b>	<b>189 793</b>

## APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

SUB -PROGRAMME 8.1: DEVELOPMENT PLANNING AND MONITORING									
2019/20					2018/19				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>	<b>11 323</b>	<b>-</b>	<b>1 049</b>	<b>12 372</b>	<b>13 300</b>	<b>(928)</b>	<b>107.5%</b>	<b>27 207</b>	<b>25 186</b>
Current payments	6 123	-	1 020	7 143	7 043	100	98.6%	16 153	16 152
Compensation of employees	5 200	-	29	5 229	6 257	(1 028)	119.7%	11 054	9 034
Goods and services	253 504	-	-	253 504	253 504	-	100.0%	162 975	162 975
<b>Transfers and subsidies</b>	<b>253 504</b>	<b>-</b>	<b>-</b>	<b>253 504</b>	<b>253 504</b>	<b>-</b>	<b>100.0%</b>	<b>162 975</b>	<b>162 975</b>
Departmental agencies and accounts	242	-	-	242	224	18	92.6%	1 042	724
<b>Payment for Capital assets</b>	<b>192</b>	<b>-</b>	<b>-</b>	<b>192</b>	<b>190</b>	<b>2</b>	<b>99.0%</b>	<b>620</b>	<b>425</b>
Buildings and other fixed structure	50	-	-	50	34	16	68.0%	422	299
Machinery and equipment	265 069	-	1 049	266 118	267 028	(910)	100.3%	191 224	188 885
<b>TOTAL</b>									

SUB -PROGRAMME 8.2: SOCIAL FACILITATION									
2019/20					2018/19				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>	<b>20 421</b>	<b>-</b>	<b>(1 049)</b>	<b>19 372</b>	<b>18 163</b>	<b>1 209</b>	<b>93.8%</b>	<b>1 464</b>	<b>908</b>
Current payments	11 470	-	(1 020)	10 450	10 042	408	96.1%	428	363
Compensation of employees	8 951	-	(29)	8 922	8 121	801	91.0%	1 036	545
Goods and services	151	-	151	151	100	51	66.2%	-	-
<b>Payments for capital assets</b>	<b>20 572</b>	<b>-</b>	<b>(1 049)</b>	<b>19 523</b>	<b>18 263</b>	<b>1 260</b>	<b>93.5%</b>	<b>1 464</b>	<b>908</b>
Machinery and equipment									
<b>TOTAL</b>									

## 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 R3 million. All variances below R3 million will be considered immaterial.

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

### 5.1 Per programme

	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Administration	502 398	501 453	945	0,19%
Sustainable Resource Management	137 518	136 140	1 378	1,00%
Farmer Support and Development	802 945	788 269	14 676	1,83%
Veterinary Services	331 646	330 636	1 010	0,30%
Research and Technology	137 951	137 530	421	0,31%
Agricultural Economics Services	34 322	34 104	218	0,64%
Structure Education and Training	174 871	168 782	6 089	3,48%
Rural Development	285 641	285 291	350	0,12%
<b>Totals</b>	<b>2 407 292</b>	<b>2 382 205</b>	<b>25 087</b>	<b>1.04%</b>



## NOTES TO THE APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

## 5.2 Per economic classification

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
<b>Current payments</b>	<b>1 841 486</b>	<b>1 848 634</b>	<b>(8 148)</b>	<b>-0,45%</b>
Compensation of employees	1 269 513	1 269 494	19	0,00%
Goods and services	571 973	580 122	(8 149)	-1,42%
Interest and rent on land	-	18	(18)	0,00%
<b>Transfers and subsidies</b>	<b>358 569</b>	<b>358 569</b>	<b>-</b>	<b>0,00%</b>
Departmental agencies and accounts	271 101	271 101	-	0,00%
Higher education institutions	58 704	58 704	-	0,00%
Public corporations and private enterprises	-	-	-	0,00%
Households	28 764	28 764	-	0,00%
<b>Payments for capital assets</b>	<b>206 442</b>	<b>173 207</b>	<b>33 235</b>	<b>16,19%</b>
Buildings and other fixed structures	105 808	99 981	5 827	5,51%
Machinery and equipment	86 611	73 111	13 500	15,59%
Biological assets	13 558	115	13 443	99,15%
Software and other intangible assets	465	-	465	100,00%
<b>Payments for financial assets</b>	<b>795</b>	<b>795</b>	<b>-</b>	<b>0,00%</b>

## 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	255 496	244 075	11 421	4,47%
Land Care	19 863	19 863	-	0,00%
Ilima/ Letsema	66 627	65 236	1 391	2,09%
Extended Public Works Programme	2 328	2 328	-	0,00%
<b>TOTAL</b>	<b>344 314</b>	<b>331 502</b>	<b>12 812</b>	<b>3,72%</b>

### Explanations for variances:

#### 2.) Farmer Support and Development Services

Compensation of Employees is over spent by R1.717 million

The over expenditure on Compensation of Employees is on the Extension Services sub-programme. A shortfall in the subsidised vehicle allowance was experienced.

#### Goods & Services is over spent by R3.2 million

The over expenditure under goods and services emanates from biological minor assets amounting to R9.772 million, that had to be moved from capital assets to goods and services (inventory farmer supplies). This misclassification was corrected through a journal entry on the face of the annual financial statements resulting to misalignment between the budget and the expenditure.

#### Payment of Capital Assets is under spending by R19,6 million

- (i) The over expenditure under goods and services emanates from biological minor assets amounting to R9.772 million, that had to be moved from capital asset to goods and services (inventory farmer supplies). This misclassification was corrected a journal entry on the face of the annual financial statements resulting to misalignment between the budget and the expenditure.
- (ii) The under expenditure of R13.4 million is mainly due to procurement of biological assets which was done utilizing the database for commodity partners and took longer than anticipated. Furthermore, due to large quantities, the livestock could not all be sourced within the province. Challenges with livestock transportation requirements such as certification and limited number of livestock to be transported, contributes to the delays in processing of payments.
- (iii) R465 000 was provided for the purchase of a software for the compilation of Financial Statements (Software). The process of getting a supplier was overtaken by the year-end.

#### 3) Structured Agricultural Training

Capital under expenditure of R4.317 million

**The under expenditure is due to delays encountered earlier with the signing of the contract for the sewer upgrade and the sanitation at Fort Cox Collage. Furthermore, challenges were experienced in the procurement of stand-by generators also adding to the under expenditure.**

## STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2020

	Note	2019/20 R'000	2018/19 R'000
<b>STATEMENT OF FINANCIAL PERFORMANCE</b>			
<b>REVENUE</b>			
Annual appropriation	<u>1</u>	2 404 924	2 384 132
Statutory appropriation	<u>2</u>	2 368	2 033
Departmental revenue	<u>3</u>	32 961	1 723
<b>TOTAL REVENUE</b>		<b>2 440 253</b>	<b>2 387 888</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	<u>4</u>	1 269 494	1 218 377
Goods and services	<u>5</u>	580 122	492 293
Interest paid	<u>6</u>	18	108
<b>Total current expenditure</b>		<b>1 849 634</b>	<b>1 710 778</b>
<b>Transfers and subsidies</b>			
Transfers and subsidies	<u>8</u>	358 569	393 856
<b>Total transfers and subsidies</b>		<b>358 569</b>	<b>393 856</b>
<b>Expenditure for capital assets</b>			
Tangible assets	<u>9</u>	173 207	190 591
Intangible asset	<u>9</u>	-	984
<b>Total expenditure for capital assets</b>		<b>173 207</b>	<b>191 575</b>
Payment of financial assets	<u>7</u>	795	9 361
<b>TOTAL EXPENDITURE</b>		<b>2 382 205</b>	<b>2 305 570</b>
<b>SURPLUS FOR THE YEAR</b>		<b>58 048</b>	<b>82 318</b>
<b>Reconciliation of Net Surplus for the year</b>			
Voted funds		25 087	80 595
Annual appropriation		12 275	41 501
Conditional grants		12 812	39 094
Departmental revenue	<u>16</u>	32 961	1 723
Aid assistant			
<b>SURPLUS FOR THE YEAR</b>		<b>58 048</b>	<b>82 318</b>

## STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

	Note	2019/20 R'000	2018/19 R'000
<b>STATEMENT OF FINANCIAL POSITION</b>			
<b>ASSETS</b>			
Current assets		29 282	83 908
Cash and cash equivalents	<u>10</u>	24 333	75 755
Prepayments and advances	<u>11</u>	3 454	3 371
Receivables	<u>12</u>	1 495	4 782
Non-current assets		4 655	4 655
Receivables	<u>12</u>	4 655	4 655
Loan	<u>14</u>	-	-
<b>TOTAL ASSETS</b>		<b>33 937</b>	<b>88 563</b>
<b>LIABILITIES</b>			
Current liabilities		33 937	88 563
Voted funds to be surrendered to the Revenue Fund	<u>15</u>	25 087	84 047
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	<u>16</u>	166	489
Payables	<u>17</u>	8 684	4 027
<b>TOTAL LIABILITIES</b>		<b>33 937</b>	<b>88 563</b>
<b>NET ASSETS</b>		<b>-</b>	<b>-</b>

## STATEMENT OF CHANGES IN NET ASSETS AS AT 31 MARCH 2020

STATEMENT OF CHANGES IN NET ASSETS	<i>Note</i>	2019/20 R'000	2018/19 R'000
<b>Recoverable Revenue</b>			
Opening balance		-	5 385
Transfers:			
Irrecoverable expenditure written off		-	( 5 385)
Debt raised		-	-
Closing balance		-	-
<b>TOTAL</b>		-	-

## CASH FLOWS FROM OPERATING ACTIVITIES AS AT 31 MARCH 2020

CASH FLOWS FROM OPERATING ACTIVITIES	Note	2019/20 R'000	2018/19 R'000
Receipts		2 445 472	2 396 874
Annual appropriated funds received	<u>1.1</u>	2 404 924	2 384 132
Statutory appropriated funds received	<u>2</u>	2 368	2 033
Departmental revenue received	<u>3</u>	38 172	10 707
Interest received	<u>3.3</u>	8	2
Net (increase)/ decrease in working capital		7 861	2 508
Surrendered to Revenue Fund	<u>15/16</u>	(124 164)	(23 892)
Current payments		(1 849 616)	(1 710 670)
Interest paid	<u>6</u>	(18)	(108)
Payment of financial assets	<u>7</u>	(795)	(9 361)
Transfers and subsidies paid	<u>8</u>	(358 569)	(393 856)
<b>Net cash flow available from operating activities</b>	<b><u>18</u></b>	<b><u>120 171</u></b>	<b><u>261 495</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets	<u>9</u>	(173 207)	(191 575)
Proceeds from sale of capital assets	<u>3.4</u>	1 614	1 751
(Increase)/decrease in loans	<u>14</u>	-	5 385
<b>Net cash flows from investing activities</b>		<b><u>(171 593)</u></b>	<b><u>(184 439)</u></b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase/ (decrease) in net assets	<u>14</u>	-	(5 385)
<b>Net cash flows from financing activities</b>		<b><u>-</u></b>	<b><u>(5 385)</u></b>
Net increase/ (decrease) in cash and cash equivalents		(51 422)	71 671
Cash and cash equivalents at beginning of period		75 755	4 084
<b>Cash and cash equivalents at end of period</b>	<b><u>19</u></b>	<b><u>24 333</u></b>	<b><u>75 755</u></b>

**Summary of significant accounting policies**

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

*The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation.*

*Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.*

<b>1</b>	<p><b>Basis of preparation</b></p> <p><i>The financial statements have been prepared in accordance with the Modified Cash Standard.</i></p>
<b>2</b>	<p><b>Going concern</b></p> <p><i>The financial statements have been prepared on a going concern basis.</i></p>
<b>3</b>	<p><b>Presentation currency</b></p> <p><i>Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.</i></p>
<b>4</b>	<p><b>Rounding</b></p> <p><i>Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).</i></p>
<b>5</b>	<p><b>Foreign currency translation</b></p> <p><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></p>
<b>6</b>	<p><b>Comparative information</b></p>
<b>6.1</b>	<p><b>Prior period comparative information</b></p> <p><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></p>
<b>6.2</b>	<p><b>Current year comparison with budget</b></p> <p><i>A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.</i></p>
<b>7</b>	<p><b>Revenue</b></p>
<b>7.1</b>	<p><b>Appropriated funds</b></p> <p><i>Appropriated funds comprise of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).</i></p> <p><i>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.</i></p> <p><i>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></p>
<b>7.2</b>	<p><b>Departmental revenue</b></p> <p><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.</i></p> <p><i>Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.</i></p>

<b>7.3</b>	<p><b>Accrued departmental revenue</b></p> <p>Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:</p> <ul style="list-style-type: none"> <li>• it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and</li> <li>• The amount of revenue can be measured reliably.</li> </ul> <p>The accrued revenue is measured at the fair value of the consideration receivable.</p> <p>Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.</p> <p>Write-offs are made according to the department's debt write-off policy</p>
<b>8</b>	<b>Expenditure</b>
<b>8.1</b>	<b>Compensation of employees</b>
<b>8.1.1</b>	<p><b>Salaries and wages</b></p> <p>Salaries and wages are recognised in the statement of financial performance on the date of payment.</p>
<b>8.1.2</b>	<p><b>Social contributions</b></p> <p>Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.</p> <p>Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.</p>
<b>8.2</b>	<p><b>Other expenditure</b></p> <p>Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.</p>
<b>8.3</b>	<p><b>Accruals and payables not recognised</b></p> <p>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.</p> <p>Accruals and payables not recognised are measured at cost.</p>
<b>8.4</b>	<b>Leases</b>
<b>8.4.1</b>	<p><b>Operating leases</b></p> <p>Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment.</p> <p>The operating lease commitments are recorded in the notes to the financial statements.</p>
<b>8.4.2</b>	<p><b>Finance leases</b></p> <p>Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment.</p> <p>The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.</p> <p>Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:</p> <ul style="list-style-type: none"> <li>• cost, being the fair value of the asset; or</li> <li>• The sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.</li> </ul>



<b>9</b>	<p><b>Cash and cash equivalents</b></p> <p>Cash and cash equivalents are stated at cost in the statement of financial position.</p> <p>Bank overdrafts are shown separately on the face of the statement of financial position as current liability.</p> <p>For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts</p>
<b>10.</b>	<p><b>Investments</b></p> <p>Investments are recognised in the statement of financial position at cost.</p>
<b>11</b>	<p><b>Loans and receivable</b></p> <p>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</p>
<b>12</b>	<p><b>Financial Assets</b></p>
<b>12.1</b>	<p><b>Financial assets (not covered elsewhere)</b></p> <p>A financial asset is recognised initially at its cost plus transaction costs that are directly attributed to the acquisition or issue of the financial asset.</p> <p>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</p>
<b>12.2</b>	<p><b>Impairment</b></p> <p>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.</p>
<b>13</b>	<p><b>Payables</b></p> <p>Payables are recognised in the statement of financial position at cost.</p>
<b>14</b>	<p><b>Capital Assets</b></p>
<b>14.1</b>	<p><b>Immovable capital assets</b></p> <p>Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment.</p> <p>Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.</p> <p>Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.</p>
<b>14.2</b>	<p><b>Movable capital Assets</b></p> <p>Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.</p> <p>Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Biological assets are subsequently carried at fair value.</p> <p>Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.</p>

14.3	<p><b>Intangible assets</b></p> <p>Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.</p> <p>Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.</p> <p>Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.</p>
14.4	<p><b>Project Costs: Work-in-progress</b></p> <p>Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid.</p> <p>Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use, the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register.</p> <p>Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion</p>
15	<p><b>Provisions and Contingents</b></p>
15.1	<p><b>Provisions</b></p> <p>Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past. It is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.</p>
15.2	<p><b>Contingent liabilities</b></p> <p>Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably</p>
15.3	<p><b>Contingent assets</b></p> <p>Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.</p>
15.4	<p><b>Capital Commitments</b></p> <p>Capital commitments are recorded at cost in the notes to the financial statements.</p>
16	<p><b>Unauthorised expenditure</b></p> <p>Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:</p> <ul style="list-style-type: none"> <li>• approved by Parliament or the Provincial Legislature with funding and the related funds are received; or</li> <li>• approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or</li> <li>• transferred to receivables for recovery.</li> </ul> <p>Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.</p>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

<b>17</b>	<p><b>Fruitless and wasteful expenditure</b></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>
<b>18</b>	<p><b>Irregular expenditure</b></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>
<b>19</b>	<p><b>Changes in accounting policies, accounting estimates and errors</b></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>
<b>20</b>	<p><b>Events after the reporting date</b></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>
<b>21</b>	<p><b>Recoverable revenue</b></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 Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off</i></p>
<b>22</b>	<p><b>Related party transactions</b></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 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>
<b>23</b>	<p><b>Inventories</b></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>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

24	<p><b>Key management personnel.</b></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><b>Employee benefits</b></p> <p><i>The value of each major class of employee benefit obligation (accruals and payables not recognised and provisions) is disclosed in the Employee benefits note.</i></p>
26	<p><b>Capitalisation reserve</b></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>
27	<p><b>Prepayments and advances</b></p> <p><i>Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.</i></p> <p><i>Prepayments and advances are initially and subsequently measured at cost.</i></p>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

**I. Annual Appropriation****I.1 Annual Appropriation**

	2019/20			2018/19	
	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	500 030	500 030		477 037	477 037
Sustainable Resource Management	137 518	137 518	-	162 908	162 908
Farmer Support & Development	802 945	802 945	-	833 282	833 282
Veterinary Services	331 646	331 646	-	326 659	326 659
Research & Technology	137 951	137 951	-	135 758	135 758
Agricultural Economics Service	34 322	34 322	-	88 765	88 765
Structured Agricultural Education & Training	174 871	174 871	-	167 036	167 036
Rural Development Coordination	285 641	285 641	-	192 688	192 688
<b>Total</b>	<b>2 404 924</b>	<b>2 404 924</b>	<b>-</b>	<b>2 384 132</b>	<b>2 384 132</b>

**I.2 Conditional grants**

	Note	2019/20 R'000	2018/19 R'000
Total grants received	36	334 314	404 821

**2. Statutory Appropriation**

	2019/20 R'000	2018/19 R'000
Members' remuneration	2 368	2 033
<b>Total</b>	<b>2 368</b>	<b>2 033</b>
<b>Actual Statutory Appropriation received</b>	<b>2 368</b>	<b>2 033</b>

### 3. Departmental revenue

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Sales of goods and services other than capital assets	3.1	5 691	4 312
Fines, penalties and forfeits	3.2	1	1
Interest, dividends and rent on land	3.3	8	2
Sales of capital assets	3.4	1 614	1 751
Transactions in financial assets and liabilities	3.5	32 480	6 394
Total revenue collected		<b>39 794</b>	<b>12 460</b>
Less: Own revenue included in appropriation	<u>16</u>	(6 833)	(10 737)
<b>Departmental revenue collected</b>		<b>32 961</b>	<b>1 723</b>

The transaction in financial assets and liabilities includes a transfer received from ECRDA from funds to be surrendered to the Provincial Revenue Fund. The department also receives a refund from Microsoft and SARS

#### 3.1 Sales of goods and services other than capital assets

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Sales of goods and services produced by the department	3	5 565	4 181
Sales by market establishment		164	203
Administrative fees		79	29
Other sales		5 322	3 949
Sales of scrap, waste and other used current goods		126	131
<b>Total</b>		<b>5 691</b>	<b>4 312</b>

#### 3.2 Fines, penalties and forfeits

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Fines	3	1	1
<b>Total</b>		<b>1</b>	<b>1</b>

#### 3.3 Interest, dividends and rent on land

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Interest	3	8	2
<b>Total</b>		<b>8</b>	<b>2</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

**3.4 Sale of capital assets**

	<i>Note</i>	2019/20 R'000	2018/19 R'000
<b>Tangible assets</b>	3	<b>1 614</b>	<b>1 751</b>
Biological assets	31	1 614	1 751
<b>Total</b>		<b>1 614</b>	<b>1 751</b>

**3.5 Transactions in financial assets and liabilities**

	<i>Note</i>	2019/20 R'000	2018/19 R'000
Receivables	3	32 480	6 394
<b>Total</b>		<b>32 480</b>	<b>6 394</b>

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

	<i>Note</i>	2019/20 R'000	2018/19 R'000
Basic salary		903 189	861 283
Performance award		18 452	18 902
Service Based		3 084	3 158
Compensative/circumstantial		6 101	5 914
Other non-pensionable allowances		162 184	160 679
<b>Total</b>		<b>1 093 013</b>	<b>1 049 936</b>

**4.2 Social contributions**

	<i>Note</i>	2019/20 R'000	2018/19 R'000
<b>Employer contributions</b>			
Pension		115 111	110 468
Medical		60 789	57 731
Bargaining council		264	242
Insurance		317	-
<b>Total</b>		<b>176 481</b>	<b>168 441</b>
<b>Total compensation of employees</b>		<b>1 269 494</b>	<b>1 218 377</b>
<b>Average number of employees</b>		<b>2 736</b>	<b>2 710</b>

## 5. Goods and services

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Administrative fees		1 593	3 497
Advertising		5 403	10 823
Minor assets	5.1	966	1 763
Bursaries (employees)		1 179	2 263
Catering		8 742	9 358
Communication		15 779	15 477
Computer services	5.2	29 617	19 180
Consultants: Business and advisory services		1 348	2 280
Infrastructure and planning services		1 479	2 017
Laboratory services		468	308
Legal services		3 498	3 493
Contractors		16 001	22 926
Agency and support / outsourced services		45 707	26 267
Entertainment		117	112
Audit cost – external	5.3	6 857	6 588
Fleet services		23 477	24 366
Inventory	5.4	233 950	179 144
Consumables	5.5	14 366	12 883
Operating leases		15 212	14 317
Property payments	5.6	21 522	21 150
Rental and hiring		1 862	3 133
Travel and subsistence	5.7	97 934	87 089
Venues and facilities		8 541	3 899
Training and development		19 536	14 206
Other operating expenditure	5.8	4 968	5 754
<b>Total</b>		<b>580 122</b>	<b>492 293</b>

- 1) **Computer services:** The expenditure includes Microsoft services rendered in the prior year and the current year. The transactions were influenced by foreign currency fluctuations.
- 2) **Agency and support/ outsourced service:** More farmers on the food security programmes opted more for mechanisation other than production input.
- 3) **Inventory:** The department purchased livestock for the Livestock Improvement Scheme to support more communal and smallholder farmers
- 4) **Consumable:** The expenditure related to protective clothing that was incurred during the year for the districts. The protective clothing is purchased every 3 years.
- 5) **Travel and subsistence:** There was an increase in the number of private vehicles used by Extension officers because of delays in delivery of subsidised vehicles. There was an increase in disease outbreaks in the province that required Animal Technicians to travel to the districts.
- 6) **Training and development:** The training database was approved early in the financial year. The Mpofu Training centre was upgraded as a result they were able to offer more short courses for farmers
- 7) **Venues and facilities:** The department had an increase in the number of completed projects and subsequently hosted more hand over events at the districts.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

## 5.1 Minor assets

	Note	2019/20 R'000	2018/19 R'000
<b>Tangible assets</b>	5		
Biological assets		61	-
Machinery and equipment		905	1 763
<b>Total</b>		<b>966</b>	<b>1 763</b>

1) **Biological asset**

There were more births during the year under review as a result the department did not purchase biological minor assets.

## 5.2 Computer services

	Note	2019/20 R'000	2018/19 R'000
SITA computer services	5	4 974	4 586
External computer service providers		24 643	14 594
<b>Total</b>		<b>29 617</b>	<b>19 180</b>

The expenditure includes Microsoft services rendered in the prior year and the current year. The payment for the prior year was refunded and subsequently paid in the current year. The transactions were influenced by foreign currency fluctuations.

## 5.3 Audit cost – External

	Note	2019/20 R'000	2018/19 R'000
Regularity audits	5	6 857	6 588
<b>Total</b>		<b>6 857</b>	<b>6 588</b>

## 5.4 Inventory

	Note	2019/20 R'000	2018/19 R'000
Clothing material and accessories	5	-	42
Farming supplies		166 935	106 365
Food and food supplies		126	530
Fuel, oil and gas		2 156	1 826
Learning, teaching and support material		378	29
Materials and supplies		12 956	18 971
Medical supplies		2 568	823
Medicine		32 753	33 308
Other supplies	5.4.1	16 078	17 250
<b>Total</b>		<b>233 950</b>	<b>179 144</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

- 1) **Farming supplies:** The department purchased livestock for the Livestock Improvement Scheme to support more communal and smallholder farmers
- 2) **Materials and supplies:** The fencing material was previously purchased under this item. In the current year, the fencing material are purchased under capital expenditure because they are not distributed.
- 3) **Medical supplies:** There was an increase in disease outbreak in the province. As result, the consumption of medical supplies also increased

**5.4.1 Other supplies**

	<i>Note</i>	2019/20 R'000	2018/19 R'000
Assets for distribution	5.4	15 425	16 079
Machinery and equipment		14 004	6 699
Other assets for distribution		1 421	9 380
Other		653	1 171
<b>Total</b>		<b>16 078</b>	<b>17 250</b>

- 1) **Assets for distribution:** The department purchase water tanks for the drought relief programme.

**5.5 Consumables**

	<i>Note</i>	2019/20 R'000	2018/19 R'000
Consumable supplies	5	9 167	7 546
Uniform and clothing		3 211	2 140
Household supplies		2 580	2 127
IT consumables		69	292
Other consumables		3 307	2 987
Stationery, printing and office supplies		5 199	5 337
<b>Total</b>		<b>14 366</b>	<b>12 883</b>

The expenditure related to protective clothing that was incurred during the year for the districts. The protective clothing is purchases every 3 years

**5.6 Property payments**

	<i>Note</i>	2019/20 R'000	2018/19 R'000
Municipal services	5	6 731	7 839
Property management fees		13 274	10 824
Property maintenance and repairs		1 517	2 487
<b>Total</b>		<b>21 522</b>	<b>21 150</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

## 5.7 Travel and subsistence

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Local	5	93 923	85 659
Foreign		4 011	1 430
<b>Total</b>		<b>97 934</b>	<b>87 089</b>

- 1) **Local:** There was an increase in the number of private vehicle used by Extension officer because of delays in delivery of subsidised vehicles. There was an increase in disease outbreaks in the province that required Animal Technicians to travel to the districts.
- 2) **Foreign:** The sixth administration identified the use of cannabis as an economic driver and transformer of the Province. This resulted on a mission trip to Canada with 9 farmers to learn more about the practices of producing, processing and marketing of cannabis

## 5.8 Other operating expenditure

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Professional bodies, membership and subscription fees	5	263	22
Resettlement costs		607	347
Other		4 098	5 407
<b>Total</b>		<b>4 968</b>	<b>5 776</b>

## 6. Interest and rent on land

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Interest paid		18	108
<b>Total</b>		<b>18</b>	<b>108</b>

The interest was incurred on overdue accounts from Telkom.

## 7. Payments for financial assets

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Debts written off		-	5 385
Debt take overs		795	3 976
<b>Total</b>		<b>795</b>	<b>9 361</b>

The payment for financial assets relates to debtors written off during the financial year.

## 8. Transfers and subsidies

	Note	2019/20 R'000	2018/19 R'000
Departmental agencies and accounts	Annex 1A	271 101	282 318
Higher education institutions	Annex 1B	58 704	57 218
Public corporations and private enterprises	Annex 1C	-	34 170
Households	Annex 1D	28 764	20 150
<b>Total</b>		<b>358 569</b>	<b>393 856</b>

### 1) Higher education institutions:

The funding to Fort Cox College was increased in relation to inflation rate.

### 2) Departmental Agencies:

Fewer projects were implemented through ECRDA, therefore, there was no additional funds transferred to the departmental agencies.

### 3) Household:

There were claims against the department that were settled during the year.

## 9. Expenditure for capital assets

	Note	2019/20 R'000	2018/19 R'000
<b>Tangible assets</b>			
Buildings and other fixed structures	33	99 981	105 605
Machinery and equipment	31	73 111	84 793
Biological assets	31	115	193
<b>Intangible Assets</b>			
software	32	-	984
<b>Total</b>		<b>173 207</b>	<b>191 575</b>

### 9.1 Analysis of funds utilised to acquire capital assets – 2019/20

	Voted funds R'000	Aid assistance R'000	Total R'000
<b>Tangible assets</b>			
Buildings and other fixed structures	99 981	-	99 981
Machinery and equipment	73 111	-	73 111
Biological assets	115	-	115
<b>Intangible assets</b>			
Software			
<b>Total</b>	<b>173 207</b>	<b>-</b>	<b>173 207</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

**9.2 Analysis of funds utilised to acquire capital assets – 2018/19**

	Voted funds R'000	Aid assistance R'000	Total R'000
<b>Tangible assets</b>			
Buildings and other fixed structures	105 605	-	105 605
Machinery and equipment	84 793	-	84 793
Biological assets	193	-	193
	984		984
<b>Total</b>	<b>191 575</b>	<b>-</b>	<b>191 575</b>

**9.3 Finance lease expenditure included in Expenditure for capital assets**

	Note	2019/20 R'000	2018/19 R'000
<b>Tangible assets</b>			
Machinery and equipment		44 974	45 259
<b>Total</b>		<b>44 974</b>	<b>45 259</b>

**10. Cash and cash equivalents**

	Note	2019/20 R'000	2018/19 R'000
Consolidated Paymaster General Account		24 333	75 755
<b>Total</b>		<b>24 333</b>	<b>75 755</b>

**11. Prepayments and advances**

	Note	2019/20 R'000	2018/19 R'000
Advances paid (Not expensed)	11.1	2 558	3 371
Prepayments(Not expensed)	11.2	896	-
<b>Total</b>		<b>3 454</b>	<b>3 371</b>

The prepayments and advance relates to the expenditure for casual labourers and a capital asset purchased for departmental projects.

The casual labourers cannot be paid through PERSAL because they are not employees of the department.

The advance was paid for a boat that was manufactured for the department's project on aquaculture.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

## 11.1 Advances paid (Not expensed)

	Note	Balance as at 1 April 2019	Less: Amount expensed in current year	Add or Less: Other	Add: Current Year advances	Balance as at 31 March 2020
		R'000	R'000	R'000	R'000	R'000
Other entities	11	3 371	(12 068)	3 837	7 418	2 558
<b>Total</b>		<b>3 371</b>	<b>(12 068)</b>	<b>3 837</b>	<b>7 418</b>	<b>2 558</b>

	Note	Balance as at 1 April 2018	Less: Amount expensed in current year	Add or Less: Other	Add: Current Year advances	Balance as at 31 March 2019
		R'000	R'000	R'000	R'000	R'000
Other entities	11	3 452	(19 016)	-	18 935	3 371
<b>Total</b>		<b>3 452</b>	<b>(19 016)</b>	<b>-</b>	<b>18 935</b>	<b>3 371</b>

## 11.2 Prepayments (Not expensed)

	Note	Balance as at 1 April 2019	Less: Amount expensed in current year	Add or Less: Other	Add: Current Year advances	Balance as at 31 March 2020
		R'000	R'000	R'000	R'000	R'000
Capital assets	11	-	-	-	896	896
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>896</b>	<b>896</b>

## 12. Receivables

	Note	2019/20			2018/19		
		Current	Non-current	Total	Current	Non-current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	12.1	1	-	1	3 452	-	3 452
Recoverable expenditure	12.2	177	4 655	4 832	61	4 655	4 716
Staff debt	12.3	1 143	-	1 143	970	-	970
Fruitless and wasteful expenditure	12.4	174	-	174	299	-	299
<b>Total</b>		<b>1 495</b>	<b>4 655</b>	<b>6 150</b>	<b>4 782</b>	<b>4 655</b>	<b>9 437</b>

## 12.1 Claims recoverable

	Note	2019/20	2018/19
		R'000	R'000
National departments	12	1	3 452
<b>Total</b>		<b>1</b>	<b>3 452</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

**12.2 Recoverable expenditure (disallowance accounts)**

	<i>Note</i>	2019/20 R'000	2018/19 R'000
Salary related clearing accounts	12	177	61
Disallowance miscellaneous		4655	4 655
<b>Total</b>		<b>4 832</b>	<b>4 716</b>

**12.3 Staff debt**

	<i>Note</i>	2019/20 R'000	2018/19 R'000
Debt Account	12	1 143	970
<b>Total</b>		<b>1 143</b>	<b>970</b>

**12.4 Fruitless and wasteful expenditure**

	<i>Note</i>	2019/20 R'000	2018/19 R'000
Opening balance	12	299	316
Less amount recovered		(125)	(23)
Transfers from Fruitless and Wasteful Expenditure	27	-	6
<b>Total</b>		<b>174</b>	<b>299</b>

**12.5 Impairment of receivables**

	<i>Note</i>	2019/20 R'000	2018/19 R'000
Estimate of impairment of receivables		-	4 655
<b>Total</b>		<b>-</b>	<b>4 655</b>

A court case lodged by the affected debtors has been concluded in July 2020. The recovery process will be initiated. The impairment relating to these debts has been adjusted.

**13. Investments**

The government has 100% ownership of Magwa Enterprise Tea which was held by Eastern Cape Development Corporation (ECD). 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.

## 14. Loans

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
<b>Non-Current</b>			
Private enterprise		-	-
<b>Total</b>		<u>-</u>	<u>-</u>
	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Analysis of balance			
Opening balance		-	5 385
New issues		-	-
Write offs		-	(5 385)
<b>Closing balance</b>		<u>-</u>	<u>-</u>

A shareholder's loan amounting to R5,3 million was also ceded to department when shares of Magwa Tea were transferred from Eastern Cape Development Corporation.  
Magwa Tea Estate is under a business rescue programme and could not afford to repay the loan. The loan was written-off during the year under review.

## 15. Voted funds to be surrendered to the Revenue Fund

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Opening balance		84 047	15 077
Transfer from statement of financial performance		25 087	80 595
Paid during the year		(84 047)	(11 625)
<b>Closing balance</b>		<u>25 087</u>	<u>84 047</u>

The department increased its spending during the financial year. Thus, remaining voted funds were less than the prior year.

## 16. Departmental revenue to be surrendered to the Revenue Fund

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Opening balance		489	296
Transfer from Statement of Financial Performance		32 961	1 723
Own revenue included in appropriation		6 833	10 737
Paid during the year		(40 117)	(12 267)
<b>Closing balance</b>		<u>166</u>	<u>489</u>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

**17. Payables – current**

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Amounts owing to other entities	<i>Annexure 5</i>	7 981	3 606
Clearing accounts	<i>17.1</i>	703	421
<b>Total</b>		<b>8 684</b>	<b>4 027</b>

**17.1 Clearing accounts**

	<i>Note</i>	2019/20	2018/20
		R'000	R'000
Salary related clearing accounts	<i>17</i>	703	421
<b>Total</b>		<b>703</b>	<b>421</b>

The increase in payables resulted from funds received during March from HWSeta for students at TARDI.

**18. Net cash flow available from operating activities**

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Net surplus as per Statement of Financial Performance		58 048	82 318
Add back non cash/cash movements not deemed operating activities		62 123	179 177
(Increase)/decrease in receivables – current		3 287	(369)
(Increase)/decrease in prepayment and advance		(83)	81
Increase/(decrease) in payables – current		4 657	2 796
Proceeds from sale of capital assets		(1 614)	(1 751)
Expenditure on capital assets		173 207	191 575
Surrenders to Revenue Fund		(124 164)	(23 892)
Own revenue included in appropriation		6 833	10 737
<b>Net cash flow generated by operating activities</b>		<b>120 171</b>	<b>261 495</b>

**19. Reconciliation of cash and cash equivalents for cash flow purposes**

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Consolidated Paymaster General account		24 333	75 755
<b>Total</b>		<b>24 333</b>	<b>75 755</b>

## 20. Contingent liabilities and contingent assets

### 20.1 Contingent liabilities

		<i>Note</i>	2019/20	2018/19
			R'000	R'000
<b>Liable to</b>	<b>Nature</b>			
Housing loan guarantees	Employees	<i>Annex 3A</i>	334	334
Claims against the department		<i>Annex 3B</i>	26 854	23 465
<b>Total</b>			<u>27 188</u>	<u>23 799</u>

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.

### 20.2 Contingent assets

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
<b>Nature of contingent asset</b>			
Guardrisk Insurance		989	989
SARS: Tax		11 976	11 976
<b>Total</b>		<u>12 965</u>	<u>12 965</u>

The contingent asset results from a claim lodged by the State Attorney (on behalf of department) against a supplier that has defaulted and ex-employees of the department. Both court cases were not concluded at the end of the financial year.

## 21. Capital Commitments

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
<b>Building and other fixed structure</b>		44 576	22 675
Other machinery and equipment		1 831	14 436
Other furniture and fittings		453	<b>38</b>
<b>Biological</b>		69	-
<b>Total Commitments</b>		<u>46 929</u>	<u>37 149</u>

The commitments multi-year contracts undertaken by the department. A significant increase relates to the Fort Cox sewerage projects that will be undertaken over multi-years.

National Treasury has removed current commitments from the disclosure note. The prior year amount of R81,5 million is not disclosed in the note above.

## 22. Accruals and payables not recognised

### 22.1 Accruals

	2019/20			2018/19
	R'000			R'000
<b>Listed by economic classification</b>				
	30 Days	30+ Days	Total	Total
Goods and services	6 115	451	6 566	15 309
Capital assets	189	-	189	64
<b>Total</b>	<b>6 304</b>	<b>451</b>	<b>6 755</b>	<b>15 373</b>
		<i>Note</i>	2019/20	2018/19
			R'000	R'000
<b>Listed by programme level</b>				
Administration			6 160	11 322
Sustainable resource management			16	88
Farmer support and development			291	1 314
Veterinary service			38	258
Research and development service			9	-
Agricultural economics			54	287
Structured agricultural training			99	2 043
Rural development coordination			88	61
<b>Total</b>			<b>6 755</b>	<b>15 373</b>

### 22.2 Payables not recognised

	2019/20			2018/19
	R'000			R'000
<b>Listed by economic classification</b>				
	30 Days	30+ Days	Total	Total
Goods and services	1 394	91	1 485	3 914
Capital assets	41	-	41	-
Other	-	-	-	7 672
<b>Total</b>	<b>1 435</b>	<b>91</b>	<b>1 526</b>	<b>11 586</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
<b>Listed by programme level</b>			
Administration		604	6 875
Sustainable resource management		14	641
Farmer support and development		717	1 225
Veterinary service		33	2 446
Research and development service		31	268
Agricultural economics		106	24
Structured agricultural training		21	88
Rural development coordination		-	19
<b>Total</b>		<b>1 526</b>	<b>11 586</b>

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
<b>Included in the above totals are the following:</b>			
Confirmed balances with departments	<i>Annex 5</i>	67	64
Confirmed balances with other government entities	<i>Annex 5</i>	7 947	3 597
<b>Total</b>		<b>8 014</b>	<b>3 661</b>

## 23. Employee benefits

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Leave entitlement		89 136	83 491
Service bonus (Thirteenth cheque)		37 442	36 027
Performance awards		6 348	9 138
Capped leave		132 978	137 544
other		7 683	3 060
<b>Total</b>		<b>273 587</b>	<b>269 260</b>

Leave entitlement includes negative leave balances amounting to R193 477 relating to leave days owed by the department officials. These amounts will be recovered from their exit benefits when leaving the department.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

**24. Lease commitments****24.1 Operating leases**

2019/20	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000
Not later than 1 year	7 143	-	7 143
Later than 1 year and not later than 5 years	2 915	-	2 915
Later than five years		-	
<b>Total lease commitments</b>	<b>10 058</b>	<b>-</b>	<b>10 058</b>

2018/19	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000
Not later than 1 year	6 259	-	6 259
Later than 1 year and not later than 5 years	4 107	-	4 107
Later than five years	104	-	104
<b>Total lease commitments</b>	<b>10 470</b>	<b>-</b>	<b>10 470</b>

**24.2 Finance leases**

2019/20	Motor Vehicles	Machinery and equipment	Total
	R'000	R'000	R'000
Not later than 1 year	13 867	11 347	25 214
Later than 1 year and not later than 5 years	11 293	3 912	15 205
Later than five years	-	-	-
<b>Total lease commitments</b>	<b>25 160</b>	<b>15 259</b>	<b>40 419</b>

2018/19	Motor Vehicles	Machinery and equipment	Total
	R'000	R'000	R'000
Not later than 1 year	19 512	13 337	32 849
Later than 1 year and not later than 5 years	20 484	6 211	26 695
Later than five years	-	-	-
<b>Total lease commitments</b>	<b>39 996</b>	<b>19 548</b>	<b>59 544</b>

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.

## 25. Accrued departmental revenue

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Sales of goods and services other than capital assets		43	290
Sales of capital assets		86	165
Transactions in financial assets and liabilities		37	34
<b>Total</b>		<b>166</b>	<b>489</b>

### 25.1 Analysis of accrued departmental revenue

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Opening balance		489	296
Less: amounts received		(489)	(296)
Add: amounts recorded		166	489
<b>Closing balance</b>		<b>166</b>	<b>489</b>

## 26. Irregular expenditure

### 26.1 Reconciliation of irregular expenditure

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Opening balance		6 935	24
Prior period error		-	-
As restated		6 935	24
Add: Irregular expenditure – relating to prior year		26 569	-
Add: Irregular expenditure – relating to current year		4 557	7 925
Less: Prior year amounts condoned		(24 599)	(24)
Less: Current year amounts condoned		(13 441)	(990)
<b>Closing balance</b>		<b>21</b>	<b>6 935</b>

#### Analysis of awaiting condonation per age classification

Current years	<b>21</b>	<b>6 935</b>
Prior years	-	-
<b>Total</b>	<b>21</b>	<b>6 935</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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

<b>Incident</b>	<b>Disciplinary steps taken/criminal proceedings</b>	<b>2019/20</b>
		<b>R'000</b>
The payment made is not in line with PFMA regulations on contractual obligations	Request condonement has been submitted	4 536
Service rendered without order	Request condonement has been submitted	21
The payment made is not in line with the PFMA regulation on contractual obligations	Request condonement has been submitted	9 600
The payment made is not in line with the PFMA regulation on contractual obligations	Request condonement has been submitted	8 064
The payment made is not in line with the PFMA regulation on contractual obligations	Condoned	8 905
<b>Total</b>		<b>31 126</b>

The irregular expenditure relates to expenditure that was under investigation in the prior year and subsequently concluded in the current year.

**26.3 Details of irregular expenditure condoned**

<b>Incident</b>	<b>Condoned by (relevant authority)</b>	<b>2019/20</b>
		<b>R'000</b>
Contract not in line with PFMA	National Treasury	8 905
Payment not in line with PFMA	Provincial Treasury	9600
Payment not in line with PFMA	Provincial Treasury	8 064
Payment not in line with PFMA	Provincial Treasury	4 536
Payment not in line with PFMA	Provincial Treasury	6 935
<b>Total</b>		<b>38 040</b>

**27. Fruitless and wasteful expenditure****27.1 Reconciliation of fruitless and wasteful expenditure**

	<i>Note</i>	<b>2019/20</b>	<b>2018/19</b>
		<b>R'000</b>	<b>R'000</b>
Opening balance		90	78
Prior period error		-	-
As restated		<b>90</b>	<b>78</b>
Fruitless and wasteful expenditure – relating to current year		1 250	139
Less: Amounts resolved		(47)	(121)
Less: Amount transferred to receivables for recovery	<b>12</b>	-	(6)
<b>Closing balance</b>		<b>1 293</b>	<b>90</b>

**27.2 Analysis of awaiting resolution per economic classification**

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
<b>Current:</b>		<b>1 250</b>	<b>90</b>
<b>Total</b>		<b>1 250</b>	<b>90</b>

**27.3 Analysis of Current year's (relating to current and prior years) fruitless and Wasteful expenditure**

		2019/20
<b>Incident</b>	<b>Disciplinary steps taken/criminal proceedings</b>	<b>R'000</b>
Relocation costs	Condoned	19
Interest charged on late payment	Condoned	18
No show charge for accommodation	Recovered from official	19
Variation order	Not Condoned	897
Fleet services: interest & additional cost	Not condoned	297
<b>Total</b>		<b>1 250</b>

**27.4 Details of fruitless and wasteful expenditure resolved**

	2019/20
<b>Incident</b>	<b>R'000</b>
Damage to vehicle	7
Relocation costs	19
Interest on late payment	18
No show charge for accommodation	3
<b>Total</b>	<b>47</b>

**28. 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 is utilising properties from the Department of Public Works free of charge.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

## 29. Key management personnel

	No. of Individuals	2019/20 R'000	2018/19 R'000
Member of executive	1	1 812	1 978
Level 15 to 16	3	4 704	5 580
Level 14 (incl. CFO if at a lower level)	11	15 285	16 278
Acting allowance	1	478	276
Family members of key management personnel	4	1 909	2 004
<b>Total</b>		<b>24 188</b>	<b>26 116</b>

The number of family members has decreased to 4 (prior year was 7). The key management personnel linked to those family members have terminated their services to the department.

## 30. Provisions

	Note	2019/20 R'000	2018/19 R'000
Retention		1 785	5 162
<b>Total</b>		<b>1 785</b>	<b>5 162</b>

## 30.1 Reconciliation of movement in provisions – 2019/20

	Retention R'000	Total provisions R'000
Opening balance	5 162	5 162
Increase in provision		
Settlement of provision	(5 162)	(5 162)
Change in provision due to change in estimation of inputs	1 785	1 785
<b>Closing balance</b>	<b>1 785</b>	<b>1 785</b>

## Reconciliation of movement in provisions – 2018/19

	Performance awards R'000	Capped leave R'000	Long service R'000	Retention R'000	Tax R'000	Total provisions R'000
Opening balance	19 639	140 466	3 084	3 012	7 373	173 574
Increase in provision					(7 373)	(7 373)
Settlement of provision	(19 639)	-	(3 084)	-		(22 723)
Change in provision due to change in estimation of inputs	-	(140 466)	-	2 150	-	(138 316)
<b>Closing balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5 162</b>	<b>-</b>	<b>5 162</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

- 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.

### 31. Non-adjusting events after reporting date

	2019/20
Nature of event	R'000
COVID-19 expenditure incurred by the department after year end	1 832
<b>Total</b>	<b>1 832</b>

The department has spent R178 773 during the 2019/20 financial year on COVID-19 related expenditure. This expenditure is included in the Statement of financial performance.

### 32. Movable Tangible Capital Assets

#### MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>214 556</b>		<b>37 727</b>	<b>(14 667)</b>	<b>237 616</b>
Transport assets	13 984	-	-	(32)	13 952
Computer equipment	57 198	-	9 645	(18 23)	65 020
Furniture and office equipment	20 229	-	1 062	(120)	21 171
Other machinery and equipment	123 145	-	27 020	(12 692)	137 473
<b>BIOLOGICAL ASSETS</b>	<b>5 222</b>	<b>-</b>	<b>1 439</b>	<b>(2 112)</b>	<b>4 549</b>
Biological assets	5 222	-	1 439	(2 112)	4 549
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>219 778</b>	<b>-</b>	<b>39 166</b>	<b>(16 779)</b>	<b>242 165</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

## 32.1 Additions

## ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	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
<b>MACHINERY AND EQUIPMENT</b>	<b>73 111</b>	<b>9 590</b>	<b>(44 974)</b>	<b>-</b>	<b>37 727</b>
Transport assets	27 627	-	(27 627)	-	-
Computer equipment	9 645	-	-	-	9 645
Furniture and office equipment	1 062	-	-	-	1 062
Other machinery and equipment	34 777	9 590	(17 347)	-	27 020
<b>BIOLOGICAL ASSETS</b>	<b>115</b>	<b>1 324</b>	<b>-</b>	<b>-</b>	<b>-</b>
Biological assets	115	1 324	-	-	1 439
<b>TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>73 226</b>	<b>10 914</b>	<b>(44 974)</b>	<b>-</b>	<b>39 166</b>

## 32.2 Disposals

## DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Sold for cash	Non-cash disposal	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>2 761</b>	<b>11 906</b>	<b>14 667</b>	<b>-</b>
Transport assets	-	32	32	-
Computer equipment	1 607	216	1 823	-
Furniture and office equipment	114	6	120	-
Other machinery and equipment	1 040	11 652	12 692	-
<b>BIOLOGICAL ASSETS</b>	<b>1 617</b>	<b>495</b>	<b>2 112</b>	<b>1 614</b>
Biological assets	1 617	495	2 112	1 614
<b>TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>4 378</b>	<b>12 401</b>	<b>16 779</b>	<b>1 614</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

## 32.3 Movement for 2018/19

## MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>215 501</b>	<b>(18 113)</b>	<b>39 587</b>	<b>(22 419)</b>	<b>214 556</b>
Transport assets	14 133	595	-	(744)	13 984
Computer equipment	60 354	(7 997)	6 488	(1 647)	57 198
Furniture and office equipment	17 128	488	2 734	(121)	20 229
Other machinery and equipment	123 886	(11 199)	30 365	(19 907)	123 145
<b>BIOLOGICAL ASSETS</b>	<b>5 469</b>	<b>(71)</b>	<b>1 275</b>	<b>(1 451)</b>	<b>5 222</b>
Biological assets	5 469	(71)	1 275	(1 451)	5 222
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>220 970</b>	<b>(18 184)</b>	<b>40 862</b>	<b>(23 870)</b>	<b>219 778</b>

## 32.3.1 Prior period error

	Note	2019/20
		R'000
<b>Nature of prior period error</b>		
Relating to 2018/19 [affecting the opening balance]		
Biological assets		(71)
Machinery and equipment		(18 113)
Total prior period errors		(18 184)

## 32.4 Minor assets

## MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2020

	Intangible assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000
Opening balance	48	38 128	3 315	41 491
Value adjustments				
Additions		905	1 475	2 380
Disposals		(553)	(1 379)	(1 932)
<b>TOTAL MINOR ASSETS</b>	<b>48</b>	<b>38 480</b>	<b>3 411</b>	<b>41 939</b>

	Intangible assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	18	-	-	18
Number of minor assets at cost	15	576	3	594
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>33</b>	<b>576</b>	<b>3</b>	<b>612</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

	Intangible assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000
Opening balance	48	36 934	3 468	40 450
Prior period error	-	98	(9)	89
Additions	-	1 781	907	2 688
Disposals	-	(685)	(1 051)	(1 736)
<b>TOTAL MINOR ASSETS</b>	<b>48</b>	<b>38 128</b>	<b>3 315</b>	<b>41 491</b>

	Intangible assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	18	30	-	48
Number of minor assets at cost	15	27	3	45
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>33</b>	<b>57</b>	<b>3</b>	<b>93</b>

## 32.4.1 Prior period error

	Note	2018/19 R'000
<b>Nature of prior period error</b>		
Relating to 2018/19 [affecting the opening balance]		
Minor assets: biological assets		(9)
Machinery		98
Total prior period errors		<b>89</b>

## 33. Intangible Capital Assets

## MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	9 063	-	-	-	9 063
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>9 063</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9 063</b>

## 33.1 Movement for 2018/19

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

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	8 079	-	984	-	9 063
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>8 079</b>	<b>-</b>	<b>984</b>	<b>-</b>	<b>9 063</b>

### 34. Immovable Tangible Capital Assets

#### MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000		R'000	R'000	R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>2 447</b>	<b>-</b>	<b>90 051</b>	<b>(70 501)</b>	<b>21 997</b>
Non-residential building	-	-	17 842	(17 842)	-
Other fixed structures	2 447	-	72 209	(52 659)	21 997
<b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>2 447</b>	<b>-</b>	<b>90 051</b>	<b>(70 501)</b>	<b>21 997</b>

#### 34.1 Additions

#### ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Cash	Non-cash (Prior year WIP)	Capital Work in Progress	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
<b>BUILDING AND OTHER FIXED STRUCTURES</b>	<b>99 798</b>	<b>52 171</b>	<b>(61 918)</b>	<b>-</b>	<b>90 051</b>
Non-residential buildings	7 861	16 446	(6 465)	-	17 842
Other fixed structures	91 937	35 725	(55 453)	-	72 209
<b>TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>99 798</b>	<b>52 171</b>	<b>(61 918)</b>	<b>-</b>	<b>90 051</b>

#### 34.2 Disposals

#### DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Sold for cash	Non-cash disposal	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>-</b>	<b>70 501</b>	<b>70 501</b>	<b>-</b>
Non-residential buildings	-	17 842	17 842	-
Other fixed structures	-	52 659	52 659	-
<b>TOTAL DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>-</b>	<b>70 501</b>	<b>70 501</b>	<b>-</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

## 34.3 Movement for 2018/19

## MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	-	2 447	107 488	(107 488)	2 447
Non-residential buildings	-	-	6 774	(6 774)	-
Other fixed structures	-	2 447	100 714	(100 714)	2 447
<b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	-	2 447	107 488	(107 488)	2 447

## 34.3.1 Prior period error

	Note	2018/19 R'000
<b>Nature of prior period error</b>		
Relating to 2018/19 [affecting the opening balance]		
Other fixed structures		2 447
		-
Total prior period errors		2 447

The professional fees relating to college revitalisation were paid under goods and services in the prior years.

## 34.4 Capital Work-in-progress

## CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2020

	Note	Opening balance 1 April 2019	Current Year WIP	Ready for use (Assets to the AR)	Closing balance 31 March 2020
		R'000	R'000	R'000	R'000
Buildings and other fixed structures	Annexure 7	52 171	99 798	(90 051)	61 918
<b>TOTAL</b>		<b>52 171</b>	<b>99 798</b>	<b>(90 051)</b>	<b>61 918</b>

Age analysis on ongoing projects	Number of projects		2019/20
	Planned, Construction not started	Planned, Construction started	Total R'000
1 to 3 Years	13	19	61 918
<b>Total</b>	<b>13</b>	<b>19</b>	<b>61 918</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

## CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2019

	Note	Opening balance 1 April 2019	Prior period error	Current Year WIP	Ready for use (Assets to the AR)	Closing Balance 31 March 2019
		R'000	R'000	R'000	R'000	R'000
Buildings and other fixed structures	Annexure 7	54 055	-	105 604	( 107 488)	52 171
<b>TOTAL</b>		<b>54 055</b>	<b>-</b>	<b>105 604</b>	<b>( 107 488)</b>	<b>52 171</b>

## 35. Prior period error

## 35.1 Correction of prior period errors

	Note	Amount bef. error correction 2018/19	Prior period error 2018/19	Restated Amount 2018/19
		R'000	R'000	R'000
<b>Assets:</b>				
Biological asset		5 294	(71)	5 223
Minor Assets: Biological assets		3 324	(9)	3 315
Machinery and equipment		232 669	(18 113)	214 556
Minor assets: machinery and equipment		38 030	98	38 128
Immovable assets		-	2 447	2 447
<b>Net effect</b>		<b>279 317</b>	<b>(15 648)</b>	<b>263 669</b>

## 36. Inventories

## 36.1 Inventories for the year ended 31 March 2020

	Farming Supplies	Materials and Supplies	Food and food supplies	Fuel, Oil & gas	Learn & teaching supply materials
	R'000	R'000	R'000	R'000	R'000
Opening balance	-	-	-	-	-
Add: Additions/Purchases – Cash	166 935	12 956	126	2 156	378
(Less): Disposals					
(Less): Issues	(166 935)	(12 956)	(126)	( 2 156)	(378)
Closing balance	-	-	-	-	-

Inventories for the year ended 31 March 2020, continued	Cloth materials & accessories	Medical Supplies	Medicine	Other Supplies	TOTAL
	R'000	R'000	R'000	R'000	R'000
Opening balance	-	-	-	-	-
Add: Additions/Purchases – Cash		2 568	32 753	16 077	233 949
(Less): Disposals					
(Less): Issues	-	( 2 568)	( 32 753)	( 16 077)	(233 949)
Closing balance	-	-	-	-	-



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

## 36.2 Inventories for the year ended 31 March 2019

	Farming Supplies	Materials and Supplies	Food and food supplies	Fuel, Oil & gas	Learn & teaching supply materials
	R'000	R'000	R'000	R'000	R'000
Opening balance	-	-	-	-	-
Add: Additions/Purchases – Cash	106 365	18 971	530	1 826	29
(Less): Disposals					
(Less): Issues	(106 365)	(18 971)	(530)	(1 826)	(29)
Closing balance	-	-	-	-	-

Inventories for the year ended 31 March 2019, continued	Cloth materials & accessories	Medical Supplies	Medicine	Other Supplies	TOTAL
	R'000	R'000	R'000	R'000	R'000
Opening balance	-	-	-	-	-
Add: Additions/Purchases – Cash	42	823	33 308	17 250	179 144
(Less): Disposals					
(Less): Issues	(42)	(823)	(33 308)	(17 250)	(179 144)
Closing balance	-	-	-	-	-

## 37. STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF DEPARTMENT	GRANT ALLOCATION						SPENT			2018/19	
	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	244 101	11 395	-	-	255 495	255 495	244 075	11 421	96%	284 140	261 705
Land care	11 063	8 800	-	-	19 863	19 863	19 863	-	98%	46 916	34 138
Letsema/Ilima	75 254	-	(8 627)	-	66 627	66 627	65 236	1 391	100%	71 263	67 382
Extended Public Works Program	2 328	-	-	-	2 328	2 328	2 328	-	100%	2 502	2 502
	<b>332 746</b>	<b>20 195</b>	<b>(8 627)</b>	<b>-</b>	<b>344 314</b>	<b>344 314</b>	<b>331 502</b>	<b>12 812</b>		<b>404 821</b>	<b>365 727</b>

**ANNEXURE IA****STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS**

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION 2019/20				TRANSFER		2018/19
	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
ECRDA	168 566	-	-	168 566	168 566	100%	167 975
Macadamia Nuts	16 360	-	-	16 360	16 360	100%	32 640
Red meat improvement( NAMAC)	-	-	-	-	-	-	3 046
Magwa Rescue programme	84 938	-	-	84 938	84 938	100%	56 813
Chris Hani Development Agency	1 237	-	-	1 237	1 237	100%	2 889
IDC/Nguni Cattle Development	-	-	-	-	-	-	11 954
Agric. National Marketing Council	-	-	-	-	-	-	7 000
<b>TOTAL</b>	<b>271 101</b>	<b>-</b>	<b>-</b>	<b>271 101</b>	<b>271 101</b>	<b>-</b>	<b>282 317</b>

**ANNEXURE 1B****STATEMENT OF TRANSFERS TO HIGHER EDUCATION INSTITUTIONS**

NAME OF HIGHER EDUCATION INSTITUTION	TRANSFER ALLOCATION				TRANSFER			2018/19
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	Amount not transferred	% of Available funds Transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
Fort Cox College (subsidy)	58 704	-	-	58 704	58 704	-	-	53 318
Fort Cox : Student bail-out	-	-	-	-	-	-	-	3 900
<b>TOTAL</b>	<b>58 704</b>	<b>-</b>	<b>-</b>	<b>58 704</b>	<b>58 704</b>	<b>-</b>	<b>-</b>	<b>57 218</b>

**ANNEXURE IC****STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES**

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2018/19
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Capital	Current	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
<b>Private Enterprises</b>									
<b>Transfers</b>									
Blue Karoo Trust	-	-	-	-	-	-	-	-	4 050
Grain SA	-	-	-	-	-	-	-	-	9 600
Grain Farmers Development Agency	-	-	-	-	-	-	-	-	8 064
Growers Development Co.	-	-	-	-	-	-	-	-	5 520
<b>Total</b>	-	-	-	-	-	-	-	-	<b>27 234</b>

## ANNEXURE ID

## STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2018/19
	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
<b>Transfers</b>							
Leave gratuity	21 942	-	-	21 942	21 942	100.0%	17 739
Claims against the state: Arbitration award	5 821	-	-	5 821	5 821	100%	502
University of Fort Hare	1 000	-	-	1 000	1 000	100.0%	1 900
Injury on duty	1	-	-	1	1	100.0%	10
<b>Total</b>	<b>28 764</b>	<b>-</b>	<b>-</b>	<b>28 764</b>	<b>28 764</b>	<b>-</b>	<b>20 151</b>

**ANNEXURE 1E****STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE**

NATURE OF GIFT, DONATION OR SPONSORSHIP	2019/20	2018/19
	R'000	R'000
<b>Made in kind</b>		
Donations (livestock) for numerous events and beneficiaries	100	225
Livestock improvement scheme	182	76
<b>TOTAL</b>	<b>282</b>	<b>301</b>

**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	
		R'000		R'000		R'000		R'000	
		2019/20	2018/18	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19
<b>Controlled entities</b>									
Magwa Tea	Planting and harvesting of tea	-	-	-	18 576	-	-	-	-
<b>TOTAL</b>		-	-	-	<b>18 576</b>	-	-	-	-

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.

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 2020  
– LOCAL**

Guarantor institution	Original guaranteed capital amount	Opening balance 1 April 2019	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2020	Guaranteed interest for year ended 31 March 2020	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
<b>Housing</b>								
Standard Bank	-	163	-	-	-	163	-	-
Nedbank	-	21	-	-	-	21	-	-
FirstRand Bank	-	19	-	-	-	19	-	-
ABSA	-	124	-	-	-	124	-	-
Unique Bank	-	7	-	-	-	7	-	-
<b>TOTAL</b>	-	<b>334</b>	-	-	-	<b>334</b>	-	-

**ANNEXURE 3B****STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2020**

Nature of Liability	Opening Balance 1 April 2019	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance 31 March 2020
	R'000	R'000	R'000	R'000	R'000
<b>Claims against the department</b>					
<b>MTHATHA</b>					
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
Ningiza Horner Inc/ ECATU& Premier EC	749	-	-	-	749
Nokwanda Ndlebe/ MEC for DRDAR	350	-	-	-	350
Robert Boakye Yiadom / MEC for DRDAR	50	-	-	-	50
Manelisi Zukile Somhlahllo/ MEC for DRDAR & Ather	100	-	-	-	100
Manengele Kholekile	50	-	-	-	50
Luphawu Construction	50	-	(50)	-	-
Ncora irrigation	100	-	-	-	100
Mzwabantu Mbana	-	116	-	-	116
<b>EAST LONDON</b>					
L. Sibanyoni	50	-	-	-	50
Eagles Multi-purpose Primary Co-operative	4 983	-	-	-	4 983
Lukhanyo Fesi	100	-	-	-	100
Umuhle Development	100	-	-	-	100
N. Stemele	150	-	(150)	-	-
Zimele Sandi & 3 others	100	-	-	-	100
Nozipho Hlongwane	12 200	-	-	-	12 200
Ayabulela Ngoqo	58	-	-	-	58
Mfuneko Sikunyana	20	-	(20)	-	-
Easten Cape Development Corporation	565	-	-	-	565
Gotshana & Nehawu	100	-	-	-	100
Siphindlela Majjobela	100	-	(100)	-	-
Ntobeko Weber	50	-	(50)	-	-
Rentworks Africa	1 410	-	(1 410)	-	-
TM Ngalwa	773	-	-	-	773
Neliswa Manuqalaza	50	-	-	-	50
Nonceba Princess Goniwe	50	-	-	-	50
Zanele Mpondlana	50	-	-	-	50
Abaqulisi Finance Advisors	-	834	(834)	-	-

## UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

Nature of Liability	Opening Balance 1 April 2019	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance 31 March 2020
	R'000	R'000	R'000	R'000	R'000
Mfusi Maria Mapekula/ Director & MEC for DRDAR		100			100
Tulile Ntombozuko Gege/ MEC for DRDAR		850			850
<b>PORT ELIZABETH</b>					
Xplosive Investments 902cc	50	-		-	50
L Musisi	100	-	(100)	-	-
Azile Ndaba	200	-	-	-	200
Malibongwe Mayekiso	100	-	-	-	100
Sizwe Mayekiso	100	-	-	-	100
A Mtati	50	-	( 50)	-	-
TO Molefe	100	-	-	-	100
Beta Advussory	-	3 953	-	-	3 953
Sanisiwe Matola	-	100	-	-	100
N Jim& 8 Others/DRDAR	-	100	-	-	100
<b>PRETORIA</b>					
SM Koto	100	100	-	-	200
<b>Subtotal</b>	<b>23 465</b>	<b>6 153</b>	<b>(2 764)</b>	<b>-</b>	<b>26 854</b>

Nature of Liabilities recoverable	Opening Balance 1 April 2019 R'000	Details of Liability and Recoverability	Movement during year R'000	Closing Balance 31 March 2020 R'000
Gotshana & Nehawu	4 655	The claim relates to a job evaluation that was implemented incorrectly and subsequently reversed. The department has won the case on Junly 2020 and the recovery process will be resumed.	-	4 655
<b>TOTAL</b>	<b>4 655</b>		<b>-</b>	<b>4 655</b>

**ANNEXURE 4****CLAIMS RECOVERABLE**

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2017/18	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019	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
<b>Department</b>								
Dept of Correctional Services	-	-	1	-	1	-	-	-
Provincial Treasury	-	-	-	424	-	424		
ECRDA	-	-	-	380	-	380		
SARS		2 876	-	-	-	2 876		
								-
<b>Sub-total</b>	<b>-</b>	<b>2 876</b>	<b>1</b>	<b>804</b>	<b>1</b>	<b>3 680</b>	<b>-</b>	<b>-</b>

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2018/19	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019	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
<b>Other Entities</b>								
Microsoft	-	5 316	-	-	-	5 316	-	-
<b>Sub-total</b>	<b>-</b>	<b>5 316</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5 316</b>	<b>-</b>	<b>-</b>
<b>GRAND TOTAL</b>	<b>-</b>	<b>8 192</b>	<b>1</b>	<b>804</b>	<b>1</b>	<b>8 996</b>	<b>-</b>	<b>-</b>

**ANNEXURE 5****INTER-GOVERNMENT PAYABLES**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2018/19	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019	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 Trade and Industry	-	-	-	27	-	27	-	-
Department of Health	33	17	-	-	33	17	-	-
Dept of Agriculture Forestry & Fisheries	34	-	-	-	34	-	-	-
Department of labour	-	10	-	-	-	10	-	-
Department of International Relations	-	14	-	-	-	14	-	-
Department of Local Government	-	-	-	-	-	-	-	-
Department of Public Works	-	23	-	-	-	23	-	-
<b>Sub-total</b>	<b>67</b>	<b>64</b>	<b>-</b>	<b>27</b>	<b>67</b>	<b>91</b>	<b>-</b>	<b>-</b>

**OTHER GOVERNMENT ENTITIES: Current**

AGRISETA	68	57	-	-	68	57	-	-
HWSETA	7 861	3 368	-	-	7 861	3 368	-	-
Mhlontlo Municipality	15	165	-	-	15	165	-	-
OR Tambo Municipality	3	5	-	-	3	5	-	-
Other	-	2	-	-	-	2	-	-
<b>Total</b>	<b>7 947</b>	<b>3 597</b>	<b>-</b>	<b>-</b>	<b>7 947</b>	<b>3 597</b>	<b>-</b>	<b>-</b>
<b>Grand Total</b>	<b>8 014</b>	<b>3 661</b>	<b>-</b>	<b>27</b>	<b>8 014</b>	<b>3 688</b>	<b>-</b>	<b>-</b>

**ANNEXURE 6****INVENTORIES**

Inventory: summary	Note	2019/20	2018/19
		R'000	R'000
Opening balance		-	-
Add: Additions/Purchases - Cash	5.4	233 949	179 144
(Less): Issues		(233 949)	(179 144)
Closing balance		-	-

Inventory: Cloth materials & accessories	Note	2019/20	2018/19
		R'000	R'000
Opening balance		-	-
Add: Additions/Purchases - Cash	5.4	-	42
(Less): Issues		-	(42)
Closing balance		-	-

Inventory: Farming supplies	Note	2019/20	2018/19
		R'000	R'000
Opening balance		-	-
Add: Additions/Purchases - Cash	5.4	166 935	106 365
(Less): Issues		(166 935)	(106 365)
Closing balance		-	-

Inventory: Food and food supplies	Note	2019/20	2018/19
		R'000	R'000
Opening balance		-	-
Add: Additions/Purchases - Cash	5.4	126	530
(Less): Issues		(126)	(530)
Closing balance		-	-

Inventory: Fuel, Oil & Gas	Note	2019/20	2018/19
		R'000	R'000
Opening balance		-	-
Add: Additions/Purchases - Cash	5.4	2 156	1 826
(Less): Issues		(2 156)	(1 826)
Closing balance		-	-

## UNAUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

Inventory: Learn & teaching supply materials	Note	2019/20	2018/19
		R'000	R'000
Opening balance		-	-
Add: Additions/Purchases - Cash	<u>5.4</u>	378	29
(Less): Issues		(378)	(29)
Closing balance		-	-

Inventory: Materials and supplies	Note	2019/20	2018/19
		R'000	R'000
Opening balance		-	-
Add: Additions/Purchases - Cash	<u>5.4</u>	12 956	18 971
(Less): Issues		(12 956)	(18 971)
Closing balance		-	-

Inventory: Medical supplies	Note	2019/20	2018/19
		R'000	R'000
Opening balance		-	-
Add: Additions/Purchases - Cash	<u>5.4</u>	2 568	823
(Less): Issues		(2 568)	(823)
Closing balance		-	-

Inventory: Medicine	Note	2019/20	2018/19
		R'000	R'000
Opening balance		-	-
Add: Additions/Purchases - Cash	<u>5.4</u>	32 753	33 308
(Less): Issues		(32 753)	(33 308)
Closing balance		-	-

Inventory: Other supplies	Note	2019/20	2018/19
		R'000	R'000
Opening balance		-	-
Add: Additions/Purchases - Cash	<u>5.4</u>	16 077	17 250
(Less): Issues		(16 077)	(17 250)
Closing balance		-	-

**ANNEXURE 7****MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2020**

	Opening balance	Current Year Capital WIP	Ready for use (Asset register)	Closing balance
	R'000	R'000	R'000	R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	52 171	99 798	(90 051)	61 918
Non-residential buildings	16 445	7 861	(17 842)	6 464
Other fixed structures	35 726	91 937	(72 209)	55 454
<b>TOTAL</b>	<b>52 171</b>	<b>99 798</b>	<b>(90 051)</b>	<b>61 918</b>

Age analysis on ongoing projects	Number of projects		2019/20
	Planned, Construction not started	Planned, Construction started	Total R'000
1 to 3 Years	13	19	61 918
<b>Total</b>	<b>13</b>	<b>19</b>	<b>61 918</b>

**MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2019**

	Opening balance	Prior period error	Current Year Capital WIP	Ready for use (Asset register)	Closing balance
	R'000	R'000	R'000	R'000	R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	54 055	-	105 604	(107 488)	52 171
Non-residential buildings	5 726	-	17 493	(6 774)	16 445
Other fixed structures	48 329	-	88 111	(100 714)	35 726
<b>TOTAL</b>	<b>54 055</b>	<b>-</b>	<b>105 604</b>	<b>(107 488)</b>	<b>52 171</b>





## CONTACT DETAILS

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