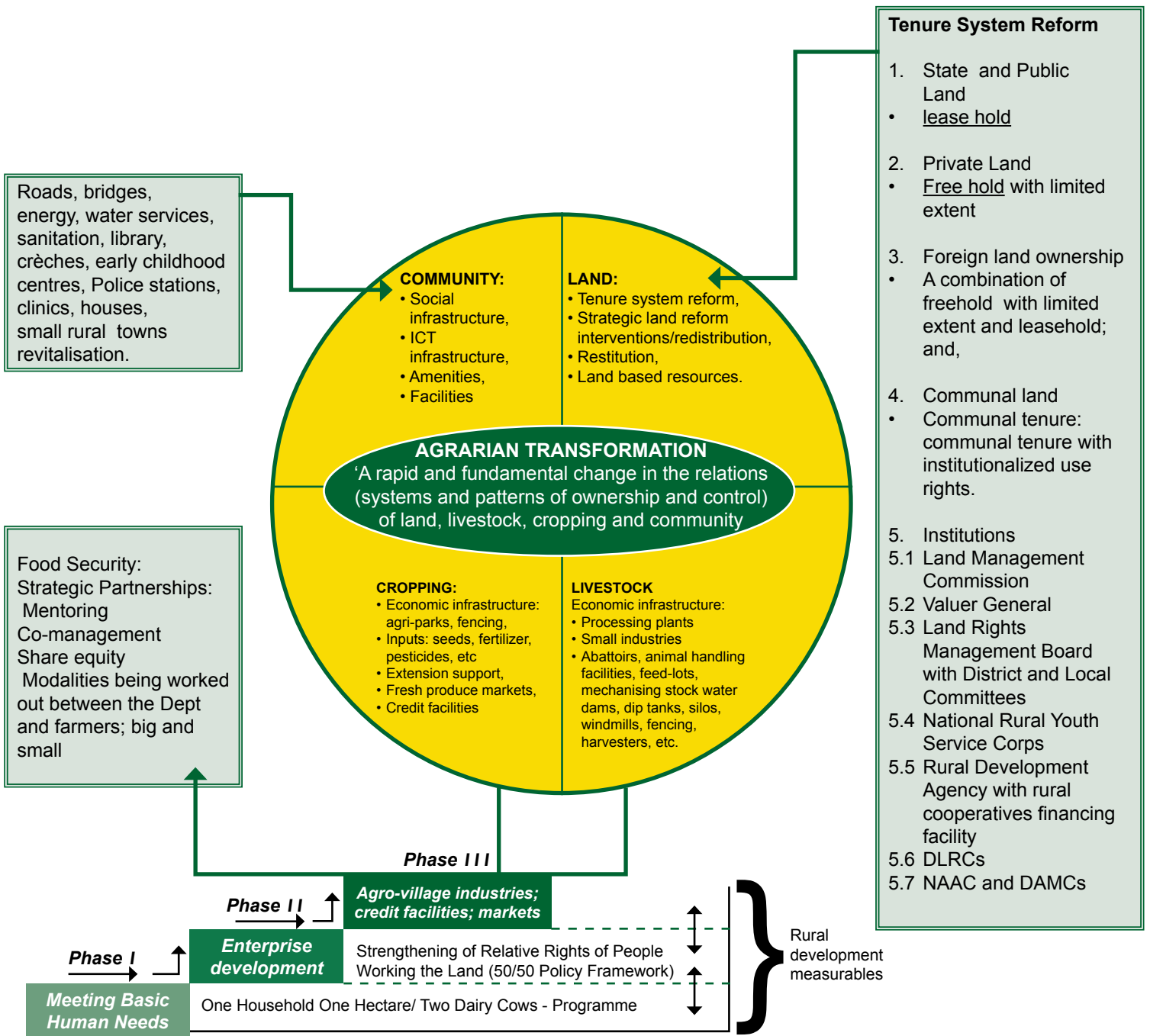


Rural Economy Transformation: Agrarian Transformation System



Vibrant, Equitable and Sustainable Rural Communities

**Department of Rural Development
and Land Reform**



**rural development
& land reform**

Department:
Rural Development and Land Reform
REPUBLIC OF SOUTH AFRICA

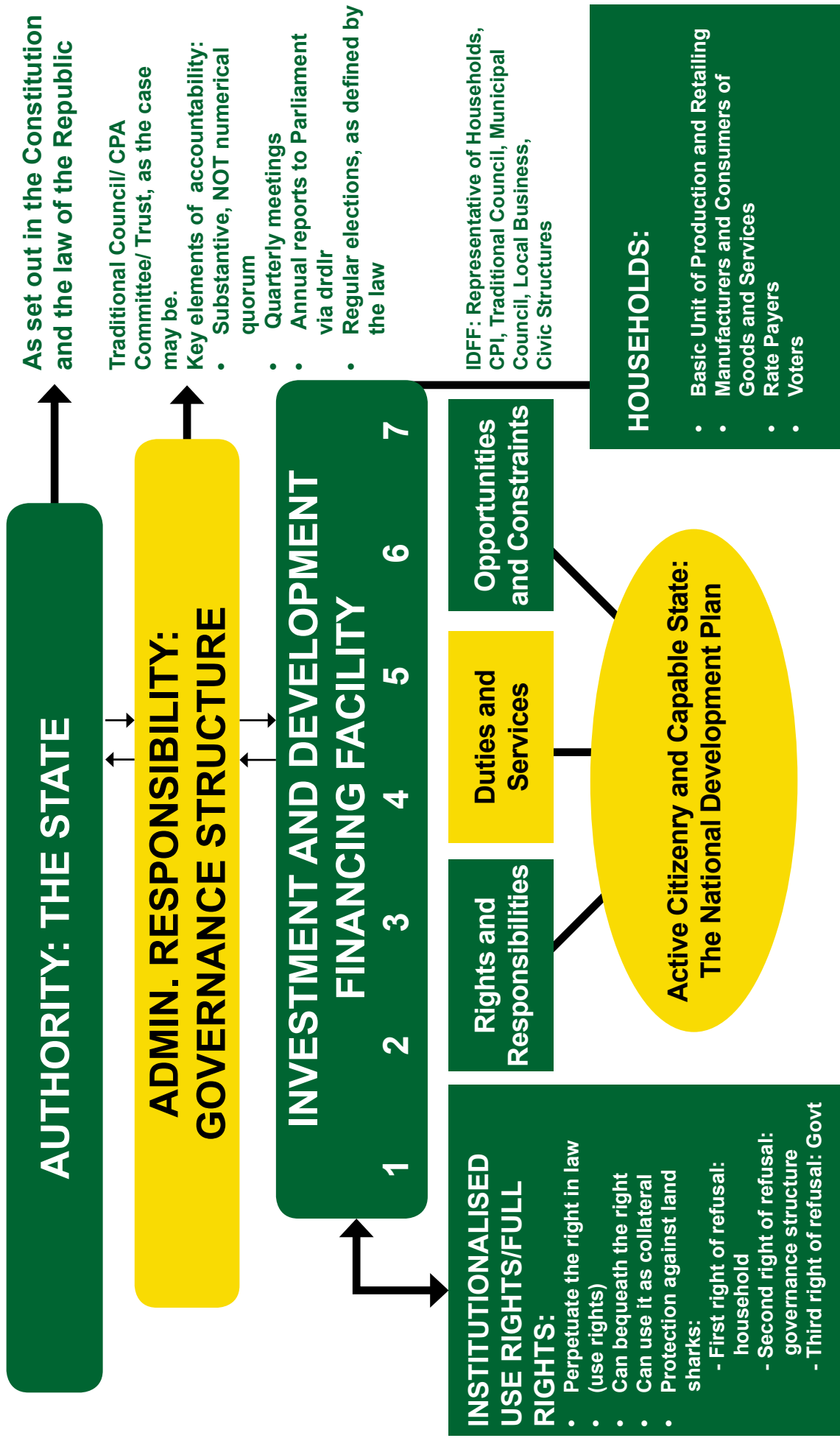
**Annual
Report
2015/2016**

**Department of Rural Development
and Land Reform**

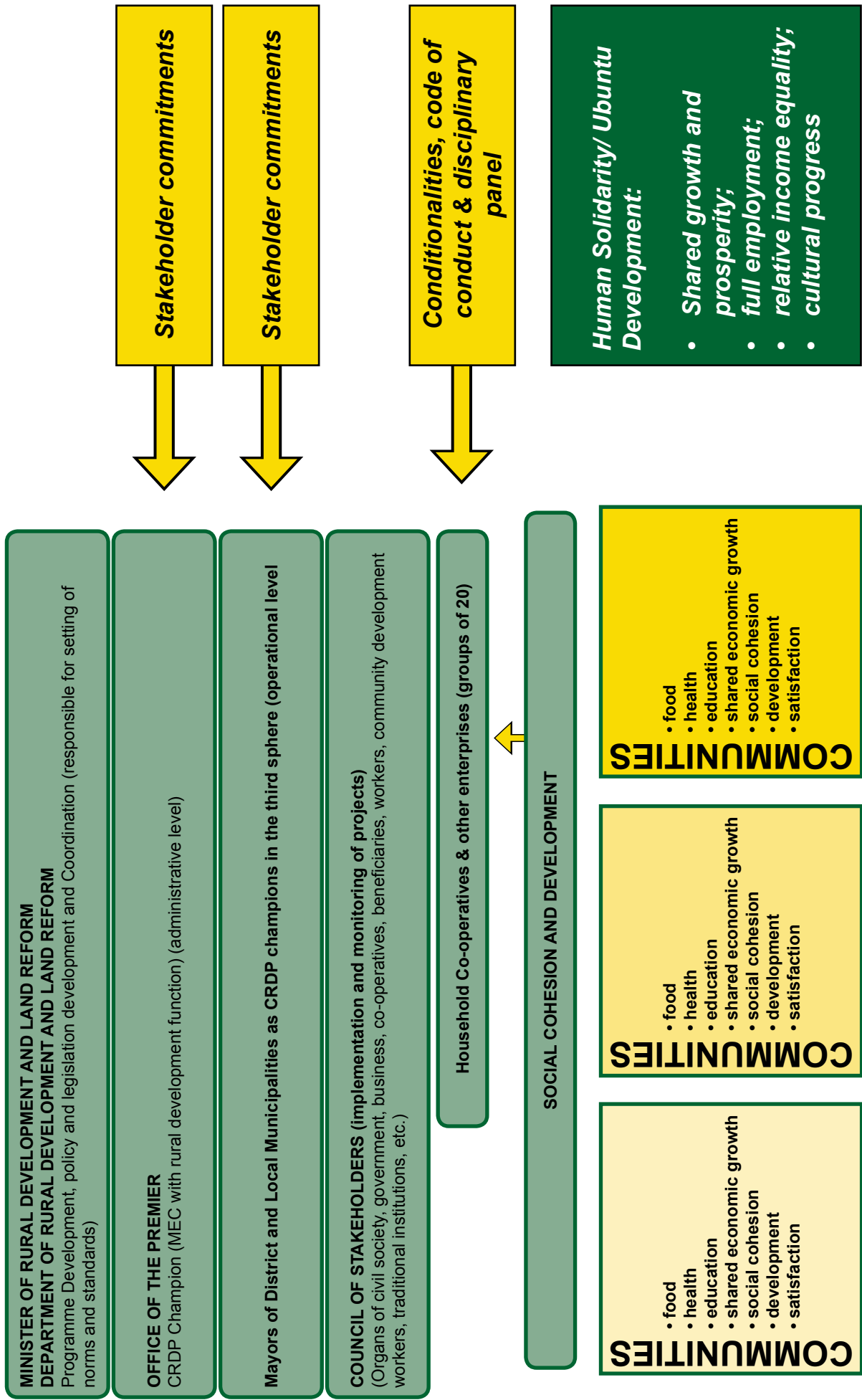
Annual Report

2015/2016

Rural economy transformation: institutional roles and role-relationships



The CRDP Management System





Annual Report

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Department of Rural Development and Land Reform
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A

General Information

1. General information

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2. List of Abbreviations/Acronyms

AFS	Annual Financial Statement	EC	Eastern Cape
AG	Auditor-General	EE	Employment Equity
AGSA	Auditor-General of South Africa	EEA	Employment Equity Act
AIDS	Acquired Immune Deficiency Syndrome	EHWP	Employee Health and Wellness Programme
ALHA	Agricultural Land Holding Account	EPMS	Employee Performance Management System
APAP	Agricultural Policy Action Plan	ESEID	Economic Sectors Employment and Infrastructure Development Programme
APP	Annual Performance Plan	EWP	Employee Wellness Programme
AVMP	Animal and Veld Management Programme	FET	Further education and training
BAS	Basic Accounting System	FCC	Finance Compliance Committee
CFO	Chief Financial Officer	FS	Free State
COE	Compensation of Employees	GAR	General Administrative Regulations
CPA	Communal Property Association	GP	Gauteng Province
CPT	Cape Town	Ha	Hectares
CRDP	Comprehensive Rural Development Programme	HH	Households
CSIR	Council for Scientific and Industrial Research	HIV	Human Immuno-deficiency Virus
DAMC	District Agri-parks Management Councils	HR	Human Resource
DDG	Deputy Director-General	HRD	Human Resource Development
DG	Director-General	ICT	Information and Communications Technology
DMP	Demand Management Plan	IDP	Integrated Development Plan
DoA	Declaration of Authority	IPAP	Industrial Policy Action Plan
DORA	Division of Revenues Act	IT	Information Technology
DPSA	Department of Public Services and Administration	JE	Job evaluation
DRDLR	Department of Rural Development and Land Reform	JHB	Johannesburg
DRDP	District Rural Development Plan	KZN	KwaZulu-Natal
		LM	Local Municipality

LP	Limpopo Province	PSSC	Provincial Shared Service Centre
LUS	Land Use Scheme	RADP	Recapitalisation and Development Programme
MP	Mpumalanga Province	RDP	Rural Development Programme
MPAT	Management Performance Assessment Tool	REID	Rural Enterprise and Industrial Development
MTEF	Medium Term Expenditure Framework	RID	Rural Infrastructure Development
MTSF	Medium Term Strategic Framework	SA	South Africa
NAAC	National Agri-parks Advisory Council	SCM	Supply Chain Management
NARYSEC	National Rural Youth Services Corps	SDF	Spatial Development Framework
NC	Northern Cape	SDFs	State Domestic Facilities
NDP	National Development Plan	SDIP	Service Delivery Improvement Plan
NEDLAC	National Economic Development and Labour Council	SETA	Skills Education Training Agency
NGO	Non-Governmental Organisation	SG	Surveyor-General
NPO	Non-Profit Organisation	SITA	State Information Technology Agency
NSDF	National Spatial Development Framework	SIU	Special Investigations Unit
NW	North West	SLA	Service Level Agreement
OHS	Occupational Health and Safety	SMS	Senior Management Services
OSD	Occupation Specific Dispensation	SOP	Standard Operating Procedures
PA	Performance Agreement	SPLUM	Spatial Planning and Land Use Management
PERSAL	Personnel Salaries	SPLUMA	Spatial Planning and Land Use Management Act
PFMA	Public Finance Management Act	SRR	Strengthening the Relative Rights
PILIR	Policy and Procedure on Incapacity Leave and Ill-health Retirement	STI	Sexually Transmitted Infections
PLOF	Policy on Land Ownership by Foreigners	TB	Tuberculosis
PMB	Pietermaritzburg	TR	Treasury Regulations
PMDS	Performance Management Development System	TRANCAA	Transformation of Certain Rural Areas Act
PPE	Property, Plant and Equipment	VCT	Voluntary Counselling and Testing
PSM	Public Service Month	WC	Western Cape

3. Strategic Overview

3.1 Vision

Vibrant, equitable and sustainable rural communities.

3.2 Mission

To initiate, facilitate, coordinate, catalyse and implement rural development and land reform programmes to achieve agrarian transformation.

3.3 Values



3.4 Strategic Outcome Orientated Goals

Strategic Goal 1	Corporate governance and service excellence
Goal Statement	Forster corporate governance and service excellence through compliance with the legal framework
Strategic Goal 2	Improve land administration for integrated and sustainable growth and development
Goal Statement	Improve land administration and spatial planning for integrated sustainable growth and development with a bias towards rural areas
Strategic Goal 3	Promote equitable access to and sustainable use of land for development
Goal Statement	An inclusive and equitable land dispensation with transformed patterns of land tenure and use
Strategic Goal 4	Promote sustainable rural livelihoods
Goal Statement	Improve rural livelihoods as a result of capabilities, income and job opportunities provided
Strategic Goal 5	Improved access to services
Goal Statement	Improve access to services in rural areas through the coordination of quality infrastructure
Strategic Goal 6	Sustainable rural enterprises and industries
Goal Statement	Promote economically, socially and environmentally viable rural enterprises and industries
Strategic Goal 7	Restoration of Land Rights
Goal Statement	Restoration of land rights in terms of the Restitution of Land Rights Act, as amended.

4. Legislative and other Mandates

The constitutional and legislative mandate which informed the operations of the department in the financial year under review was drawn from amongst others the following legislation:

- **Deed Registries Act, Act No. 47 of 1937**

The Act makes provision for the administration of the land registration system and the registration of rights in land. It requires that deeds and documents be prepared and lodged in a Deeds Registry by a Conveyancer or Notary Public. These deeds and documents are subjected to three levels of examination by legally qualified personnel who scrutinise the contents for accuracy and compliance with common law, case law and statutory law.

- **State Land Disposal Act, Act No. 48 of 1961**

The Act makes provision for the disposal of certain State land and to prohibit the acquisition of State land by prescription.

- **Sectional Titles Act, Act No. 95 of 1986**

The Act makes provision for the division of buildings into sections and common property and for the acquisition of separate ownership in sections coupled with joint ownership in common property. It further regulates the transfer of ownership of sections and the registration of sectional mortgage bonds over, and real rights in, such sections. It also makes provision for

the establishment of bodies corporate to control common property.

- **Upgrading of Land Tenure Rights Act, Act No. 112 of 1991**

The Act makes provision for the upgrading and conversion into ownership of certain rights graded in respect of land, as well as for the transfer of tribal land in full ownership to a tribe.

- **Land Reform: Provision of Land and Assistance Act, Act No. 126 of 1993**

This Act makes provision for the designation of certain land, the regulation of the subdivision of such land and the settlement of persons thereon. In addition, it provides for the acquisition, maintenance, planning development, improvement and disposal of property and the provision of financial assistance for land reform purposes.

- **Restitution of Land Rights Act, Act No. 22 of 1994**

The Act makes provision for the restitution of rights in land to persons or communities dispossessed of such rights after 19 June 1913 as a result of past racially discriminatory laws or practices. To administer this task, the Act established a Commission on Restitution of Land Rights and a Land Claims Court. The Minister is authorised to purchase, acquire in any other manner or expropriate land or rights in land for the purpose of restitution awards.

- **Land Reform (Labour Tenants) Act, Act No. 3 of 1996**

The Act makes provision for the security of tenure of labour tenants and those persons occupying or using land as a result of their association with labour tenants. It also makes provision for the acquisition of land and rights in land by labour tenants.

- **Communal Property Associations Act, Act No. 28 of 1996**

The Act makes provision for communities to form juristic persons, to be known as communal property associations, in order to acquire, hold and manage property on a basis agreed to by members of a community. This has to be done in terms of a written constitution.

- **Land Survey Act, Act No. 8 of 1997**

The Act makes provision for the regulation of the survey of land in South Africa.

- **Extension of Security of Tenure Act, Act No. 62 of 1997**

The Act makes provision for the facilitation of long-term security of land tenure, to regulate the conditions of residence on certain land and to regulate the conditions on and circumstances under which the right of persons to reside on land may be terminated.

- **Planning Profession Act, Act No. 36 of 2002**

The South African Council for Planners is established under this Act. The Act makes provision for different categories of planners and the registration of planners and authorises the identification of areas of work for planners. The Act seeks to protect the public from unethical practices and to ensure a high standard of professional conduct and integrity.

- **Spatial Data Infrastructure Act, Act No. 54 of 2003**

The Act makes provision for an electronic metadata catalogue and for the determination of standards and prescriptions with regard to the facilitation of the sharing of spatial information.

- **Geomatics Profession Act, Act No. 19 of 2013**

The Act makes provision for the establishment of the South African Geomatics Council; for different categories of registered persons and branches in the geomatics profession; for the identification of areas of work to be performed by the different categories of registered persons.

- **Conversion of Certain Rights into Leasehold Act, Act No. 81 of 1988**

The Act makes provision for the conversion of certain rights into leasehold or ownership.

- **Distribution and Transfer of Certain State Land Act, Act No. 119 of 1993**

The Act makes provision for the distribution and transfer of certain land belonging to the State and designated by the Minister as land to be dealt with in accordance with the provisions of the Act.

- **Interim Protection of Informal Land Rights Act, Act No. 31 of 1996**

The Act makes provision for temporary protection of certain rights to and interests in land which are not otherwise adequately protected by law.

- **KwaZulu-Natal Ingonyama Trust Act, Act No. 3 of 1994**

The Act makes provision for the establishment of the Ingonyama Trust and for certain land to be held in trust.

- **Land Administration Act, Act No. 2 of 1995**

The Act provides for the delegation of powers and the assignment of the administration of laws regarding land matters to the provinces.

- **Land Titles Adjustment Act, Act No. 111 of 1993**

The Act regulates the allocation or devolution of certain land in respect of which one or more persons claim ownership, but do not have registered title deeds in respect thereof.

- **Spatial Data Infrastructure Act, Act No. 54 of 2003**

The Act provides for the establishment of the South African Spatial Data Infrastructure, the Committee for Spatial Information and an electronic metadata catalogue; for the determination of standards and

prescriptions with regard to the facilitation of the sharing of spatial information and for the capture and publishing of metadata.

- **Spatial Planning and Land Use Management Act, Act No. 16 of 2013**

The Act provides for a framework for spatial planning and land use management in the Republic.

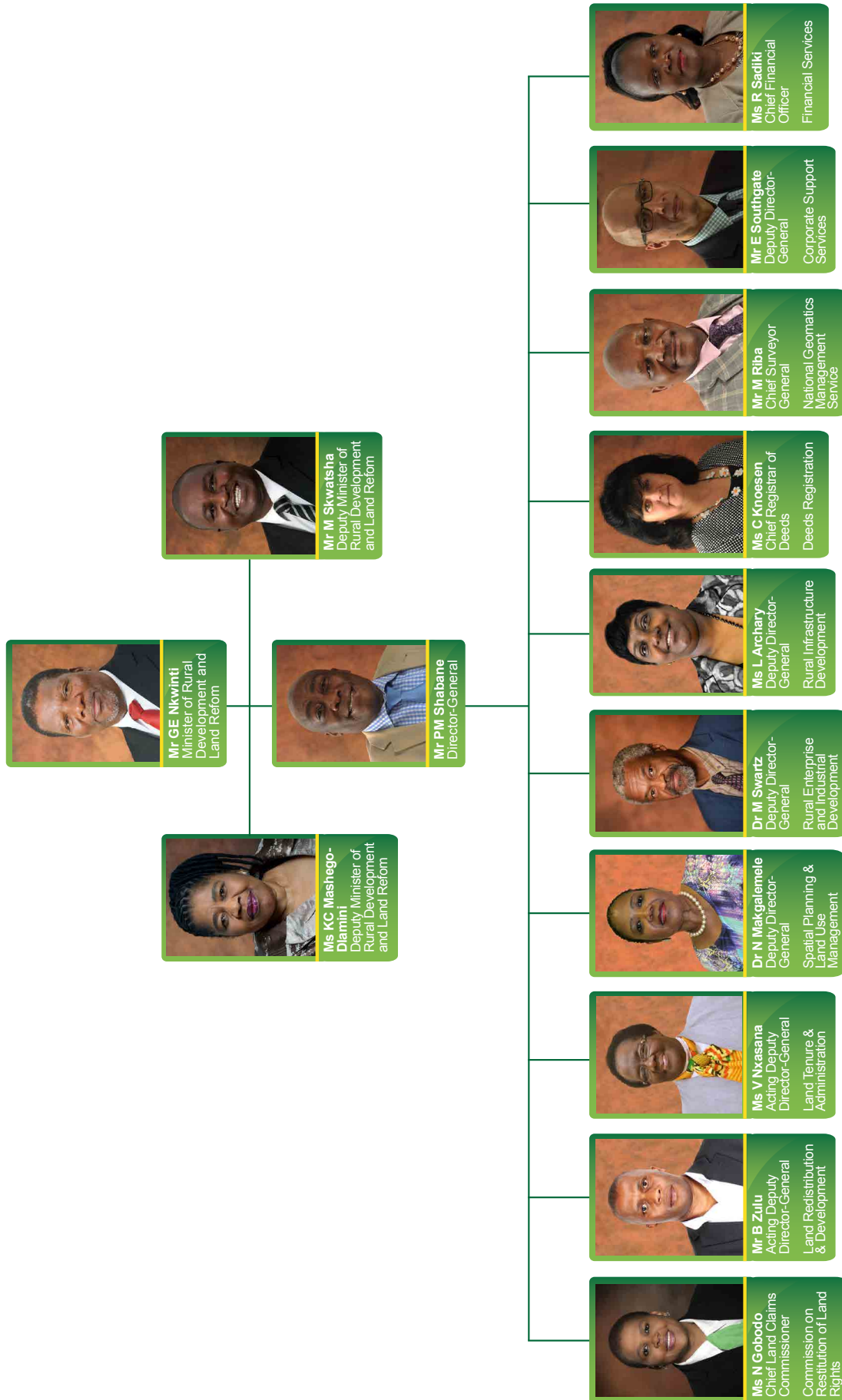
- **Transformation of Certain Rural Areas Act, Act No. 94 of 1998**

The Act provides for the transfer of certain land to municipalities and certain other legal entities and for the removal of restrictions on the alienation of land.

- **Property Valuation Act, Act No. 17 of 2014**

The Act provides for the establishment of the Office of the Valuer-General; for the regulation of the valuation of property that has been identified for land reform, as well as property that has been identified for acquisition or disposal by a department.

5. Organisational Structure



6. Entities Reporting to the Minister

The table below indicates the entities that report to the Minister.

Name of entity	Legislative mandate	Financial relationship	Nature of operations
Ingonyama Trust Board	The Ingonyama Trust is established in terms of the provisions of the KwaZulu-Natal Ingonyama Trust Act, Act No. 3 of 1994. It's core business is to manage land for the material benefit and social wellbeing of the individual members of the tribes.	Augmentation of the entity's budget.	Administer Ingonyama Trust land for the material and social benefit of the affected communities.
Registration of Deeds Trading Account	The Registration of Deeds Trading Account is a trading entity established in terms of the Public Finance Management Act, Act No. 1 of 1999. It generates revenue by selling information and levying fees in accordance with the schedule of fees prescribed by regulation 84 of the Act; registers rights in land and thus provides security of title. It also maintains public registers of land.	Augmentation of the entity's budget.	Registration of deeds.
Agricultural Land Holding Account	The Agricultural Land Holding Account was established in terms of the Provision of Land and Assistance Act, Act No. 126 of 1993 Section 10(1) (a) gives legal effect to the proactive acquisition of land, where the Minister may, from funds appropriated by Parliament for this purpose, acquire land for the purposes of this Act. Therefore the State will proactively target land and match this with the demand or need for land.	Funds the operations of the entity.	Acquisition of strategically located land for agricultural productivity.

7. Foreword by the Minister



Nkwinti, GE (MP)

Minister of the Department of Rural Development and Land Reform

Vision 2030 of the National Development Plan (NDP) calls for an inclusive rural economy wherein: rural communities should have greater opportunities to participate fully in the economic, social and political life of the country. People should have access to high-quality basic services that enable them to be well nourished, healthy and increasingly skilled. Rural economies will be supported by agriculture, and where possible by mining, tourism, agro-processing achieved through successful land reform, job creation and poverty alleviation. The 2030 vision speaks of the inclusivity and integration of rural areas, through successful land reform, job creation and poverty alleviation, and places agriculture as the driving force behind this vision.

The NDP identifies the following as key catalytic interventions: expansion of irrigated agriculture, supplemented by dry-land production, where feasible. In areas of low economic potential, the NDP speaks of the importance of basic services such as basic education, health care and social security to support the development of human capital.

Agri-parks will serve as an important mechanisms to execute the NDP's proposed rural development strategy due to their potential for supporting small-scale agricultural production and stimulating agro-processing in rural areas. One core element of this approach is conducting commodity and value-chain analyses and mapping exercises to establish Agri-parks based on the growth potential of value-adding commodities. As such, each Agri-park will focus on specific prioritised commodities that have the highest prospect of succeeding in their region. This is directly in line with the NDP's approach of targeting high value commodities (most of which are labour intensive) to stimulate industrial growth, accompanied by measures that ensure sustainable production on redistributed and communal land; and, an improved institutional support system.

Agri-parks have also been identified as one of the key drivers in revitalising the agriculture and agro-processing value chain. This speaks to the pronouncements of His Excellency, President J G Zuma, during his State of the Nation Address,

2015, when he announced the 9-Point Plan to ignite growth and create jobs.

The President stated that: "Agriculture is a catalyst for growth and food security. We are working with the private sector to develop an Agricultural Policy Action Plan (APAP), which will bring one million hectares of underutilized land into full production over the next three years. Among key interventions this year, we will promote the establishment of Agri-parks or co-operatives and clusters in each of the 27 poorest district municipalities to transform rural economies. An initial funding of R2 billion has been made available for the Agri-park initiative". All 44 district municipalities have since been included in this Programme.

Over the last few months, the department has undertaken a review of its functional organisational structure, with a view of enhancing its capacity to deliver on its mandate. This structural review will ensure that the mandate is managed and delivered effectively, efficiently and economically (Public Finance Management Act, Act No. 1 of 1999). To this end, the following institutional arrangements are being put in place:

National Joint Strategy Centre (NJSC);
Provincial Joint Tactical Centres (PJTCs); and,
District Joint Operational Centres (DJOCs).

The mandates of these joint centres are set out below:

Strategic	Tactical	Operational
National Office roles and responsibilities	Provincial roles and responsibilities	District roles and responsibilities
<ul style="list-style-type: none"> • Policy development for DRDLR; • Strategy definition for DRDLR mandates and programmes; • National process analysis on mandates and programmes; • Research and development for DRDLR on mandates and programmes; • Benchmarks and analysis; • International and Stakeholder Relations; • Implementation frameworks for DRDLR mandates and programmes; • Provincial support regarding implementation of policies, strategies, and frameworks on DRDLR mandates and programmes; • Service package and standard definitions on DRDLR mandates and programmes; • Monitoring and evaluation of performance; and, • Reporting on national scale on achievement of targets for DRDLR mandates and programmes. 	<ul style="list-style-type: none"> • Implementation of operational plans aligned to policies, frameworks, standards of DRDLR mandates and programmes; • Coordination of national mandate in/with provincial governments; • Direct relationships with provincial departments; • Facilitate provincial coordinating structures with provincial departments; • Facilitate relationship with district municipalities with regard to national mandate; • Develop provincial scenarios/ profiles and plans (economic/ poverty nodes) with provincial governments; • Contribute to provincial economic development projects with special focus on rural development and land reform; • Assist with programmes and projects implementation, if needs be, in provinces and municipalities; • Support district offices; and, • Reporting on provincial level achievement of targets for DRDLR mandates and programmes. 	<ul style="list-style-type: none"> • Implementation of programmes at district level; • Establish relationship with local municipalities; • Develop focal scenarios and plans (economic/ poverty nodes); • Coordination of national mandate with local municipalities; • Coordinate and support local economic development projects (Integrated Development Plans); and • Reporting on district level achievement of targets for DRDLR mandates and programmes.

BY 2030, SOUTH AFRICA SHOULD:

Experience more integrated, vibrant, equitable and sustainable rural-urban (rurban) communities (rural towns and agri-villages) with viable and bustling markets, small, micro and medium enterprises and industries, employing millions of people, supported and facilitated by requisite logistics, social and economic infrastructure (including research, innovation and information and communication technology), institutions (DFIs) and credit facilities.



NKWINTI, G.E. (MP)
MINISTER: DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM
DATE: 01 September 2016

8. Overview of the Accounting Officer



Mr PM Shabane
Director-General of the
Department of Rural
Development and Land
Reform

The compilation of an annual report by a department for purposes of accounting for the funds entrusted to it by the public provides an opportunity for the Accounting Officer and his team to seriously reflect on the performance of the organisation so that areas of improvement can be identified, lessons can be drawn and improvements made going forward. I am pleased that the department has not only improved on its programme performance during the period under review compared to the five previous financial years, but has also retained a record of an unqualified audit for three consecutive years. In addition to this, a clean audit has been achieved in one of the trading entities, the Agricultural Land Holding (ALHA) Trading Account. I wish to commend the staff of the department and its entities for their dedication, commitment and hard work. At times the demands of our mandate seem overwhelming, especially in the face of relentless criticism both from internal and external role-players and stakeholders, and yet, the majority of our 4 588 employees wake up every day determined to do their best to serve the people they are employed to serve. We are also mindful of the fact that many of our country's poor, for reasons of history, look to government as their last hope and we therefore cannot fail them.

As much as the country has made tremendous strides in pushing back the tide of poverty it is clear that much more still needs to be done.

The year under review saw the effects of the global economic down turn filtering into the domestic economy. Projected growth figures had to be revised downwards. Furthermore, the country suffered the worst drought in more than two decades. These factors had a major impact on the sector and necessitated government to put measures in place to mitigate the effects of the drought especially on small holder farmers.

Led by the Department of Cooperative Governance, our department played a significant role in contributing to the relief efforts provided to farmers and communities in the five affected provinces, the Free State, KwaZulu-Natal, Mpumalanga, Limpopo and North West. Some parts of the Eastern Cape were also declared disaster areas as these also experienced drought conditions. The department's contribution included the provision of a number of interventions ranging from creating fire breaks, supplying feed and water for livestock, drilling and equipping boreholes, and planting fodder on revamped irrigation schemes thereby assisting over 9 000 small holder sugarcane farmers. These interventions ensured that many of the farmers remained in business for the next planting season.

The year 2015/16 saw the department enter the second year of the implementation of the country's Agri-parks Programme in all 44 district municipalities across the country. The Agri-parks Programme has become the cornerstone of the Government's priority to Revitalise Agriculture and Agro-processing Value Chain (RAAVC), which is one of the priorities of the Nine-Point Plan. Over 800 projects were rolled out in different district municipalities in support of the development of the Agri-parks. At an institutional level the department also established the National Agri-parks Advisory Council to advise the Minister on various policy and institutional matters related to the Agri-parks. At a district level the department also established the District Agri-parks Management Councils (DAMCs). These institutional mechanisms were established primarily to ensure that from the outset, farmers who are the ultimate beneficiaries of the Agri-parks are involved and central to the implementation of the Programme.

The department also commenced with the piloting of the Policy on Strengthening Relative Rights of People Working the Land (SRR) as announced by His Excellency President JG Zuma in his State of Nation Address, (SONA) 2015. The department is pleased with the overwhelming positive response it received from many commercial farmers who want to participate in the Programme. By the end of the reporting period, 11 of these projects were already approved involving 540 beneficiaries. The

department has decided to substantially increase the number of the projects to be implemented in the year ahead.

In an effort to further enhance the implementation of land reform and to improve growth of the agricultural section, District Land Reform Committees (DLRCs) were introduced. The DLRCs have been established in the 44 district municipalities and will ensure continuing dialogue with agricultural land stakeholders, the commercial farming sector, agriculture departments and the community, to address challenges that slow down the pace and scale of land acquisition identification, and the optimal utilisation of land. We are therefore confident that partnerships that are being established with the essential departments will speed up land reform and redistribution, thus benefiting many more communities.

We are committed to maintaining a focus on being an, effective, efficient and transparent best practice regulator. We are strengthening our capabilities in policy formulation, including building on the way we engage our stakeholders and our beneficiaries.

At an organisational level, our strategic aim is to be an efficient, progressive and professional department, guided by chapter 13 of the National Development Plan (NDP). A skills audit conducted during this period revealed that there were instances of misalignment between the skills required to effectively execute the mandate of the department and the skills set of the existing employees. The audit further found that some of

the staff who is in possession of the required skills was not appropriately placed. The department is currently implementing a plan to create the necessary alignment. We will continue to invest in the development of our staff, who remains our most valued asset.

Finally, I wish to thank the Minister, our two Deputy Ministers and the Portfolio Committee on Rural Development and Land Reform for their leadership, guidance and support. I also wish to thank management and staff for their hard work and commitment through what has been a busy year and look forward toward another challenging but exciting year ahead.



PM SHABANE
DIRECTOR-GENERAL: RURAL DEVELOPMENT
AND LAND REFORM
DATE: 01 September 2016



B

**Performance
Information**

1. Accounting Officer's Statement of Responsibility for Performance Information

The department prepared the report on its performance against predetermined objectives in accordance with the requirements of sections 40 (3)(a) and 55 (2)(a) of the Public Finance Management Act, Act No. 1 of 1999, Chapter 18 section 18.3.1 (b) of Treasury Regulations and Chapter 6 of the National Treasury Framework for Managing Programme Performance Information, issued by the National Treasury. Therefore, the information reported is a product of established internal policies, procedures and controls related to the management of performance information designed to provide reasonable assurance about the integrity and reliability of performance information.

In my opinion, the performance information fairly

reflects the performance of the department against objectives set for the financial year ended 31 March 2016.



PM Shabane
Accounting Officer
Date: 12 May 2016

2. Auditor-General's Report: Predetermined Objectives

The Auditor-General of South Africa (AGSA) currently performs the necessary 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 77 of the Report of the Auditor-General, published as Part E: Financial Information.

3. Overview of Departmental Performance

3.1 Service Delivery Environment

The Department of Rural Development and Land Reform through its land acquisition and redistribution program aims to provide the previously disadvantaged rural communities and communities who battle the effects of poverty with access to land.

The department has embarked on programmes, plans and policies aimed at ensuring that rural communities in particular enjoy the fruits of a democratic dispensation and equality as envisioned in the National Development Plan (NDP). Vision 2030 of the NDP calls for inclusive rural economy wherein rural communities should have greater opportunities to participate fully in the economic, social and political life of the country. Rural economies will be supported by agriculture, and where possible by mining, tourism, agro-processing achieved through successful land reform, job creation and poverty alleviation.

The establishment of Agri-parks in all 44 districts municipalities in South Africa is set to transform

the rural economy by creating employment opportunities, infrastructure development and revitalising the agricultural and agro-processing value chain. A sum of R2 billion has been budgeted for in the 2016/17 financial year for infrastructure and bringing the various aspects of the Agri-parks development process into production. To ensure its sustainability, government will provide financial and material support for Agri-parks for a period of 10 years, after which farmers in the various districts must assume complete control. Significant progress has been made in the development of Agri-parks since its establishment was first announced in 2014.

To date, 2 730 jobs have been created during the current phase of development. One of the significant milestones in the process is the creation of governance structures to manage and oversee various aspects of the initiative. The widely representative District Agri-parks Management Councils (DAMCs) were established in 2015 and supported by teams of professionals who

have been selected through a transparent and competitive process. The National Agri-parks Advisory Council (NAAC) has also been set up. This will provide strategic support and service in an advisory capacity to the political authority (Cluster of Ministries in the Economic Sectors Employment and Infrastructure Development – ESEID) among others. This structure will also ensure that quality control measures are in place in respect to products, health and safety conditions in production, processing sites and establish market opportunities, both domestically and internationally.

The Cabinet approval of the Communal Property Association Amendment Bill for public comment marks a significant step towards improving the functioning of Communal Property Associations (CPAs) in South Africa by protecting the interests

of land reform beneficiaries and thus ensuring they reap the rewards due to them.

The Regulation of Agricultural Land Holding Bill is designed to create the measures espoused in Chapter 25 (5) of the Constitution which enjoins that the state “take reasonable legislative and other measures, within its available resources, to foster conditions which enable citizens to gain access to land on an equitable basis”. According to the Minister of Rural Development and Land Reform, Mr Gugile Nkwinti (MP), these constitutional imperatives are at the core of the mandate of the Department of Rural Development and Land Reform. Within the context of land and agrarian reform, it is crucial that the state exercises regulatory oversight to ensure that an adequate supply of arable land is available for its citizens.

3.2 Service Delivery Improvement Plan

The department has completed a service delivery improvement plan. The table below highlights the service delivery plan and the achievements to date.

Main Services provided and Standards

Main Service	Actual Customers	Potential Customers	Standard of Service	Actual Achievement against Standards
To finalise the restoration of land rights and/or alternative forms of equitable redress	Dispossessed communities	Dispossessed communities	463 land claims settled 373 land claims finalised	617 land claims settled 560 land claims finalised
To provide comprehensive farm development support to smallholder farmers and land reform beneficiaries for agrarian transformation	Rural communities and emerging farmers	Rural communities and emerging farmers	331 farms supported under the Recapitalisation and Development Programme 994 farmers trained through the Recapitalisation and Development Programme	414 farms supported under the Recapitalisation and Development Programme 754 farmers trained under the Recapitalisation and Development Programme
To facilitate the development of rural enterprises and industries	<ul style="list-style-type: none"> Rural beneficiaries Government departments and agencies Business sector Non-Government Organisations (NGOs) and Non-Profit Organisations (NPOs) Universities and Further Education and Training (FET) colleges 	<ul style="list-style-type: none"> Rural beneficiaries Government departments and agencies Business sector NGOs and NPOs Universities and FET colleges 	<ul style="list-style-type: none"> 215 rural enterprises supported in rural development 4 500 skills development opportunities provided to support rural development initiatives 8 000 jobs created in rural development initiatives 	<ul style="list-style-type: none"> 216 rural enterprises supported in rural development 9 516 skills development opportunities provided to support rural development initiatives 6 005 jobs created in rural development initiatives

Consultation arrangements with Customers

Type of Arrangement	Actual Customer	Potential Customer	Actual Achievements
Quarterly Client Satisfaction Surveys	<ul style="list-style-type: none"> Chief Directorate: Human Resources and Organisational Development 	<ul style="list-style-type: none"> Internal staff External clients 	<ul style="list-style-type: none"> An internal client satisfaction survey was conducted for Chief Directorate: Human Resources and Organisational Development. Awareness sessions were conducted with DRDLR officials in seven provinces on the development of the departmental Service Commitment Charter.
Awareness campaigns on the development of the DRDLR Service Commitment Charter.	<ul style="list-style-type: none"> DRDLR officials in seven provinces 		

Service Delivery Access Strategy

Access Strategy	Actual Achievements
Public Service Month (PSM)	<ul style="list-style-type: none"> Northern Cape – During the PSM, community outreach programmes were conducted in Francis Baard District. Project visits were undertaken in Ghaapse Berg and ZF Mgcawu. An information kiosk was set up at Kim Shopping Centre. Mpumalanga – Branch: Deeds held an information sharing session at France Community Hall in Amsterdam. This was to disseminate information on the services that are rendered by the Branch. Limpopo – Lodgement services were made accessible to the community as part of the PSM celebrations. Free State – Outreach and career expo was conducted at Maluti a Phofung.

Service Information Tool

Types of Information Tool	Actual Achievements
Exhibitions, workshops	117 events were branded and the department promoted its products and services in 24 exhibition opportunities in the 2015/16 financial year.

Complaints Mechanism

Complaint Mechanism	Actual Achievements
No of queries received: Presidential Hotline = 204	Resolved = 07 Closed = 136 Outstanding = 61
No of queries: Call Centre = 10 382	Resolved = 10 375 Closed = 00 Outstanding = 07

3.3 Organisational environment

Since inception the department has undergone a number of changes which has necessitated both an

organisational review and an assessment of the current competencies and skills of its workforce. Therefore over the 2015/2016 financial year, the department undertook to conduct an organisational structural analysis to determine whether the approved organisational structure is aligned with the departmental mandate and service delivery programmes to produce the proposed macro level organisational structure.

Furthermore, a comprehensive Skills Audit was conducted in order to determine the skills available in the department, how appropriate they are to enhance the strategic intent and how best to redeploy existing skills. An independent external service provider was appointed to conduct a diversity survey within the department to develop a comprehensive diversity management programme that would support the core vision of the department. These projects were undertaken

to ensure that the department's capacity will match and accomplish the agenda set out by the government as a developmental state.

In addition, the department has reconfigured some of its functional focus in the following areas of work:

The reconfiguration of the provincial organisational structure for the Directorate: Land Acquisition and Recapitalisation into two separate Directorates. The reconfiguration of the organisational structure and post establishment for Provincial Directorates: Strategic Land Acquisition and Recapitalisation and Development which is aimed at assisting the Branch: Land Redistribution and Development to achieve its key objectives of an increased equitable access to and productive use of the land. The Branch: Land Redistribution and Development seeks to acquire strategically located land. Therefore, the split of the nine Provincial Directorates of Land Acquisition and Recapitalisation into two separate Directorates is motivated by the departments' view that land acquisition and recapitalisation need specific focus at the implementation phase.

The transfer of functions and related resources from the Department of Rural Development and Land Reform to the Office of the Valuer-General was required. The interim organisational structure and post establishment for the Office of the Valuer-General was created and approved by the Minister in 2014. However, there were three posts of Land and Property Valuers (salary level 13), on the post establishment of the Chief Directorate: Strategic Land Reform Interventions. These are the only posts on the departmental structure that were conducting the function of valuation of property identified for land reform and restitution purposes. Therefore, it was prudent for the key function of valuation of property and associated resources be transferred from the departmental organisational structure and post establishment to that of the Office of the Valuer-General, for the principle of staff follow function to be applied.

All of the above organisational repositioning is meant to demonstrate both the commitment to take the land reform and rural development priority mandate of government into a new trajectory with increased efficiency.

3.4 Key policy developments and legislative changes

The department made significant progress in developing policies. The target was met as per the commitments.

The District Land Reform Committees that arose from the National Development Plan (NDP) have been established in the 44 districts. They will advise on land that is targeted for distribution and beneficiaries to prioritised land per district. The District Agri-parks Management Councils were established to oversee the operations of Agri-parks. These two committees changed the architecture of the department by involving the stakeholders and interested persons on matters of land reform and agricultural transformation.

The policy on "Strengthening of Relative Rights for People Working the Land" has promoted new companies on joint venture basis, most of which were going concerns and employ a new approach toward support, securing the state investments and protecting the interest of new beneficiaries.

The progress of some of the policies that could not be finalised is as follows:

- Policy on Rural Enterprises and Industry Development is being processed towards approval.
- Policy on a Rural Development Investment and Finance Facility is work in progress but policy research has been conducted and legal assessments undertaken.
- Electronic Deeds Registration Policy has been developed and has informed the Deeds Registry Bill that has been published for public comment by Cabinet.
- Policy reviews on Recapitalisation and Development was accomplished.

4. Strategic Outcome Oriented Goals

- Corporate governance and service excellence
- Improve land administration for integrated and sustainable growth and development
- Promote equitable access to and sustainable use of land for development
- Promote sustainable rural livelihoods
- Improved access to services
- Sustainable rural enterprises and industries
- Restoration of Land Rights

5. Performance information by programme

Programme 1: Administration

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

Sub-programmes

- Ministry
- Management
- Internal Audit
- Corporate Support Services
- Financial Services
- Provincial Coordination
- Office Accommodation

Strategic Objectives

The following are the strategic objectives of Programme 1: Administration

- Ensure 100% compliance with government regulations and legal prescripts by 2020
- Obtain an unqualified regularity audit opinion on financial and non-financial performance by 2020

Programme 1: Administration					
Strategic objective	Performance indicator	Baseline (Actual output) 2014/15	Actual performance against target		Reasons for variance
			Target (2015/16)	Actual (2015/16)	
Ensure 100% compliance with government regulations and legal prescripts by 2020	% allocated budget spent	99,9%	100 %	99.7%	The under-achievement is due to vacant positions not filled. Some projects did not progress as planned due to various reasons.
	% of valid invoices paid within 30 days upon receipt by supply chain management	91%	100%	97%	The under-achievement was due to invoice discrepancies, tax clearance certificates that expired and ex-post facto invoices.
	% of disciplinary cases finalised within 90 days	New indicator	60%	40%	This was due to complexity of some of the cases which required more time for investigations leading to less than the targeted cases being finalised on time.
	% of vacancies filled within 120 days from the advert date	New indicator	70%	40%	The security vetting process for some posts took longer than the normal turn-around time. In addition, when the National Treasury indicated the cut on Compensation of Employees (CoE) over the Medium Term Strategic Framework (MTSF) the department had to review its recruitment process and set up structures to ensure prudent process and prioritisation of posts is effectively and efficiently managed.
	% network uptime and availability maintained	New indicator	80%	93%	The target was over-achieved due to strategies put in place such as monthly monitoring and review meetings held between the department and Telkom.
	Number of media assessment reports submitted indicating the departments profile in the media	New indicator	4	4	None

Programme 1: Administration					
Strategic objective	Performance indicator	Baseline (Actual output) 2014/15	Actual performance against target		Reasons for variance
			Target (2015/16)	Actual (2015/16)	
Obtain an unqualified regularity opinion on financial and non-financial performance by 2020	Clean audit opinion obtained	Un-qualified audit opinion	Unqualified audit opinion	Unqualified audit opinion	The target was partially achieved due to audit findings and emphasis of matter due to material misstatement on financials.
	% of external audit findings resolved	92%	100%	88%	The target was partially achieved due to finalisation of state land lease contracts still in progress, payment of invoices still a challenge, ICT projects still in progress, departmental litigation cases a challenge to obtain from state attorney.
Provide an effective and efficient financial services to ensure spending according to departmental priorities by 2020	Financing model approved	New indicator	Financing model developed and approved	Financing model developed	The target was partially achieved due to the indicator being removed because of the following reasons: Initial meetings between the CFOs of DRDLR and DAFF took place in Quarter 2 where it was identified that there were areas of duplication. Subsequent to that, National Treasury initiated a similar process in the coordination of this policy for the two departments.
Ensure integrated service delivery and resource allocation for the implementation of the CRDP across all spheres of government by 2020	Number of departments providing support to implement the MTSF	New indicator	6	6	None

The department under Programme 1 achieved five of the ten planned targets. The areas of inadequate performance were on percentage of disciplinary cases finalised; percentage of vacancies filled within 120 days; clean audit opinion obtained; percentage of external audit findings resolved; and financing model approved. Reasons that led to the inadequate performance are stated in the table above.

Programme 2: Geospatial and Cadastral Services

Purpose: Provide geospatial information, cadastral surveys, deeds registration and spatial planning as well as technical services in support of sustainable land development.

Sub-programmes

- Registration of Deeds Trading Account
- National Geomatics Management Services
- Spatial Planning and Land Use Management
- South African Council for Planners

Strategic Objectives

- Facilitate integrated spatial planning and land use management in all provinces through the application of relevant legislation by 2020
- Ensure an integrated and comprehensive land administration system

Programme 2: Geospatial and Cadastral Services					
Strategic objective	Performance indicator	Baseline (Actual output) 2014/15	Actual performance against target		Reasons for variance
			Target (2015/16)	Actual (2015/16)	
Facilitate integrated spatial planning and land use management in all provinces through the application of relevant legislation by 2020	National Spatial Development Framework (NSDF) developed	NSDF discussion document on thematic areas and consultation	NSDF discussion document on thematic areas and consultation	NSDF discussion document on thematic areas and consultation	None
	% of municipalities supported to implement the Spatial Planning and Land Use Management Act (SPLUMA)	164	164	National report on 164 local municipalities SDFs supported	None
		70% SDFs	70% SDFs	70% SDFs	None
		31% (86 municipalities supported)	40% Land Use Schemes (LUS) (93 municipalities)	National report on 125 or 53% local municipalities were supported on LUS	A larger number of municipalities were assessed and compliance notices were issued because of better cooperation from municipalities. The finalisation of the Regulations to SPLUMA also provided a clearer framework for assessment of Land Use Schemes.
		0% (0 municipalities supported).	90%: Functional Land Use Regulator (210)	National report on 234 (100%) Functional Land Use Regulators	A concerted effort across the three spheres of government and improved coordination through SPLUMA Implementation Forum both national and provincial contributed to improved support provided for the establishment of functional Land Use Regulators.

Programme 2: Geospatial and Cadastral Services					
Strategic objective	Performance indicator	Baseline (Actual output) 2014/15	Actual performance against target		Reasons for variance
			Target (2015/16)	Actual (2015/16)	
Facilitate integrated spatial planning and land use management in all provinces through the application of relevant legislation by 2019	Number of District Rural Development Plans (DRDPs) completed	New indicator	27	24	The three DRDPs for North West that were not finalised due to challenges with some sector departments' failure to submit required information to complete the plans.
	Number of provinces supported to develop provincial SDFs	4 provinces (NC, FS, NW, LIM)	6 (NW & GP)	2 (GP & NW)	Though the APP target was captured as 6. This was in effect, a cumulative figure whereby the first 4 provinces (NC, FS, NW, LIM) were planned and achieved in the past financial year. The actual target for 2015/16 was 2, i.e. NW and GP as captured in parenthesis in the APP – of which the target has been achieved.
Ensure an integrated and comprehensive land administration system	Number of State Domestic Facilities (SDFs) surveyed	1 669	1 200	749	The project resumed late (middle of the 3rd quarter) after a break due to unavailability of funds, thus no achievement in quarters 1, 2 and 3.
	Number of deeds and documents registered	961 518	967 725	994 566	The overachievement is due to more deeds being received/ lodged than anticipated.
	% of deeds made available within seven days from lodgement to execution	New indicator	95%	84%	The under-achievement is due to three deeds offices, i.e. JHB, PMB and CPT experiencing staff shortages in the first 2 quarters of the year. Inadequate and inefficient planning for operations in the event where deeds examiners attended compulsory training and other departmental events/ projects compromised performance.
	Number of maps of the national map series produced	1 800	197	273	The over-achievement is due to the following: <ul style="list-style-type: none"> • Time taken to produce a map depends on the detail of the area to be mapped. • The lesser the detail e.g. Karoo, the quicker the production and thus more maps can be produced in a short space of time. • The more the detail e.g. JHB the more time is needed to produce maps. • More than half of the maps produced in 2015-2016 were in Northern Cape which has areas that have lesser detail thus more maps were produced.

Programme 2: Geospatial and Cadastral Services					
Strategic objective	Performance indicator	Baseline (Actual output) 2014/15	Actual performance against target		Reasons for variance
			Target (2015/16)	Actual (2015/16)	
	Average number of working days taken to process registerable diagrams, sectional plans and general plans	New indicator	14	13	None
Provide a cadastre modernisation programme that will result in a secure, accessible, integrated scalable and cost effective solution that provide accurate, reliable and secure land administration information	Number of sets of solution modules deployed	New indicator	Enterprise architecture available	The request for EA work was completed and submitted to SITA. Delivery has been placed on hold	The non-achievement of the target was due to the termination of the project as a result of SIU investigation and legal actions.

The department under Programme 2 achieved most of the targets set for the year (9 out of 13). The areas of inadequate performance were on District Rural Development Plans; State Domestic Facilities; percentage of deeds made available within seven days; and sets of solution models deployed. Reasons that led to the inadequate performance are stated in the table above.

Programme 3: Rural Development

Purpose: Initiate, facilitate, coordinate and act as a catalyst for the implementation of a Comprehensive Rural Development Programme (CRDP) that leads to sustainable and vibrant rural communities.

Programme Structure:

- Rural Infrastructure Development (RID)
- Rural Enterprises and Industrial Development (REID)
- National Rural Youth Services Corps (NARYSEC)

Strategic Objectives:

- Provide support to rural communities in prioritised rural districts to enable them to improve their livelihoods by 2020.

- Facilitation of infrastructure development to support rural economic transformation by 2020.
- Facilitate the development of rural enterprises and industries in areas with economic development potential and opportunities by 2020.
- Increase job opportunities and ensure skills development through CRDP and land reform initiatives by 2020.

Programme 3: Rural Development					
Strategic objective	Performance indicator	Baseline (Actual output) 2014/15	Actual performance against target		Reasons for variance
			Target (2015/16)	Actual (2015/16)	
Provide support to rural communities in prioritised rural districts to enable them to improve their livelihoods by 2020	Number of projects implemented in rural communities to improve production, in support of improved food security	New indicator	30	48	The over-achievement was due to more projects identified for drought interventions.
	Number of rural information desks established	New indicator	27	0	The under-achievement was due to difficulties experienced with the securing of office space. Certain municipalities have now come forward and these will be facilitated in the new year.

Programme 3: Rural Development					
Strategic objective	Performance indicator	Baseline (Actual output) 2014/15	Actual performance against target		Reasons for variance
			Target (2015/16)	Actual (2015/16)	
Facilitation of infrastructure development to support rural economic transformation by 2020	Number of socio-economic infrastructure projects coordinated and facilitated	123	80	115	The over-achievement was due to reprioritisation of budget to respond to the drought challenges in districts including projects to provide water access.
	Number of infrastructure projects facilitated within 27 priority districts to support Agri-parks development	New indicator	27	29	The over-achievement was due to additional projects that were completed in KZN at the Farmer Production Support units linked to irrigation schemes completed
	Number of Animal and Veld Management Programme projects implemented	208	250	454	The target was over-achieved due to the recent declared droughts across the country. There was a need to create fire breaks at Land Reform farms affected by the drought; additional fencing projects
	Number of projects implemented in support of the River Valley Catalytic programme	31	20	20	The target was achieved as certain projects were completed in shortened times.
	Number of rural enterprises supported in rural development initiatives with special focus on 27 district municipalities	New indicator	215	216	Target exceeded by one as the project was completed before the projected time.
Facilitate the development of rural enterprises and industries in areas with economic development potential and opportunities by 2020	Number of rural non-agricultural industries supported in line with the IPAP	New indicator	2	6	The over-achievement was due to additional focus being placed on industries aligned to Agri-parks and as a result of strategic partnerships with the commodity sector.
	Number of agreements signed to facilitate improved market linkages	New indicator	9	10	The over achievement was a result of the increased number of partnerships that were mobilised aligned to the Agri-parks programme
	Rural credit financing facilitated	New indicator	1	1	None

Programme 3: Rural Development					
Strategic objective	Performance indicator	Baseline (Actual output) 2014/15	Actual performance against target		Reasons for variance
			Target (2015/16)	Actual (2015/16)	
Increase job opportunities and ensure skills development through CRDP and land reform initiatives by 2020	Number of skills development opportunities provided to support rural development initiatives	9 509	4 500	9 516	Target was over-achieved due to the training that was provided linked to some of the drought interventions. Additional persons were skilled through the partnerships that were established with no additional cost implication to the department.
	Number of skills development opportunities provided to NARYSEC youth	2 822	2 500	3 060	Target was over-achieved due to the unblocking of challenges faced by the SETAs especially the construction SETA. This resulted in many of the backlog certificates being issues this year whereas training took place in the last financial year.
	Number of agricultural graduates deployed in rural projects.	New indicator	200	198	200 graduates were recruited but two agricultural graduates resigned due to finding other work.
	Number of jobs created in rural development initiatives	4 916	8 000	6 005	The target was underachieved as a result of funding reprioritisation for drought. The nature of projects completed under drought relief was not able to create large numbers of jobs. In addition, there were some challenges faced in two major constructions which resulted in a delay in the start date.

The department under Programme 3 achieved all but two of the planned 14 targets for the year. The areas of inadequate performance were under; jobs created in rural development initiatives and rural information desks established.

Programme 4: Restitution

Purpose: Settle land restitution claims under the Restitution of Land Rights Act, (1994), and provide settlement support to beneficiaries.

Programme Structure:

- Restitution National Office
- Restitution Regional Offices
- Restitution Grants

Strategic Objectives:

- Facilitate restoration of land rights and alternative forms of equitable redress by 2020.

Programme 4: Restitution					
Strategic objective	Performance indicator	Baseline (Actual output) 2014/15	Actual performance against target		Reasons for variance
			Target (2015/16)	Actual (2015/16)	
Facilitate the restoration of land rights and alternative forms of equitable redress by 2020	Number of land claims settled	428	463	617	<p>The over-achievement is due to the following:</p> <ul style="list-style-type: none"> • In Limpopo, the Mpaphuli and Chibase claims were dealt with as a community claim, however a total of 83 claim forms were lodged by claimants for the Mpaphuli individual land claims; and 70 claim forms were lodged by claimants for the Chibase individuals. The counting of claims were therefore aligned. • In North West, reconciliations were done on the Putfontein settlement, which resulted in an additional 27 claim forms being counted.
	Number of land claims finalised	372	373	560	<p>The over-achievement was due to the additional claims from Limpopo and Mpumalanga:</p> <ul style="list-style-type: none"> • In Limpopo, the office finalised 104 claims inclusive of Chibase and Mpaphuli individual claims. • In Mpumalanga, the settlement and finalisation of Goedehoop contributed to the 13 claims finalised.
	Number of phased projects approved	119	62	82	<p>The over-achievement was due to:</p> <ul style="list-style-type: none"> • The reprioritisation on hectares required for the Commission's contribution towards Redistribution. • The Commission achieved 98%, This resulted in 26 additional phased projects being approved. <p>Note: Of these 82 phased projects, three were settled as addendum or amendments i.e. Bolahlagomo Community land claim (Phase 1: Addendum); Emcakwini land claim (Phase 2 - Second Amendment) and Addendum for Phase 1 and 2 for Mahlangu and Masombuka families' claims (Somphalali Sibuyela Ekhaya CPA). None of these projects were reported in the previous financial year of 2014/15, therefore these are not duplicates.</p>

Programme 4: Restitution					
Strategic objective	Performance indicator	Baseline (Actual output) 2014/15	Actual performance against target		Reasons for variance
			Target (2015/16)	Actual (2015/16)	
Facilitate the restoration of land rights and alternative forms of equitable redress by 2020	Number of claims lodged by 1998 to be researched	1 516	2 660	2 542	<p>The underperformance is attributed to the following:</p> <ul style="list-style-type: none"> • Although there was an intervention Research Strategy in place, difficulties were experienced with the management and monitoring of outsourced claims. • Outsourced researched reports were not received timeously. • Poor quality of research reports submitted by service providers resulted in repeated amendments as service providers underestimated the complexity and extent of work needed for research.
	Number of lodgement offices functional	14 Lodgement offices opened and functional	2 all-terrain (4X4) mobile lodgement offices operational	4X4 Mobile offices registered and successfully rolled out in North West and Northern Cape. Roll out to all provinces managed through project manager.	None

The department under Programme 4 far-exceeded all but one of the five targets planned for the year under review. The targets that was not exceeded, though achieved, was on claims lodged by 1998 to be researched.

Programme 5: Land Reform

Purpose: Initiate sustainable Land Reform Programmes in South Africa.

Sub-programmes

- Land Reform National Office
- Land Reform Provincial Offices
- Land Reform Grants
- KwaZulu-Natal Ingonyama Trust Board
- Communal Land Rights Programme
- Agricultural Land Holding Account

Strategic Objectives

- Promote equitable land redistribution and agricultural development by acquiring located land by 2020.
- Provide comprehensive farm development support to smallholder farmers and land reform beneficiaries for agrarian transformation by 2020.
- Functional systems and institutional arrangements for tenure and land administration to enable agrarian reform in all provinces by 2020.

Programme 5: Land Reform					
Strategic objective	Performance indicator	Baseline (Actual output) 2014/15	Actual performance against target		Reasons for variance
			Target (2015/16)	Actual (2015/16)	
Promote equitable land redistribution and agricultural development by acquiring located land by 2020	Number of hectares acquired	354 802ha	370,000ha	242,556ha	The budget was reprioritised to accommodate the SRR initiative.
	Number of hectares allocated to smallholder farmers	New indicator	185,000	247,385ha	More money was made available to allocate more land to smallholder farmers after the budget re-adjustment in September.
	Number of hectares allocated to farm dwellers and labour tenants	New indicator	37,000	3,910ha	The department landed with fewer hectares that were allocated to projects including both these beneficiaries.
	Number of District Land Committees established	New indicator	27	46	The priority was expanded to 44 districts while the approved APP set target was 27 poorest districts and also two metros, City of Tshwane and Mangaung are set to be additional.
	Number of farms acquired to support Agri-parks	New indicator	27	57	The priority districts were expanded to 44 to cover the entire rural areas in the country.
	Number of PLAS farms identified for the incubation and training of agricultural graduates	New indicator	13	21	The priority was expanded to 44 districts while the approved APP target was 27 poorest districts.

Programme 5: Land Reform					
Strategic objective	Performance indicator	Baseline (Actual output) 2014/15	Actual performance against target		Reasons for variance
			Target (2015/16)	Actual (2015/16)	
Provide comprehensive farm development support to smallholder farmers and land reform beneficiaries for agrarian transformation by 2020	Number of pilot projects on Policy on Strengthening Relative Rights	New indicator	10	11	The over-achievement was due to the positive response from commercial farmers to participate in the initiative.
	Number of farms under the Recapitalisation and Development Programme (RADP)	217	331	414	The over-achievement was as a result of drought interventions, which necessitated urgent intervention from the RADP programme.
	Number of farmers trained through the Recapitalisation and Development programme	440	994	754	The target was partially achieved owing to poor schedule coordination; conflicting schedules between the available training and farmers' activities. An effort will be made to improve the coordination of farmers' availability.
	Number of jobs created in land reform projects through the Recapitalisation and Development programme	1 925	994	2 271	The business plans submitted for the various farmer commodities during the course of project approvals amounted to this variance in the number of people that were actually employed.
	Number of farms under Recapitalisation and Development Programme allocated to smallholder farmers	New indicator	165	147	The overall number of recapitalisation farms eventually accommodated Black farmers who did not technically qualify as smallholder farmers.

Programme 5: Land Reform					
Strategic objective	Performance indicator	Baseline (Actual output) 2014/15	Actual performance against target		Reasons for variance
			Target (2015/16)	Actual (2015/16)	
Functional systems and institutional arrangements for tenure and land administration to enable agrarian reform in all provinces by 2020	Number of Communal Property Associations (CPAs) supported to be compliant with legislation	New indicator	200	201	None
	Number of labour tenants applications settled	0	137	19	The under-achievement of the target was due to capacity constraints as a result of migration during the split of the former Land Reform Branch.
	Number of Transformation of Certain Rural Areas Act (TRANCRAA) projects supported towards transfer	6	7	10	The over-achievement was due to strategies put in place by the Western Cape PSSC to ensure improved performance.
	Number of State land parcels confirmed as vested	1 646	2 625	1 247	The under-achievement was due to an error on the target on vesting resulting in a higher target than planned.
	% Complete immovable Asset Register	100%	100%	100%	None

The department under Programme 5 achieved nine out of the planned 16 targets for the year. The areas of inadequate performance were recorded under; hectares acquired; hectares allocated to farm dwellers and labour tenants; farmers trained through the RADP; farms under the RADP allocated to smallholder farmers; pilot projects on policy on Strengthening Relative Rights; labour tenants applications settled; and State land parcels confirmed as vested. The reasons for inadequate performance are stated in the table above.



Approved by : P.M Shabane
 Director-General : Department of Rural Development and Land reform
 Date : 15 August 2016

6. Summary of Financial Information

6.1 Departmental receipts

Departmental receipts	2015/16			2014/15		
	Estimates	Actual amount collected	(Over)/under collection	Estimates	Actual Amount collected	(Over)/under collection
	R'000	R'000	R'000	R'000	R'000	R'000
Sales of goods and services other than capital assets	22 375	23 695	(1 320)	20 753	21 539	(786)
Interest, dividends and rent on land	2 082	20 947	(18 365)	11 507	13 503	(1 996)
Sales of capital assets	-	790	(790)	-	523	(523)
Transactions in financial assets and liabilities	50 296	9 211	41 085	6 004	51 874	(45 870)
Total revenue collected	74 753	54 643	20 110	38 264	87 439	(49 175)

6.2 Programme Expenditure

Programme Name	2015/16			2014/15		
	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	1 340 960	1 336 907	3 372	1 384 430	1 382 197	2 233
National Geomatics Management Services	701 279	681 843	19 436	734 815	732 537	2 278
Rural Development	1 931 669	1 921 995	9 674	1 850 932	1 800 988	49 944
Restitution	2 675 984	2 630 239	45 746	2 998 742	2 997 937	805
Land Reform	2 547 469	2 547 063	406	2 486 386	2 482 096	4 290
Total	9 197 361	9 118 047	79 314	9 455 305	9 395 755	59 550

Expenditure for the 2015/16 financial year amounted to R9,118 billion representing 99.1% of the final appropriation compared to R9,395 billion representing 99.4% of the final appropriation in the 2014/15 financial year. This reflects a decreased spending of 0.3%.

6.3 Transfer payments, excluding public entities

The table below reflects the transfer payments made for the period 1 April 2015 to 31 March 2016.

Name of transferee	Purpose for which the funds were used	Compliance with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
Agriculture Research Council	<ul style="list-style-type: none"> • Training of the Agricultural Para Professionals. • Training of small holder livestock producers. • Establishment of fruit and vegetable enterprises in different provinces in SA, breed 50 Bonsmara beef cattle and two Bonsmara bulls and also train and mentor beneficiaries of Segogoane's Valley Trust in Thaba Phachoa within Mantsopa Local Municipality in Free State. • Enterprise development – sweet potato, vine nurseries and farming enterprise. • Reconnaissance survey visit in nine provinces for the establishment of a production support mechanisation centre for the commodity value chain. • Agri-park concept development which entailed conducting situational analysis in 14 district municipalities in Mpumalanga, Limpopo, Eastern Cape and KwaZulu-Natal. 		117 541	82 582	
National Agricultural Marketing Council	<ul style="list-style-type: none"> • Development of red meat production centres through the National Red Meat Development Programme. 		20 680	12 748	
National Wool Growers Association of SA	<ul style="list-style-type: none"> • Genetic improvement of wool sheep farming in the communal areas of the Eastern Cape 		9 976	(331)	
Agribusiness in Sustainable Natural Plant	<ul style="list-style-type: none"> • Implementation of a hydroponics project in the CRDP site in the Sokhulumi Tshwane municipality, Tshwaraganang phase one project and for the Ndluli Ceres phase one project in the Western Cape. 		4 877	4 426	

Name of transferee	Purpose for which the funds were used	Compliance with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
CSIR	<ul style="list-style-type: none"> Design and deployment of new digital doorways, upgrading 15 container digital doorways and upgrading connectivity in the 18 schools running the I-school Africa Programme. 60 School roll-out kits submitted to Core Computer Business (PTY) Ltd for I-school Africa Programme. Feasibility studies for DRDLR project ideas by facilitating skills development, training, mentoring, technology transfer, technical support, productivity enhancement, rural industries development. Cofimvaba Nciba District infrastructure costs (school infrastructure). Establishing an essential oil and Moringa agro-processing business at Temotua farm in Driekop. 		50 196		
Masizane			16 942	16 205	
OMNIA			44 659	44 175	
Grain SA			52 806		
Urban-econ			36 188		
National Empowerment Fund			155 103	154 949	

The table below reflects the transfer payments which were budgeted for in the period 1 April 2015 to 31 March 2016, but no transfer payments were made.

Name of transferee	Purpose for which the funds were to be used	Amount budgeted for (R'000)	Amount transferred (R'000)	Reasons why funds were not transferred
No payment was made under this category	-	-	-	-

6.4 Public Entities

Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
No expenditure was recorded in this financial year				

6.5 Conditional grants and earmarked funds paid

The table below describes each of the conditional grants and earmarked funds paid by the department.

Department/ Municipality to whom the grant has been transferred	None
Purpose of the grant	None
Expected outputs of the grant	None
Actual outputs achieved	None
Amount per amended DORA	None
Amount transferred (R'000)	None
Reasons if amount as per DORA not transferred	None
Amount spent by the department/ municipality (R'000)	None
Reasons for the funds unspent by the entity	None
Monitoring mechanism by the transferring department	None

6.6 Conditional grants and earmarked funds received

The department did not receive any conditional grants in the 2015/16 financial year.

6.7 Donor Funds

Name of donor	Belgium Development Corporation
Full amount of the funding	Estimated R73 000 000 (Euro 6 050 000)
Period of the commitment	01 September 2011 to 31 December 2016
Purpose of the funding	Poverty reduction through the recreation of rural sustainable livelihoods of land reform beneficiaries and rural citizens Support institutions to provide effective and coherent support to South Africa's rural economy transformation through better integrated and coordinated service delivery to beneficiaries of the Land Reform and Rural Development programmes in South Africa
Expected outputs	Result Area 1: Analysis of integrated and coordinated land reform and rural development interventions in pilot municipalities Result Area 2: Land reform and rural development interventions are better coordinated and integrated in pilot municipalities Result Area 3: Stakeholder capacities for coordinated and integrated land reform and rural development interventions are improved
Actual outputs achieved	Result Area 1: Analysis of integrated rural development interventions in pilot municipalities CAF Analysis finalised

6.8 Capital investment, maintenance and asset management plan

Infrastructure projects	2015/2016			2014/2015		
	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
New and replacement assets						
Existing infrastructure assets	-	-	-	-	-	-
Upgrades and additions	4 220	4 220	-	6 350	6 350	-
Rehabilitation, renovations and refurbishments	5 217	5 199	18	7 671	7 670	1
Maintenance and repairs	4 078	4 078	-	923	922	1
Infrastructure transfer						
Current	-	-	-	-	-	-
Capital	-	-	-	-	-	-
Total	13 515	13 497	18	14 944	14 942	2



C

Governance



1. Introduction

The department continued with the institutionalisation of mechanisms and building the capacity which is necessary to promote good governance in conducting its business. These efforts include promoting good ethical conduct necessary to combat and prevent fraud and corruption, implementing risk management strategies, promoting occupational health and safety measures, proper delegation of authority, proper management of information, communication, technology and other mechanisms required to entrench good governance.

2. Risk management

Effective Risk Management is key to the achievement of strategic objectives for any department. The Risk Management function resides with the Office of the Director-General to ensure that it is properly positioned to influence the leadership and decision-making at the highest level; advice management on the materialisation of the high risks as well as to optimise opportunities presented by identified risks.

The department continued to implement Risk Management processes as per the approved Risk Management Policy and Strategy. A comprehensive risk assessment was conducted. The assessment focused on risks at strategy; operational and process level. The risk profile also includes corruption, business continuity, information technology and financial risks and forms the basis for the department's internal audit plans. The assessment was aligned to the operational and annual performance plans in order to ensure that efficient management of risk contributes to improved performance. The continuous identification of emerging risks was done as part of risk management monitoring.

The department has established governance committees to assist the Accounting Officer in discharging his duties and responsibilities for the effective administration of the department. The Risk and Compliance Committee chaired by an independent chairperson drives the implementation of the Risk Management Policy and Strategy. The committee met quarterly in line with its approved charter to consider and review the risk management policies and provide oversight on the effectiveness of risk management within the department. The policies approved included the Risk Management Policy, Risk Management Strategy, Fraud Prevention Policy, Fraud Prevention Plan, Compliance Management Policy, Compliance Management Framework and Business Continuity Policy and Framework. The

committee continued to oversee the management of key enterprise-wide and compliance risks.

Business Continuity Plans were developed and signed off by respective branch heads.

The Audit Committee and Internal Audit respectively operated in accordance with the approved Audit Committee Charter and Internal Audit Charter. The activities of the Audit Committee are reported separately in the Annual Report.

3. Fraud and corruption

The department has an approved Fraud Prevention Policy and Plan that provide mechanisms for the implementation of fraud prevention. A fraud risk assessment was conducted. Education and awareness programmes were also conducted to encourage whistle blowing. The National Anti-Corruption hotline number was also communicated to staff members in order to ensure that they know how and where to report suspected fraud and corruption cases anonymously.

The department also receives and administers formal, informal and anonymous matters from various communication mediums. As part of implementing the Fraud Prevention Policy the department also implemented the ethics governance training programme for senior management and lower level staff which included personal and organisational values, ethical decision-making; codes and policies of the department.

4. Minimising conflict of interest

The objective of Chapter 3 of the Public Service Regulations, 2001 (as amended) is to identify any conflict of interests in order to promote just and fair administrative actions of officials in senior positions and thereby to protect the public service from actions that may be detrimental to its functioning and that may constitute unlawful administrative actions as a result of ulterior motives. In general, it aims to promote open and accountable government and the lawful use of taxpayers' money and therefore the principles and values in section 195(1) of the Constitution.

Senior Management Service (SMS) members are obliged to disclose their financial interests, and thereby placing a responsibility on the employer (i.e. executing authority) to determine whether the employees' financial interests will not negatively impact on the execution of their duties. This was conducted through an on-line process. Financial disclosures targeted for submission to the Public

Service Commission of all 293 SMS members, were submitted during the year under review. This is indicative of 100% compliance. No conflict of interest was identified during the year under review.

5. Code of conduct

The Code of Conduct for the Public Service is a set of rules regulating standards of conduct. It outlines what is expected of employees, from an ethical point of view; in their relationship with the legislature, political and executive office-bearers, other employees and the public. Compliance with the Code of Conduct is important within the department, as it enhances professionalism by promoting exemplary conduct, which instils confidence in the department and contributes to efficient and effective service delivery.

A training initiative on the Code of Conduct was identified as a measure of promoting and improving ethical and professional conduct and minimizing non-compliance with the Code of Conduct.

6. Health, safety and environmental issues

The following activities were achieved during the 2015/2016 financial year:

Fifty Occupational Health and Safety (OHS) audits and inspections were conducted in the offices of the department to determine the level of compliance. Recommendations outlining all corrective measures were forwarded to the heads of offices and Facility Management to be implemented and ensure compliance with the Occupational Health and Safety Act, Act No. 85 of 1993 and its Regulations.

Eleven OHS Induction sessions were conducted at the Animal Veld Management projects (AVMP) at these areas. Provinces totalling 717 people trained:

- Ga Kgatla – LP
- Ganyesa Vryburg – NW (4 sessions in different intervals)
- Vhembe district – LP
- Gakgatla (Matsila) – LP
- Mutale (Domboni) – LP
- Bushbuckridge – MP
- Bodplaas – MP
- Ladysmith – KZN

Seven NARYSEC facilities have been assessed / monitored to determine the level of compliance where the recommendations outlining the corrective measures were forwarded to the

NARYSEC coordinators to facilitate implementation before the facility can be regarded as suitable accommodation for NARYSEC participants.

Seven RID projects were monitored to ensure compliance with the Construction Regulations 2014 and technical advice was provided to the provincial directors of Rural Infrastructure Development (RID) on the areas that must be complied with in terms of OHS Act and its Regulations.

Thirty five health and safety assessments were conducted during the Ministerial events to ensure that health and safety standards are adhered to.

Twenty four emergency evacuation drills were conducted (at both National and Provincial level) in the following offices to ensure that employees know the procedure to follow during emergency situation:

- SPLUM Office – KZN
- Ermelo SSC Office – MP
- Piet Retief SSC Office – MP
- Queenstown DLD Office – EC
- PSSC Office – GP
- Richards Bay DLD Office – KZN
- Mthatha DLD Office – EC
- Ngaka Modiri Molema DLD Office – NW
- Port Shepstone DLD Office – KZN
- Johannesburg Deeds Office – GP
- ICD Building – GP
- Clanwilliam DLD Office – WC
- National Office (Old Building) – GP
- Midlands Metro (199 Pietermaritz) District Office – KZN
- SPLUM Office – LP
- SG Office – LP
- PSSC Office (ABSA building) – LP
- PSSC and Deeds Office (New Public Building) – NC
- PSSC Office – MP
- SG Office – MP
- RLCC Schoeman Office – LP
- RLCC Biccard Office – LP
- SSC (Jabu Ndlovu Street) KZN
- King William's Town – EC

Four provincial senior managers were appointed by the DG at these offices: Johannesburg Deeds, Free State Deeds, RLCC Free State and PSSC Free State. Such appointed officials will be expected to act in terms of the Occupational Health and Safety Act, Act No. 85 of 1993, on behalf of the head of the department, i.e. the DG, as he is the responsible person for health and safety of all employees within DRDLR.

Two incidents were reported under Regulation 9 of the General Administrative Regulations (GAR) to record and investigate incidents (in a form of

Annexure 1) during May/June 2015. Two incidents were reported in December 2015/ January 2016 and WCL2 forms (this is a form that is used to report Injury on duty (IOD) in case an employee sustains an injury whilst on duty) were completed and sent to the Department of Labour for processing (these incidents are not yet finalised and the employees resumed their duties).

In a nutshell, there were four incidents reported.

Twenty nine appointed Evacuation Marshals were trained on the use of an evac-chair (evacuation chair) to be able to assist officials who are physically challenged during an emergency evacuation situation.

Eighty one OHS Committee meetings were held (at both National and Provincial offices). Such committee meetings are platforms to discuss and make recommendations to management on occupational health and safety related matters affecting employees of the Department of Rural Development and Land Reform.

Hundred and twenty five statutory appointees (in accordance with section 17 (4) of the Occupational Health and Safety Act) of Health and Safety Representatives for these provinces: Limpopo, Mpumalanga, Gauteng, North West, Eastern Cape and KwaZulu-Natal were finalised.

There are two contravention notices issued at these offices: one in North West office and another one in Free State. Action was taken to address these notices.

The impact

- Protected the image of the department and prevented the NARYSEC participants from being exposed to unsafe conditions.
- Proactively prevented the incidents such as food poisoning, fire incidents or collapsing of temporary structures during the departmental events.
- Increase the cooperation of working together to fulfil the mandate of the department and promote good governance – provide technical advice to NARYSEC unit.
- Raised awareness and outlined the role of OHS in the RID projects to RID Branch – through the development of draft OHS specification for RID projects.
- Enforced change management through promoting the integration approach in dealing with matters of facility management and Occupational Health and Safety Services.
- Facilitated emergency preparedness to sensitize employees on the proper procedures that must be followed in case of emergency

situation(s).

- Raised awareness through OHS inductions on the Animal Veld Management Projects (AVMP).

7. Internal control unit

Internal controls refer to the policies, practices and systems that the department has put in place to provide reasonable assurance that the organisation will achieve its objectives, prevent fraud and corruption from occurring, protect resources from waste, loss, theft or misuse, and to ensure that resources are used efficiently and effectively.

Internal controls were implemented in specific operational areas within the department such as Supply Chain Management and Financial Management.

The Internal Control sub-directorate of the department is responsible to ensure the design, implementation and monitoring of the system of internal controls.

Such controls include:

- Preventative controls to reduce the probability that something will go wrong and reduce its impact should the risk materialise;
- Corrective controls to correct errors when they occur, and
- Detective controls to find error after they have occurred.

The effective functioning of the system of internal controls in the department is determined by its architecture, which amongst others includes:

- Management controls to ensure that the department's structure and systems support its policies and plans, and that the department operates within the statutory and regulatory environment;
- Administrative controls to ensure that policies and objectives are implemented in an efficient and effective manner;
- Analysis of financial management environment to identify potential risk areas and deviations from financial controls;
- Accounting controls to ensure that resources are properly accounted for; and
- Review of samples of financial transactions processed for accuracy and completeness, and the accurate interpretation of policy directives.

In 2015/16 the activities of the Internal Control sub-directorates were as follows:

- Verification of payments before and after processing in order to ensure the validity and accuracy thereof.
- Internal control awareness campaigns in all the provinces.
- Identification of internal control weaknesses and provision of recommendations to improve those recommendations through pre-checking of all BAS payments.
- Monitoring of the implementation of internal and external audit recommendations as well as those of the MPAT.
- Roll-out of all approved financial management policies.
- Drafted the standard operating procedure for Irregular, Fruitless and Wasteful expenditure.
- Issued Internal Control Plan for the department.

Report of the Audit Committee

The Department of Rural Development and Land Reform (DRDLR) Audit Committee is pleased

to present its report for the financial year ended 31 March 2016. This report includes the Deeds Registration Trading Account and the Agricultural Land Holding Account.

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

Audit Committee members and attendance

During the year under review the Audit Committee consisted of four members and had eight meetings as indicated in the table hereunder. The Audit Committee has the correct mix of experience, qualifications and skills to carry out its responsibilities.

Name of member	Number of meetings attended
Dr N Z Qunta (Chairperson – 2015/04/01 to 2016/03/31)	8
Mr A N Mhlongo (Member – 2015/04/01 to 2016/03/31)	8
Mr H G Hlomane (Member – 2015/04/01 to 2016/03/31)	8
Ms M A F Moja (Member – 2015/04/01 to 2015/12/31)	4

Audit Committee Responsibility

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

Duties and responsibilities

The Audit Committee was responsible for the following duties:

- The efficiency and effectiveness of the system of internal control applied by the DRDLR;
- Risk Management and its effectiveness, efficiency and transparency and King III;
- The effectiveness of the Internal Audit function;

- The adequacy, reliability and accuracy of the financial and performance information provided by management to various stakeholders;
- The DRDLR compliance with legal and regulatory provisions;
- Any accounting and audit concerns identified as a result of internal and external audits performed;
- The activities of the Internal Audit function, including its annual work program, coordination with the Auditor-General (AGSA), the reports of significant recommendations and the response of management to those recommendations;
- The scope and results of the external audit function, its cost effectiveness as well as the independence and objectivity of the AGSA;
- Reporting to the DRDLR and the AGSA where a report implicates the Accounting Officer in fraud, corruption or gross negligence;
- Communicating any concerns it deemed necessary to the Executive Authority, AGSA and Internal Audit function;

- Approving the Internal Audit Charter and Plan; and
- Reviewing the Annual Financial Statements and Annual Performance Report prior to and after the annual audit.

The effectiveness of internal control

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

The Audit Committee is satisfied that the Internal Audit function is operating effectively, and that it has taken into consideration the risks pertinent to the DRDLR in its audits. Internal Audit has made significant progress with audits conducted in terms of its strategic three-year rolling internal audit plan as well as with the forensic investigations that were performed in addition to the plan.

The system of internal control was not entirely effective for the year under review. Deficiencies were detected and reported through internal audits performed on the system of internal control. Management continued to address control weaknesses reported by the Internal Audit function.

The following were areas of concern during the financial year:

- The lack of integration of strategic and operational planning and human resource and demand management planning processes;
- Shortcomings in governance, especially in the areas of ethical leadership, stakeholder management and information technology;
- Ineffective information technology access, security, back-up and disaster recovery controls and information technology projects were not managed effectively;
- Instability of the Office of the Chief Information Officer as a result of the high staff turnover on senior management level;
- Inadequate records management practices to ensure the preservation of all the records and databases of the DRDLR and its institutional memory;
- Inadequate policies and procedures, project management as well as quality assurance functions pertinent to some of the DRDLR's service delivery mandates and programmes to ensure statutory alignment, compliance and achievement of targets;
- Inadequate controls to ensure timely collection of outstanding receivables;
- Inadequate controls to ensure the effective management of assets and facilities;
- Inadequate human resource management

controls to ensure effective and compliant performance, business process and organisational design and establishment management;

- Risk of exposure of the department to litigation with certain service providers in respect of contractual disputes; and
- The long list of forensic cases that are constantly under investigation and those with the Special Investigations Unit, which are never completed.

In-Year Management and Monthly/Quarterly Reports

The Audit Committee notes the progress made in respect of the achievement of planned targets and the significant improvement in the integrity of performance information reported.

Evaluation of the Financial Statements and the Annual Performance Report

The Audit Committee:

- Reviewed and discussed the Annual Financial Statements and Annual Performance Report to be included in the annual report, with the AGSA, the Accounting Officer and management;
- Reviewed the AGSA's interim and final management reports, audit reports and management's response thereto;
- Reviewed possible changes in accounting policies and practices; and
- Reviewed significant adjustments resulting from the audit.

The Audit Committee notes the clean audit outcome in respect of the Agricultural Land Holding Account.

The Audit Committee expresses its concern in respect of the following areas of deficiency as reflected in the AGSA's audit reports:

- Material corrections to the Annual Financial Statements of both the DRDLR and the Deeds Registration Trading Account; and
- Effective steps were not taken to prevent unauthorised, irregular and fruitless and wasteful expenditure.

The Audit Committee concurs with and accepts the AGSA's unqualified audit opinion on the Annual Financial Statements for the Department of Rural Development and Land Reform, the Deeds Registration Trading Account and the Agricultural

Land Holding Account, for the year under review.

Auditor-General South Africa

The committee has met with representatives of the AGSA to ensure that there are no unresolved issues.

Conclusions

We would like to extend our appreciation to the Executive Authority, Accounting Authority, management and internal and external auditors.

A handwritten signature in black ink, appearing to read 'N Z Qunta', with a stylized flourish at the end.

Dr N Z Qunta

Chairperson of the Audit Committee

Department of Rural Development and Land Reform, Deeds Registration Trading Account and Agricultural Land Holding Account

Date: 28 July 2016



D

Human Resource Management

1. Legislature that govern Human Resource Management

The department has to adhere and uphold all statutory legislation that governs human resource management. Since 1994, the employment laws are underpinned by the principles of a non-sexist, non-racial and equality based democratic society. The information provided in this part is prescribed by the Public Service Regulations (Chapter 1, Part III J.3 and J.4).

2. Introduction

Human resource management is a function in the department implemented to maximise employee performance in service of the department's strategic objectives. The Chief Directorate: Human Resources and Organisational Development's primary concern is the management of employees in the department and focuses on policies and systems to do so. This section addresses the human resource matters of the department. The focus is on human resource issues prioritised for the year under review, key strategies implemented to attract and recruit a skilled and capable workforce, the employee performance management framework and employee wellness programmes. It further provides highlights on human resource achievements, challenges and future human resource strategies.

(a) Overview of Human Resource (HR) matters in the department

In the financial year under review, the department focused mainly on the following human resource matters:

- Managed human resource policies, planning and research;
- Managed the employee performance management system;
- Provided staffing services including recruitment and selection and mobility;
- Managed employee health and wellness programmes;
- Managed human resource benefits;
- Facilitated and monitored the implementation of employment equity;
- Ensured that an effective PERSAL management infrastructure is in place and maintained;
- Monitored and managed statistics and information on PERSAL;
- Facilitated code of conduct, labour relations' guidelines and practices;
- Facilitated labour relations services;
- Managed employee grievances;
- Managed labour disputes;
- Managed collective bargaining;
- Managed the implementation of the Skills Development Act and internship/learnerships programmes;
- Coordinated and facilitated the training and development of employees;
- Managed bursaries; and
- Provided organisational development services.

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

In the financial year under review, the department focused on the priorities presented in the table below. These priorities are informed by the HR challenges experienced in the previous financial years.

HRP OBJECTIVE	HRP PRIORITY	TARGETS (Achieved/Not Achieved)
Manage and review structure	<ul style="list-style-type: none"> • Determine amendments to structure as required by top management. • Communicate to stakeholders involved. • Obtain approval. 	Partially Achieved <ul style="list-style-type: none"> • Amendment to structure investigated, submitted for approval and implemented. Structure changes communicated to stakeholders. • Version 2.9 structure aligned to MTEF and due for final approval. • Organisational structure analysis conducted at macro level structure and due for final approval.
Maintenance of job descriptions	<ul style="list-style-type: none"> • Facilitate the review of job descriptions for the 600 funded jobs. 	Partly achieved <ul style="list-style-type: none"> • 221 job descriptions reviewed.
Determine priority posts to be filled	<ul style="list-style-type: none"> • Identify all priority posts per Branch. • Implement an on-going recruitment plan per Branch. 	Achieved <ul style="list-style-type: none"> • Priority posts approved by DG per Branch. • Recruitment plan implemented and monitored on a weekly and monthly basis.

HRP OBJECTIVE	HRP PRIORITY	TARGETS (Achieved/Not Achieved)
Reduce vacancy rate	<ul style="list-style-type: none"> Reduce recruitment and selection timeframe. Implement Retention and Counter Offer policies. 	Partly achieved <ul style="list-style-type: none"> Reduced recruitment and selection time frame. Line managers sensitised on the turnaround times on the filling of posts (continuous basis). The services of two employees were retained.
Monitor the compliance and adherence to the Employment Equity (EE) Plan	<ul style="list-style-type: none"> Develop, implement and monitor all components EE Plans. Introduce the diversity management programme. 	Partly achieved <ul style="list-style-type: none"> EE plan developed and monitored. Diversity management survey was conducted in the department.
Develop critical skills	<ul style="list-style-type: none"> Develop HRD strategy. Forge partnership with tertiary institution and stakeholders. Appoint and manage scarce skills. Fast track processes, growth and development of lower levels into senior level positions. 	Partly achieved <ul style="list-style-type: none"> HRD strategy developed and approved. Partnership with tertiary institutions and various stakeholders established. Skills Audit process conducted to identify scarce and critical skills of the department. Employees awarded bursaries and trained on short skills courses.
Signing/ submission of Performance Agreements (PA's) and assessments	<ul style="list-style-type: none"> Stakeholders to be informed about due dates. Training. Support. Draft PAs/ get signed & submit. Assessments by due dates. 	Partly achieved <ul style="list-style-type: none"> Circular for Programme of Action of Employee Performance Management System (EPMS) / Performance Management and Development System (PMDS) events issued. Training / support in provinces and ad-hoc training requests. 98% (Levels 1-12 submitted PAs) and 97% (SMS submitted PAs). 99% compliance for annual assessments of 14/15 of Levels 1-12, SMS moderations still underway.
Alignment of HR policies	<ul style="list-style-type: none"> Number of HR policies reviewed. Consult all relevant stakeholders. Number of HR policies approved. Conduct awareness workshops on the approved HR policies. 	Partly achieved <ul style="list-style-type: none"> Seven policies consulted with Labour One policy to be consulted Three policies in process One policies in process of reviewing 11 Policies already approved.
Employee Health & Wellness	<ul style="list-style-type: none"> Monitoring and evaluation of SLA. HIV&AIDS, TB and STIs management. Implement training workshops. 	Achieved <ul style="list-style-type: none"> Monitoring and Evaluation (M&E) of the services was conducted through monthly meetings, reports (monthly, quarterly and annual) as well as e-mails and telephones. VCT was incorporated into Health and Wellness events/office based services. The total number of attendance was 1 807 (31.37%); the number of VCT participants was 1 063 which translates to 18.45%. Forty four workshops implemented.
Improved labour relations management	<ul style="list-style-type: none"> Reduce turnaround time for finalising misconduct cases. Reduce turnaround time for finalising grievances. Enhance relations with organised labour at chamber level. 	Partly achieved <ul style="list-style-type: none"> Establishment of provincial Labour Relations Forums. Appoint a panel of service providers to get rid of long outstanding cases. Intensive training for Labour Relations Officials not achieved due to cutting of the budget. Amendment to the Grievance Policy.

(c) Workforce planning framework and key strategies to attract and recruit a skilled and capable workforce

Workforce planning is a systematic business process which brings together information about workforce segments, the internal and external environments, strategic objectives, budgets and future workforce needs to inform the development of workforce strategies and actions. The HR Plan of the department is in place and updated annually and implemented to address the current and future human resource needs of the department. The plan also guides HR Strategies in the areas of recruitment, performance management, training and development and employee wellness. The successful implementation of the HR Plan will contribute towards servicing the gap between current and future HR needs of the department and will also address the HR requirements for the execution of the diverse functions of the department.

(d) Employee performance management framework

The Employee Performance Management System and Performance Management and Development System provide a standardised framework for managing employee performance in the department.

Managing employee performance and aligning their objectives facilitates the effective delivery of strategic and operational goals of the department. Performance management is determined by three main levels of performance management namely at:

- Organisational level, top management determines the strategic priorities and overall key result areas of the department, while objectives are identified for the priorities and assigned to components within the department;
- Component level, components undertake the execution of projects and activities that lead to the achievement of the integrated business plans;
- Employee level, each employee develops a performance agreement jointly with his/her supervisor.

(e) Employee wellness programmes (EWP)

Employee Health and Wellness is based on the premise that “People who are well, work well”. In this context, Employee Health and Wellness entails the strategies, action plans and methods used to promote physical, emotional and mental health of employees. The common focus of these functional disciplines is embedded in the mitigation of business, human and social risks that can and may influence the employee and departmental performance. The activities of the employee wellness programmes include the following:

Psychosocial counselling services

- Psychosocial support addresses the ongoing psychological and social problems of individuals, their partners, families and caregivers.
- Direct and confidential access to a 24-hour personal support service;
- Individual and/ group face-to-face counselling sessions shall be considered where short-term psychological counselling is appropriate;
- Critical incident service offers prompt and professional trauma debriefing and counselling to employees exposed to incidents of trauma;
- EWP is responsible for rehabilitation in line with internal Human Resource Policies and PILIR.

Life skills, health and wellness promotion

The department provides content and learning experiences in nutrition, disease prevention, human growth and development, healthy life skills, personal health and safety, community health and promotion, decision-making skills, interpersonal communication skills, and information regarding the use and abuse of medications, alcohol, tobacco, and other drugs. Life skills, health and wellness programmes and interventions are provided to employees as and when a need arise.

(f) Policy development

Human Resource policies and procedures are essential management support tools for the successful functioning and management of human resources in this department and serve several important functions:

- Communicate values and expectations for how things are done in the department;
- Keep the department in compliance with legislation;

- Document and implement best practices appropriate to the department;
- Support consistent treatment of employees, fairness and transparency; and,
- Help management to make decisions that are consistent, uniform and predictable.

The department implemented the HR Policies approved by the Director-General. It continues reviewing these policies to ensure alignment with the developments in the legislative framework. The department has 22 new approved HR Policies which are published on the departmental intranet. The department consulted a further ten policies that were aligned, updated and drafted with organised labour. These policies are in the process to be approved and implemented.

(g) Achievements

The following are the significant achievements recorded in the year under review:

- A compliance percentage of 98% (Levels 1-12) and 97% (SMS members) were reached for the signing of performance agreements.
- A 100 % electronic submission of 293 financial disclosures on the eDisclosure Register by 31 May 2016, for members of SMS in the department.
- Continuous alignment of the PERSAL reflected establishment to the ever changing environment in the department.
- Creating an informed management team through continuous communication of PERSAL information to all role players.
- Departmental Human Resource Development Strategy was developed and approved.
- Partnership with tertiary institutions was established to facilitate the delivery of training in the department.
- Centralisation of the 1% training budget to the HRD Directorate.
- Successfully conducted the Skills Audit in the department.
- A total number of 6 192 employees were trained for the period under review.
- 255 prospective employees and 509 serving employees were awarded study bursaries.

(h) Challenges faced by the department

Efforts to align the strategies for the implementation of the mandate of the department necessitated the review of the organisational structure. This impacted on the management of the vacancy rate. It also delayed the implementation of service delivery programmes. The department also experienced challenges in the following business operational areas:

- Vacancy rate and filling of vacant posts within 12 months – Line managers;
- Office accommodation;
- Continuous restructuring of branches and positions;
- Non-validated and signed-off of job descriptions by senior and middle managers;
- Job evaluations not effectively implemented;
- Resolution 3 of 2009 (appointment of Assistant and Deputy Directors) EE and Occupation Specific Dispensation;
- Employees' data on PERSAL system;
- Mentorship, coaching, career-pathing etc.;
- Signing of PAs;
- Assessment of employees;
- Rationalisation of support services positions linked to the functions;
- Decentralisation of HR functions – PSSCs to be trained in all benefits functions.

(i) Future HR plans/goals

These HR plans/goals have been identified and addressed in the HR Plan. The following are the key recommendations emanating from the Action Plan:

- Manage and review structure – The micro level structure will be reviewed to create the necessary capacity for delivery.
- Maintenance of job descriptions - A job description for each job will be developed aligned to the skills audit results and will be maintained on the Job Description Database.
- Determine priority posts to be filled – Following approval of the amended structure, priority posts should be identified, funded and filled. Costing for these posts also needs to be in place.
- Reduce vacancy rate - Develop and implement recruitment plans by Line managers for each branch including headhunting and retention of People with Disabilities.
- Monitor the compliance and adherence to the EE Plan – A diversity management implementation programme will be developed and implemented based on the results of the

diversity survey, monitor compliance of all components with the EE targets and monitor the recruitment of People with Disabilities in all components.

- Develop critical skills - The department will implement an HRD Strategy that is in line with NSDS III and scarce skills appointed and managed and relevant, appropriate and priority skills and competencies. The department must develop a framework for skills development for the SMS members and it should be implemented and managed as approved.
- Signing/submission of PAs and assessments – Plan to be implemented to adhere to the timeframes regarding the signing/submission of PAs as well as quarterly and annual assessments.
- Alignment of HR Policies – Develop, align and implement HR Policies.
- Employee Health & Wellness – Ensure effective implementation of EHWM services and Senior/middle managers' participation.
- Improvement of labour relations management

in the department – Ensure effective management of discipline by senior/middle managers in the workplace.

3. Human Resources Oversight Statistics

3.1 Personnel related expenditure

The department budgeted in terms of clearly defined programmes for the 2015/2016 financial year. The following tables summarise the final audited expenditure by Programmes (Table 3.1.1) and by Salary Bands (Table 3.1.2). In particular, it provides an indication of the amount spent on Personnel Expenditure in terms of each of the Programmes or Salary Bands within the department. The tables thereafter provide a summary per Programme (Table 3.1.3) and Salary Bands (Table 3.1.4), of expenditure incurred as a result of salaries, overtime, housing allowance and medical assistance.

Table 3.1.1 – Personnel Expenditure by Programme

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Personnel Expenditure as a % of Total Expenditure	Average Personnel Cost per Employee (R'000)
Administration	649 240	564 061	4 465	4 796	22.13	370
Geo-Spatial and Cadastral Services	449 045	396 176	1 319	0	15.54	345
Rural Development	254 983	224 044	564	0	8.79	445
Restitution	304 738	263 023	303	0	10.32	345
Land Reform	279 153	241 780	504	0	9.48	377
Deeds Registration	611 939	425 298	2 118	69 712	16.68	358
Total	2 549 098	2 114 382	9 273	74 508	82.95	367

Table 3.1.2 – Personnel Costs by Salary Band

Salary bands	Personnel Expenditure (R'000)	% of total Personnel Cost	Number of Employees	Average Personnel Cost per Employee (R'000)
Lower skilled (Levels 1 - 2)	0	0.00	0	0
Skilled (Levels 3 - 5)	100 232	4.74	877	114
Highly skilled production (Levels 6 - 8)	893 596	42.26	2 646	338
Highly skilled supervision (Levels 9 - 12)	820 118	38.79	1 934	424
SMS (Levels 13 - 16)	300 436	14.21	302	995
Total	2 114 382	100.00	5 759	367

Table 3.1.3 – Salaries, Overtime, Housing Allowance and Medical Assistance by Programme

Programme	Salaries		Overtime		Housing Allowance		Medical Assistance	
	Amount (R'000)	%	Amount (R'000)	%	Amount (R'000)	%	Amount (R'000)	%
Administration	530 141	27.21	17 153	66.56	16 767	29.71	27 801	33.27
Geo-Spatial and Cadastral Services	385 742	19.80	44	0.17	10 390	18.41	15 219	18.21
Rural Development	216 293	11.10	2 502	9.71	5 249	9.30	5 249	6.28
Restitution	251 460	12.90	3 462	13.43	8 101	14.35	13 681	16.37
Land Reform	234 976	12.06	595	2.31	6 209	11.00	11 693	13.99
Deeds Registration	330 002	16.94	2 013	7.81	9 728	17.23	9 912	11.86
Total	1 948 614	100.00	25 769	100.00	56 444	100.00	83 555	100.00

Table 3.1.4 – Salaries, Overtime, Housing Allowance and Medical Assistance by Salary Bands

Salary Bands	Salaries		Overtime		Housing Allowance		Medical Assistance	
	Amount (R'000)	%	Amount (R'000)	%	Amount (R'000)	%	Amount (R'000)	%
Lower skilled (Levels 1 - 2)	0	0.00	0	0.00	0	0.00	0	0.00
Skilled (Levels 3 - 5)	52 247	2.68	3 952	15.34	7 692	13.63	6 041	7.23
Highly skilled production (Levels 6 - 8)	592 441	30.40	15 692	60.89	27 767	49.19	48 233	57.73
Highly skilled supervision (Levels 9 - 12)	879 414	45.13	6 125	23.77	17 620	31.22	26 280	31.45
SMS (Levels 13 - 16)	424 512	21.79	0	-	3 365	5.96	3 001	3.59
Total	1 948 614	100.00	25 769	100.00	56 444	100.00	83 555	100.00

3.2 Employment and Vacancies

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff additional to the establishment. This information is presented in terms of three key variables: - Programme (Table 3.2.1), Salary Band (Table 3.2.2) and Critical Occupations (Table 3.2.3).

Table 3.2.1 – Employment and Vacancies by Programme

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration	1 735	1 521	12.33	12
Geo-Spatial and Cadastral Services	1 205	1 147	4.81	333
Rural Development	534	503	5.81	19
Restitution	837	761	9.08	6
Land Reform	781	641	17.93	9
Deeds Registration	1 343	1 186	11.69	8
Total	6 435	5 759	10.51	387

Table 3.2.2 – Employment and Vacancies by Salary Band

Salary Band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (Levels 1-2)	0	0	0.00	0
Skilled (Levels 3-5)	963	877	8.93	91
Highly skilled production (Levels 6-8)	2 901	2 646	8.79	177
Highly skilled supervision (Levels 9-12)	2 198	1 934	12.01	117
SMS (Levels 13-16)	373	302	19.03	2
Total	6 435	5 759	10.51	387

Table 3.2.3 – Employment and Vacancies by Critical Occupations

Critical occupations	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Architects	55	49	10.91	15
Cartographers and Surveyors	523	503	3.82	162
Community Development Workers	962	861	10.50	14
General Legal Administration	1 085	964	11.15	6
Natural Sciences Related	256	218	14.84	0
Other	3 554	3 164	10.97	190
Total	6 435	5 759	10.51	387

3.3 Job Evaluation

Using a determined framework, the Executing Authority may evaluate or re-evaluate any job in his/her department in accordance with the Public Service Regulations, 2001. Table 3.3.1 summarises the number of jobs that were evaluated during the year under review. Table 3.3.2 provides a summary of the number of employees whose salary positions were upgraded due to their posts being upgraded. Table 3.3.3 summarises the number of all the cases as on 31 March 2016, where remuneration levels exceeded the grade determined by job evaluation. The job evaluation was not necessarily implemented in the year under review. Table 3.3.4 summarises the beneficiaries of the above in terms of race, gender, and disability.

Table 3.3.1 – Job Evaluation by salary band

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by Salary Bands	Posts Upgraded		Posts downgraded	
				Number	%	Number	%
Lower skilled (Levels 1-2)	0	0	0.00	0	0.00	0	0.00
Skilled (Levels 3-5)	963	194	20.15	0	0.00	0	0.00
Highly skilled production (Levels 6-8)	2 901	1 497	51.60	0	0.00	0	0.00
Highly skilled supervision (Levels 9-12)	2 198	361	16.42	150	41.55	22	6.09
SMS Band A	266	12	4.51	0	0.00	0	0.00
SMS Band B	90	9	10.00	0	0.00	0	0.00
SMS Band C	12	0	0.00	0	0.00	0	0.00
SMS Band D	5	0	0.00	0	0.00	0	0.00
Total	6 435	2 073	32.21	150	7.23	22	1.06

Table 3.3.2 – Profile of Employees whose salaries were upgraded in line with their posts upgrades

Beneficiaries	African	Asian	Coloured	White	Total
Female	62	0	3	2	67
Male	84	0	6	4	94
Total	146	0	9	6	161

Employees with a disability 0

Table 3.3.3 – Employees with salary levels higher than those determined by job evaluation and occupation

Occupation	Number of employee	Job Evaluation Level	Remuneration Level	Reason for Deviation
Administrative Related	1	12	13	Recruitment/Retention
Cartographers and Surveyors	3	7	6	Recruitment/Retention
Cartographers and Surveyors	1	8	6	Recruitment/Retention
Community Development Workers	1	9	8	Recruitment/Retention
Financial and Related Professionals	1	9	8	Recruitment/Retention
Financial Clerks and Credit Controllers	11	7	5	Recruitment/Retention
General Legal Administration and Related Professionals	3	11	9	Recruitment/Retention
Human Resource and Organisational Professionals	1	11	10	Recruitment/Retention
Human Resource and Organisational Professionals	1	12	13	Recruitment/Retention
Information Technology Related	1	13	12	Recruitment/Retention
Legal Related	2	13	12	Recruitment/Retention
Logistical Support Personnel	1	9	8	Recruitment/Retention
Material Recording and Transport Clerks	3	7	5	Recruitment/Retention
Material Recording and Transport Clerks	1	8	5	Recruitment/Retention
Other Administration and Related Clerks	2	7	5	Recruitment/Retention
Other Administration and Related Clerks	1	8	5	Recruitment/Retention
Other Administration and Related Clerks	1	9	8	Recruitment/Retention
Other Administration and Related Clerks	1	10	8	Recruitment/Retention
Number of Employees whose salaries exceeded the level determined by JE			34	
Percentage of total Employment			0.64 %	

Table 3.3.4 – Profile of employees who have salary levels higher than those determined by job evaluation

Beneficiaries	African	Coloured	Asian	White	Total
Female	10	1	1	8	20
Male	9	2	1	2	14
Total	19	3	2	10	34

Employees with a disability 0

3.4 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 (Table 3.4.1) and by Critical Occupations (Table 3.4.2). Table 3.4.3 identifies the major reasons why staff left the department.

Table 3.4.1 – Annual Turnover rates by Salary Band

Salary Band	Number of Employees per band as on 1 April 2015	Appointments and Transfers into the department	Terminations and Transfers out of the department	Turnover Rate
Lower skilled (Levels 1-2)	0	0	0	0.00
Skilled (Levels 3-5)	958	114	142	14.82
Highly skilled production (Levels 6-8)	2 604	166	109	4.19
Highly skilled supervision (Levels 9-12)	1 960	48	121	6.17
SMS Band A	192	14	9	4.69
SMS Band B	70	3	3	4.29
SMS Band C	10	0	0	0.00
SMS Band D	4	1	1	25.00
Total	5 798	346	385	6.64

Table 3.4.2 – Annual Turnover Rates by Critical Occupation

Critical Occupation	Number of Employees per occupation as on 1 April 2015	Appointments and Transfers into the department	Terminations and Transfers out of the department	Turnover Rate
Architects	73	1	23	31.51
Cartographers and Surveyors	359	38	17	4.74
Community Development Workers	494	0	2	0.40
Engineers	19	0	1	5.26
General Legal Administration and Related Professionals	1 087	49	163	15.00
Natural Sciences Related	1 012	6	15	1.48
Other	2 754	252	164	5.95
Total	5 798	346	385	6.64

Table 3.4.3 – Reasons why staff left the department

Termination Type	Number	% of Total Terminations
Death	16	4.16
Resignation	171	44.42
Expiry of contract	154	40.00
Dismissal – misconduct	4	1.04
Discharged due to ill-health	2	0.52
Retirement	35	9.09
Transfers to other Public Service departments	3	0.78
Total	385	100.00
Resignations as % of Employment	2.96	100.00

Table 3.4.4 – Promotions by Critical Occupation

Critical Occupation	Employees as at 1 April 2015	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progressions as a % of employees by occupation
Architects	73	0	0.00	10	13.70
Cartographers and Surveyors	359	0	0.00	290	80.78
Community Development Workers	494	0	0.00	60	12.15
Engineers	19	0	0.00	1	5.26
General Legal Administration and Related Professionals	1 087	54	4.97	704	64.77
Natural Sciences Related	1 012	49	4.84	285	28.16
Other	2 754	168	6.10	2301	83.55
Total	5 798	271	4.67	3651	62.97

Table 3.4.5 – Promotions by Salary Band

Salary Band	Employees 1 April 2015	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Lower skilled (Levels 1-2)	0	4	0.00	0	0.00
Skilled (Levels 3-5)	958	108	11.27	245	25.57
Highly skilled production (Levels 6-8)	2 604	137	5.26	2 173	83.45
Highly skilled supervision (Levels 9-12)	1 960	22	1.12	1 209	61.68
SMS (Levels 13-16)	276	0	0.00	24	8.70
Total	5 798	271	4.67	3 651	62.97

3.5 Employment Equity

Ensuring representation in the public service is a requirement in terms of Chapter 10, Section 195(1) (i) of the Constitution of the Republic of South Africa. The Department of Rural Development and Land Reform has developed a five-year (2014 – 2019) Employment Equity (EE) Plan, that is informed by Chapter 10 (Section 195) and the provisions of the Employment Equity Act, Act No. 55 of 1998 (EEA) to support the creation of an enabling environment for improved service delivery as outlined in its strategic plan for the period 2011 to 2015. The tables in this section are based on the formats prescribed by the EEA.

Table 3.5.1 – Total number of employees (including employees with disabilities) in each of the following Occupational Categories

Occupational categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	139	11	11	20	88	7	8	17	301
Professionals	1 265	78	27	149	1 174	95	38	169	2 995
Technicians and associate professionals	416	25	3	17	358	30	9	79	937
Clerks	435	26	6	12	727	80	19	63	1368

Occupational categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Service and sales workers	12	1	0	4	9	0	0	1	27
Craft and related trades workers	15	1	1	2	1	1	0	3	24
Elementary occupations	57	6	0	1	34	9	0	0	107
Total	2 339	148	48	205	2 391	222	74	332	5 759

Employees with disabilities	25	3	1	15	35	3	3	14	99
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Table 3.5.2 – Total number of employees (including employees with disabilities) in each of the following Occupational Bands as on the 31 March 2015

Occupational categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	7	1	0	1	4	0	1	1	15
Senior Management	131	9	11	21	84	7	7	17	287
Professionally qualified specialists and mid-management	615	41	22	114	512	31	17	83	1 435
Skilled technical and academically qualified workers,	1 347	71	13	61	1 594	159	48	228	3 521
Semi-skilled and discretionary decision making	239	26	2	8	197	25	1	3	501
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	2 339	148	48	205	2 391	222	74	332	5 759

Table 3.5.3 – Recruitment

Occupational categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	0	0	0	0	0	1
Senior Management	21	0	0	0	13	1	0	0	35
Professionally qualified specialists and mid-management	14	0	0	4	13	1	0	1	33
Skilled technical and academically qualified workers,	91	1	0	0	68	2	1	3	166
Semi-skilled and discretionary decision making	68	3	0	2	33	4	1	0	111
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	195	4	0	6	127	8	2	4	346

Employees with disabilities	0	1	0	0	4	0	0	0	5
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Table 3.5.4 – Promotions

Occupational categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	0	0	0	0	0	1
Senior Management	1	0	0	0	1	0	0	0	2
Professionally qualified specialists and mid-management	43	2	1	6	43	2	0	4	101
Skilled technical and academically qualified workers,	63	3	0	1	65	8	2	10	152
Semi-skilled and discretionary decision making	8	0	0	0	6	1	0	0	15
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	116	5	1	7	115	11	2	14	271

Employees with disabilities	0	0	0	0	1	0	0	0	1
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Table 3.5.5 – Terminations

Occupational categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	3	0	0	5	1	1	1	1	12
Professionally qualified specialists and mid-management	57	2	4	9	40	1	0	9	122
Skilled technical and academically qualified workers,	33	3	1	2	48	5	0	17	109
Semi-skilled and discretionary decision making	67	5	0	1	66	3	0	0	142
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	160	10	5	17	155	10	1	27	385

Employees with disabilities	0	0	0	0	0	0	0	0	0
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Table 3.5.6 – Disciplinary Action

Disciplinary Action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Correctional Counseling	3	0	0	0	0	0	0	0	3
Written Warning	8	1	0	0	0	1	0	2	12
Final Written Warning	4	0	0	0	2	0	0	0	6
Dismissal	4	0	0	0	0	0	0	0	4
Not guilty	1	0	0	1	0	0	0	0	2
Suspension without pay and final written warning	4	1	1	0	2	0	0	0	8
Suspension without pay, final written warning and corrective counseling	8	0	0	0	0	0	0	0	8
Suspension	2	0	0	0	2	0	0	0	4
Matter dismissed, resigned before sanction / referred to new dept.	2	0	2	0	0	0	1	0	5
Total	36	2	3	1	6	1	1	2	52

Employees with disabilities	0	0	0	0	0	0	0	0	0
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Table 3.5.7 – Skills Development

Occupational categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	288	4	4	8	290	4	3	10	611
Professionals	651	30	45	36	789	62	44	70	1 727
Technicians and associate professionals	785	23	13	30	980	50	20	52	1 953
Clerks	590	45	28	24	687	45	32	40	1 491
Service and sales workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Elementary occupations	190	0	0	0	234	0	0	0	424
Total	2 504	102	90	98	2 980	161	99	172	6 206

Employees with disabilities	1	0	0	0	1	0	0	0	2
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3.6 Performance Rewards

To encourage good performance, the department has granted the following performance rewards during the year 2015/16 financial year. The information is presented in terms of race, gender, and disability (Table 3.6.1), salary bands (table 3.6.2) and critical occupations (Table 3.6.3).

Table 3.6.1 – Performance Rewards by Race, Gender, and Disability

Beneficiary Profile				Cost	
Race and Gender	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee (R)
African Female	801	2 366	33.85	10 620	13.258
African Male	715	2 336	30.61	10 868	15.200
Coloured Female	82	221	37.10	586	7.146
Coloured Male	42	133	31.58	346	8.238
Indian Female	33	39	84.62	1 089	33.000
Indian Male	15	45	33.33	702	46.800
White Female	158	329	48.02	2 762	17.481
White Male	57	191	29.84	1 325	23.246
Employees with a disability	28	99	28.28	483	17.250
Total	1 931	5 759	33.53	28 781	14.905

Table 3.6.2 – Performance Rewards by Salary Bands for personnel below Senior Management Service

Beneficiary Profile				Cost	
Salary band	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee (R)
Lower skilled (Levels 1-2)	0	0	0.00	0	0.000
Skilled (Levels 3-5)	160	877	18.24	1098	6.863
Highly skilled production (Levels 6-8)	1060	2646	40.06	12019	11.339
Highly skilled supervision (Levels 9-12)	696	1934	35.99	15023	21.585
Total	1 916	5 457	35.11	28 140	14.687

Table 3.6.3 – Performance Rewards by Critical Occupation

Beneficiary Profile				Cost	
Critical Occupation	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee (R)
Architects	9	49	18.37	253	28.111
Cartographers and Surveyors	154	503	30.62	3 056	19.844
Community Development Workers	49	861	5.69	755	15.408
Engineers	189	964	19.61	2 623	13.878
General Legal Administration and Related Professionals	189	944	19.61	2 623	13 878
Natural Sciences Related	188	218	19.61	4 066	27 628
Other	1 342	3 164	42.41	18 028	13 434
Total	1 931	5 759	33.53	28 781	14 905

Table 3.6.4 – Performance related rewards (cash bonus), by salary band, for Senior Management Service

Beneficiary Profile				Cost	
Salary band	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee (R)
SMS Band A	12	210	5.71	463	38.583
SMS Band B	1	77	1.30	46	46.000
SMS Band C	2	10	20.00	132	66.000
SMS Band D	0	5	0.00	0	0.00
Total	15	302	4.97	641	42.733

3.7 Foreign Workers

The tables below summarise the employment of foreign nationals in the department in terms of salary bands and by major occupation. The tables also summarise changes in the total number of foreign workers in each salary band and by each major occupation.

Table 3.7.1 – Foreign Workers

Salary Band	1 April 2015		31 March 2016		Change	
	Number	% of total	Number	% of total	Number	% change
Lower skilled (Levels 1-2)	0	0.00	0	0.00	0	0.00
Skilled (Levels 3-5)	0	0.00	0	0.00	0	0.00
Highly skilled production (Levels 6-8)	1	14.29	0	0.00	1	33.33
Highly skilled supervision (Levels 9-12)	6	85.71	4	100.00	2	66.67
SMS (Levels 13-16)	0	0.00	0	0.00	0	0.00
Total	7	100.00	4	100.00	3	100.00

Table 3.7.2 – Foreign Worker by major occupation

Major Occupation	1 April 2015		31 March 2016		Change	
	Number	% of total	Number	% of total	Number	% change
Architects	0	0.00	0	0.00	0	0.00
Cartographers and Surveyors	1	14.29	0	0.00	1	33.33
Community Development Workers	0	0.00	0	0.00	0	0.00
Engineers	0	0.00	0	0.00	0	0.00
General Legal Administration and Related Professionals	0	0.00	0	0.00	0	0.00
Natural Sciences Related	0	0.00	0	0.00	0	0.00
Other	6	85.71	4	100.00	2	66.67
Total	7	100.00	4	100.00	3	100.00

3.8 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 (Table 3.8.1) and disability leave (Table 3.8.2). In both cases, the estimated cost of the leave is also provided. Table 3.8.3 summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the Public Service Coordinating Bargaining Council in 2000, requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

Table 3.8.1 – Sick leave, 1 January 2015 to 31 December 2015

Salary Band	Total days	% days with medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	3 545	71.96	494	56.33	63	1 611
Highly skilled production (Levels 6-8)	20 303	70.54	2 600	98.26	207	15 948
Highly skilled supervision (Levels 9-12)	10 777	73.04	1 481	76.58	141	16 961
SMS (Levels 13-16)	1 397	78.10	224	74.17	19	4 164
Total	36 022	71.72	4 799	83.33	432	38 684

Table 3.8.2 – Disability leave (temporary and permanent), 1 January 2015 to 31 December 2015

Salary Band	Total days taken	% 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)	0	0	0	0	0	0
Skilled (Levels 3-5)	533	100.00	39	4.45	120	313
Highly skilled production (Levels 6-8)	3 882	100.00	217	8.20	473	4 098
Highly skilled supervision (Levels 9-12)	1 390	100.00	87	4.50	309	2 985
SMS (Levels 13-16)	87	100.00	10	3.31	26	306
Total	5 892	100.00	353	6.13	961	7 702

Table 3.8.3 – Annual Leave, 1 January 2015 to 31 December 2015

Salary Bands	Total days taken	Number of Employees who took leave	Average per employee
Lower skilled (Levels 1-2)	0	0	0
Skilled (Levels 3-5)	11 394.5	668	17
Highly skilled production (Levels 6-8)	70 944.54	3 229	22
Highly skilled supervision (Levels 9-12)	45 667	1 983	23
SMS (Levels 13-16)	7 197	311	23
Total	135 203.04	6 191	22

Table 3.8.4 – Capped leave, 1 January 2015 to 31 December 2015

Salary Bands	Total days of capped leave taken	Number of Employees who took leave	Average number of days taken per employee	Average capped leave per employee as on 31 December 2015
Lower skilled (Levels 1-2)	0	0	0	0
Skilled (Levels 3-5)	21	4	5	28
Highly skilled production (Levels 6-8)	205	34	6	21
Highly skilled supervision (Levels 9-12)	160	30	5	31
SMS (Levels 13-16)	37	3	12	47
Total	423	71	6	27

Table 3.8.5 – Leave payouts for the period 1 April 2015 to 31 March 2016

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

Reason	Total Amount (R'000)	Number of Employees	Average payment per employee
Leave payout for 2015/16 due to non-utilisation of leave for the previous cycle	1 501	63	3.781
Capped leave payouts on termination of service for 2015/16	8 600	327	26.300
Current leave payout on termination of service for 2015/16	2 199	237	9.838
Total	12 300	627	13.306

3.9 HIV/AIDS & Health Promotion Programmes

Table 3.9.1 – 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
None	None

Table 3.9.2 – 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		Mr T Mogashoa Director: Human Resource Management
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		Sub directorate: Employee Health and Wellness Management 1 x Deputy Director; 2 x Assistant Directors (National Coordinators); 1 x Occupational Health Specialist (ASD); 7 x Assistant Directors (Provincial Coordinators); 1 x Administrative Officer for support (Vacant); Annual budget – R2 824 550.
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		Psycho-social services, Health Productivity Management (Disease Management, health promotion/awareness and health screening), Life-skills programmes, HIV&AIDS, TB and STIs including VCT.

Question	Yes	No	Details, if yes
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		9 x Provincial EHWM committees have been established. Committee members have been appointed formally as per the Employee Assistance Programme Association (EAPA) Standards and DPSA Framework. Representation includes EHWP Coordinators, HR Managers, Communication, Spiritual and Union representatives.
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&AIDS, TB and STI Policy. Employee Health and Wellness Policy. Health Productivity Management. Safety, Health, Environment, Risk and Quality (SHERQ) management.
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&AIDS policy is being implemented. Awareness and education on HIV&AIDS Management. Provision of Care and Support by in-house EHWM Specialists and service providers through Psycho-social Services.
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	X		Voluntary Counselling and Testing (VCT) was incorporated into Health and Wellness events/ office based services, World AIDS Day, Sexually Transmitted Infections/Condom Week and Candle Light Memorial. The total number of attendance was 1 807 (31.37%); the number of VCT participants was 1 063 which translates to 18.45%.
8. Has the department developed measures/ indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	X		Analysis of health screening (Chronic conditions and HIV&AIDS and TB) results. Analysis of evaluation forms by participants.

EHWP OFFICIALS

Programme Manager	Bongeka Gcwabe
National Coordinator	Khonjiwe Radebe
National Coordinator	Nocawe Morake
Occupational Health Specialist	Lucia Lethola

EHWP MANAGEMENT COMMITTEE MEMBERS

Provinces	KwaZulu-Natal	Western Cape	Mpumalanga	North West	Free State
Provincial Coordinators	Happy Kwela	Vuyolwethu Noyi	Post Vacant	Pheagane Modipane	Khulubone Mkhonza
HRManagers	Sharon Budhoo	Tobani Mtintsilana	Asanda Mdala	Boitumelo Mologyane	Zola Mokoena
Committee Members	Bruce Gunkel Sindiswa Shandu Sabelo Dlamini	Mponzo Siyakubonga Tame Nomsangaphi Sazi Nzimande Fatima Williams Semela Teddy	Guster Mbatha Lesiba Molefe Zithini Dlamini Thandi Ngomane	Ali Van Der Ross Poppy Mongae	Khanyile Innocent Thandiwe Mothibi Sandile Nhlapo PJ Molemi

Provinces	Limpopo	Gauteng	Northern Cape	Eastern Cape	National Office
Provincial Coordinators	Mashangu Nefale	Post Vacant	Haroldine Wells	Siphokazi Njongi	Tshuba Mogashoa (Chairperson) Bongeka Gcwabe Mpho Ramokolo Lizelle Strydom Cebo Mntwini Constance Matabane Julius Mothate
HR Managers	Moraka Shai	Mohemedi Molefi	Thapelo Mashoai	Mcebisi Ciko	
Committee Members	Florance Dikgale Lorraine Mosebedi Mashele Jeffry Pearl Mogadingoana	Agnes Kibe Thami Yohane Munyai Dovhani Karien Klopper Nokwanda Mcwango Lindokuhle Sibiya	Katleho Modise Clement Makebe	Nosiphiwo Jekwa Soraya Thebus Anna-Marie King Notemba Socikwa	

3.10 Labour Relations

Table 3.10.1 – Collective agreements, 1 April 2015 to 31 March 2016

Total collective agreements	3
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The following table summarises the outcome of disciplinary hearings conducted within the department for the year under review.

Table 3.10.2 – Misconduct and disciplinary hearings finalised, 1 April 2015 to 31 March 2016

Outcomes of disciplinary hearings	Number	% of total
Written warning	29	63.04
Demotion	0	0.00
Dismissal	4	8.69
Suspension without pay and final written warning	8	17.39
Allegations withdrawn, matter dismissed and resigned before sanction	5	10.86
Total	46	100.00

Table 3.10.3 – Types of misconduct addressed at disciplinary hearings

Type of misconduct	Number	% of total
Abuse of State Vehicle	7	13.72
Theft/Fraud/Corruption	12	23.52
Unauthorised Absenteeism/Late coming	16	31.37
Dereliction of Duties	5	9.80
Insubordination/insolence/misrepresentation	3	5.88
Gross dishonesty/Misrepresentation/Falsification	8	15.68
Total	51	100.00

Table 3.10.4 – Grievances lodged for the period 1 April 2015 to 31 March 2016

Grievances Lodged	Number	% of Total
Number of grievances resolved	29	58.00
Number of grievances not resolved	21	42.00
Total	50	100.00

Table 3.10.5 – Disputes lodged with Councils for the period 1 April 2015 to 31 March 2016

Disputes Lodged	Number	% of Total
Number of disputes upheld	9	34.61
Number of disputes dismissed	17	65.38
Total	26	100.00

Table 3.10.6 – Strike actions for the period 1 April 2015 to 31 March 2016

Total number of person working days lost	11
Total cost (R'000) of working days lost	0
Amount (R'000) recovered as a result of no work no pay	0

Table 3.10.7 – Precautionary suspensions for the period 1 April 2015 to 31 March 2016

Number of people suspended	4
Number of people whose suspension exceeded 30 days	4
Average number of days suspended	102
Cost (R'000) of suspensions	2 225

3.11 Skills Development

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

Table 3.11.1 - Training needs identified 1 April 2015 to 31 March 2016

Occupational Categories	Gender	Number of employees as at 1 April 2015	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	128	0	49	0	49
	Male	185	0	90	0	90
Professionals	Female	1 476	0	280	0	280
	Male	1 529	0	195	0	195
Technicians and associate professionals	Female	476	0	180	0	180
	Male	479	0	200	0	200
Clerks	Female	889	0	635	0	635
	Male	479	0	500	0	500
Service and sales workers	Female	10	0	18	0	18
	Male	16	0	35	0	35
Craft and related trades workers	Female	5	0	0	0	0
	Male	19	0	0	0	0
Elementary occupations	Female	43	0	16	0	16
	Male	64	0	15	0	15
Sub Total	Female	3 027	0	1 178	0	1 178
	Male	2 771	0	1 035	0	1 035
Total		5 798	0	2 213	0	2 213

Table 3.11.2 - Training provided 1 April 2015 to 31 March 2016

Occupational Categories	Gender	Number of employees as at 1 April 2015	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	128	0	307	0	307
	Male	185	0	304	0	304
Professionals	Female	1 476	0	965	0	965
	Male	1 529	0	762	0	762
Technicians and associate professionals	Female	476	0	1 102	0	1 102
	Male	479	0	851	0	851
Clerks	Female	889	0	804	0	804
	Male	479	0	687	0	687
Service and sales workers	Female	10	0	0	0	0
	Male	16	0	0	0	0
Craft and related trades workers	Female	5	0	0	0	0
	Male	19	0	0	0	0
Elementary occupations	Female	43	0	234	0	234
	Male	64	0	190	0	190
Sub Total	Female	3 027	0	3 412	0	3 412
	Male	2 771	0	2 794	0	2 794
Total		5 798	0	6 206	0	6 206

3.12 Injury on Duty

The following tables provide basic information on injury on duty.

Nature of injury on duty	Number	% of total
Required basic medical attention only	6	100.00
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
Total	6	100.00

3.13 Utilisation of Consultants

Consulting services are obtained by the department to assist with implementation of certain projects because of the number of projects. However, the details per project are not disclosed on the table below. The appointment of these consultants is done through Supply Chain Management Processes taking into account the Preferential Procurement Framework. The contractual agreement is managed in line with the service level agreements.

Table 3.13.1 - Report on consultant appointments using appropriated funds

Nature of Consulting Services	Amount Paid (R'000)
Audit Committee (non-officials)	1 308
Board Member	36
Financial Management	4 795
Human Resource Management	2 971
Organisational Management	682
Project Management	9 586

Research and Advisory	108 580
Valuers	8 662
Com & Com of Enquiry	209
Qualification Verification	381
Translation and Transcription	99
Architectural Services	331
Geo Information Services	149
Land and Quantity Surveying Services	67
Town Planner	217
Agriculture Services	1
Legal Advice PVT Firms	121 859
State Attorney Legal Advice	41 617
L/State Attorney: Conveyancing	28
L/State Attorney: Messenger of Court Services	14
Artist & Performers	59
Aerial Photography	16 479
Audio-visual	197
Casual Labourers	63
Employee Wellness	1 957
Event Promoters	3 235
Graphic Designs	26
Interior Decorators	91
Photographer	90
Medical Services	28
Stage and Sound Crew	86
Transport/Relocation Contract	1 582
Plant Flower & Other Decorations	191
Outs Contracts: Maintenance and Repair N-INF Ass	8 056
A&/S/O/S: Administration and Support Staff	5 238
A&/S/O/S: Nutrition Services: Communities	1 530
A&/S/O/S: Internal Auditors	8 166
A&/S/O/S: Land Claim Verifications	650
A&/S/O/S: Personnel and Labour	1 638
A&/S/O/S: Professional Staff	2 565
A&/S/O/S: Medical Services	34
A&/S/O/S: Researcher	11 120
A&/S/O/S: Security Services	762
Total Consultants and Professional Services	365 435



E

**Financial
Information**

1. Report of the Accounting Officer

1.1 Overview of the operations of the department

The Department of Rural Development and Land Reform is made up of five programmes as follows:

- Programme 1. – Administration.
- Programme 2. – National Geomatics Management Services
- Programme 3. – Rural Development.
- Programme 4. – Restitution.
- Programme 5. – Land Reform

1.2 Departmental revenue

Department receipts	2015/16			2014/15		
	Estimates	Actual amount collected	(Over)/under collection	Estimates	Actual Amount collected	Over/under collection
	R'000	R'000	R'000	R'000	R'000	R'000
Sales of goods and services other than capital assets	22 375	23 695	(1 320)	20 753	21 539	(786)
Interest, dividends and rent on land	2 082	20 947	(18 365)	11 507	13 503	(1 996)
Sales of capital assets	-	790	(790)	-	523	(523)
Transactions in financial assets and liabilities	50 296	9 211	41 085	6 004	51 874	(45 870)
Total revenue collected	74 753	54 643	20 110	38 264	87 439	(49 175)

The variance can be attributed to the following:

1.2.1 Sales of goods and services other than capital assets

The higher variance is attributable to the collection of more surveyor inspection fees than what was anticipated. This was also the reason for the variance between the accrual collected in the current year as compared to the prior year.

1.2.2 Interest, dividends and rent on land

The variance between the estimate and the actual collection is attributable to the improvement in the collection of outstanding lease rental revenue. Some of the long outstanding debts have been handed over to an external debt collector to assist

with the collection. The exercise is yielding positive results.

1.2.3 Transactions in financial assets and liabilities

The variance is due to recoveries of amounts from debts that had been recognised in prior financial years.

The actual amount collected however decreased as compared to the prior year. This is due to the fact that for the most part of the current year the department did not have an external collection agency assisting it with the collection of outstanding debts. An agency has now been appointed.

1.3 Programme expenditure

Programme	2015/16			2014/15		
	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	1 340 960	1 336 907	3 372	1 384 430	1 382 197	2 233
National Geomatics Management Services	701 279	681 843	19 436	734 815	732 537	2 278
Rural Development	1 931 669	1 921 995	9 674	1 850 932	1 800 988	49 944
Restitution	2 675 984	2 630 239	45 746	2 998 742	2 997 937	805
Land Reform	2 547 469	2 547 063	406	2 486 386	2 482 096	4 290
Total	9 197 361	9 118 027	78 314	9 455 305	9 395 755	59 550

Expenditure for the 2015/16 financial year amounted to R9,118 billion representing 99.1% of the final appropriation compared to R9,395 billion representing 99.4% of the final appropriation in the 2014/15 financial year. This reflects a decreased spending of 0.3%.

1.4 Virements/Rollovers

Virements

Programme 1 (Administration):

The Programme overspent by R16,016 million. Goods & Services overspent with R30,096 million against item Operational leases for departmental office accommodation payments due to underfunding of office accommodation for the reporting period. Savings realised from Programme 2 (National Geomatics Management Services) programme was transferred to this programme to defray this deficit. On the other hand savings amounting to R14,080 million under Machinery and Equipment was transferred to Programme 4 (Restitution) to augment shortfall under Land and Subsoil Assets Item.

Programme 4 (Restitution):

The Programme overspent by R73,315 million mainly attributed to the implementation of land

claims and registration of land transfers not taking place as planned as a result of issues with the Community Property Association (CPA). Subsequently the land had to be registered in the department's name, resulting in an overspending of R75,005 under Land and Subsoil Assets Item, R46 million under Consultants and R4 million under Agencies Outsourced Services. Savings realised within the programme amounting to R51,690 under other economic classification, from Programme 1 (Administration) R14,080 million, Programme 2 (National Geomatics Management Services) R3,424 million, Programme 3 (Rural Development) R294 000; Programme 5 (Land Reform) R6,620 million was transferred to this programme to defray the deficit;

Programme 5 (Land Reform):

The Programme overspent by R10,361 million mainly due to funds transferred to households for Strengthening of Relative Rights projects. Savings realised from Programme 2 (National Geomatics Management Services) programme was transferred to this programme to defray the deficit.

The Virements we effected as indicated in the following table:

From:	Amount: R'000	To:	Amount: R'000
Prg1: Administration Management	(14 081)	Prg1: Administration	30 097
Internal Audit	(200)		
Corporate service	(20)		
Financial Services	(661)		
Financial Services	(5 600)		
Financial Services	(6 600)		
Provincial Coordination	(1 000)		
Prg 2: Geo Spatial & Cadastral Serv	(47 056)	Prg 2: Geo Spatial & Cadastral Serv	272
National Geomatics Management Service	(20 211)		
Spatial Planning and Land Use Management	(26 845)		
Prg 3: Rural Development	(52 908)	Prg 4: Restitution	
Rural Infrastructure Development	(20 000)	Prg 5: Land Reform	
Rural Enterprise Industrial Development	(31 599)		
Social Organisation and Youth Development	(1 309)		
Prg 4: Restitution	(51 690)		125 005
Prg 5: Land Reform	(6 620)		16 981
Total Virements	(172 355)	Total Virements	172 355

Rollovers

The department had no rollovers.

1.5 Irregular, Fruitless and Wasteful expenditure

The reasons for fruitless and wasteful expenditure is attributable largely to the court orders against the department in regard to land restitutions cases, while the reasons for irregular expenditure is largely attributable to contravention of supply chain pre-scripts such as failure to obtain approval before committing the departmental expenditure which results in Ex-post facto.

The cases of Fruitless and Wasteful Expenditure have increased by 95% from R6 073 million in 2014/15 to R11 856 million in 2015/16. This is mainly as a result of NARYSEC expenditure of R8,5 million, which has been reclassified from Irregular to Fruitless and wasteful expenditure.

Furthermore, the department's Irregular expenditure saw a decrease of 83% from R25 286 million in 2014/15 to R4 456 million in 2015/16.

On all cases of Fruitless and Irregular expenditure, caution letters were issued and disciplinary actions are underway for the officials who were found to

be negligent. The department remains committed to eradicate non-compliance with laws and regulations applicable to it.

The internal controls environment is continuously being monitored for its effectiveness and weaknesses identified are addressed to improve financial management and overall efficiency in the operations of the department.

In addition, the department has improved its standard operating procedures to identify potential fruitless and wasteful expenditure before it occurs.

2. Service rendered by the department

2.1 Tariff policy

The Deeds Trading Account Schedule of Fees of Office is prescribed by regulation 84 of the Deeds Registries Act, Act No. 47 of 1937 (the Schedule), and is published in the Government Notice after approval by the Minister of Rural Development and Land Reform.

The Fees of Office for the Surveyor-General is prescribed by regulation 27 of the Land Survey Act, Act No. 8 of 1997 (the Schedule), and is published in the Government Notice after approval by the

Minister of Rural Development and Land Reform and National Treasury.

2.2 Free services

The department provides map tricks kits, map work teaching aids and map packs to the Department of Education for distribution to disadvantaged schools that teach geography.

3. Future plans of the department

3.1 Implementation of Mega Agri-parks

The department has budgeted R2 billion for the Agri-parks programme in the 2015/16 financial year; and, will do so for the next ten years. Part of the budget will strengthen the technical capacity of municipalities and improve social infrastructure, relevant to attracting and unleashing further economic investment in the 44 district municipalities which are home to South Africa's asset and income poverty. Rural road networks will receive particular attention in this regard. These rural roads, both on farms and in villages, must not just be seen as "access roads", but as "economic roads" which will make it easier for goods and services to move from production sites to markets and contribute to growing rural economies and developing underdeveloped areas.

3.2 Introduction of the "One household, One hectare" programme

In addition to the Agri-parks, the department has introduced the "One household, One hectare" programme with the purpose of eradicating poverty and creating a class of black smallholder farmers, producers and agro-manufactures. The department is currently rolling out production sites which will supply raw materials to District Agri-parks (DAPs). These District Agri-parks will, in turn, provide smallholder farmers, producers and agro-manufactures with markets, credit facilities, retail facilities, logistical and other strategic support and share equity opportunities. Smallholder farmers, producers and manufactures will own 70% equity in these DAPs, and government and other strategic partners will share the remaining 30%.

Initially, each one of the 44 Agri-park districts will have five "One household, One hectare" sites. This will amount to 220 sites in the 2016/17 financial year. A minimum of 50 households will participate in each site. This will therefore touch the

livelihoods of over 10 500 rural households. The department has set aside R100 million for the initial year of implementation through its Recapitalisation and Development budget.

3.3 Strengthening the Relative Rights (SRR) of People Working the Land (50/50 Policy Framework)

The acceleration of the pace of land reform and the protection of vulnerable communities, including farm labourers and people living on farms, is a focus area for the 2015/16 financial year. In this regard, the department has piloted the 50/50 Policy framework starting with ten pilot sites countrywide. A total number of 27 proposals were received from commercial farmers and four are being implemented in the Eastern Cape and Free State. R500 million has been set aside for this purpose in the 2015/16 financial year.

3.4 Other

The department continues with the implementation of SPLUMA by, inter alia, providing support to rural municipalities. Cabinet has, however, taken a decision to place the management of this Act in the Presidency. Transfer modalities are underway.

The department will recruit 2 700 NARYSEC and 500 interns in the new financial year. In respect of the internship programme an amount of R21,7 million has been allocated and in respect of the NARYSEC programme, an amount of R337 million has been set aside.

4. Public Private Partnerships

The department has registered a PPP project for construction of a single campus for DRDLR in Pretoria. The project is at Treasury Approval III (TAIII) for the appointment of service provider to commence with construction, however before National Treasury can grant approval, the department has to confirm funding for the project. The DRDLR has requested National Treasury to fund the project from the baseline and savings from 2014/15 budget. The decision on the way forward will take the response from National Treasury into consideration.

5. Discontinued activities/ activities to be discontinued

There were no activities which were discontinued in the current financial year.

6. Supply Chain Management

6.1 Unsolicited bid proposals concluded for the year under review

No unsolicited bid proposals were processed in the year under review.

6.2 SCM processes and systems that are in place to prevent irregular expenditure

The department maintains a supply chain management policy and delegations of authority and standard operating procedures. These systems collectively create a system aimed at preventing irregular expenditure.

Any detected deviations from prescripts are processed through the National Bid Adjudication Committee (NBAC) and Financial Compliance Committee (FCC) which proposes a way forward, including consequences to the Accounting Officer (AO).

6.3 Challenges experienced in SCM and how they were resolved

Although the department has approved Demand Management Plans (DMP), end users still persist on deviating from these plans for approval by delegated authority.

End users do not show any signs of improving planning of their activities hence the department face numerous requests for deviation i.e. urgent procurement from normal procurement procedures. Compliance to the approved DMP was monitored and any deviations reported on monthly basis.

Although contract management office sends reminders for photocopier machines three months before expiry date end users still delays to submit request for procurement on new machines. Keeping and monitoring of the finance lease register was conducted on monthly basis in order

to ensure that expired machines are removed and new contracts are signed.

Inadequate terms of reference, specifications drafted in a manner that leads to changes of scope of work and cancellation of bids. Appointment of bid specification committee members with adequate tender or project specific knowledge and expertise to ensure that intended outcomes of the bid are achieved.

7. Gifts and donations received in kind from non-related parties

Various items of office furniture and computer equipment with a book value of R2 194 742, were donated to various schools and churches.

8. Exemptions and deviations received from National Treasury

The department did not receive any exemptions from National Treasury.

9. Conclusion

In conclusion, the department has collectively strived to accomplish its mandate of creating vibrant, equitable and sustainable rural communities through prudent financial management amid difficult economic climate conditions. We continue to make a meaningful and substantial contribution to the economic and social upliftment of the poorest and most vulnerable rural communities.

The department continues to strive for improved governance by reducing adverse audit findings and working towards maintaining the record of unqualified audit opinions which has been attained in the past two financial years, as well as further reduce matters of emphasis and ultimately eliminate them altogether during the ensuing MTEF period.

10. Acknowledgements/ Appreciation

I would like to thank the Minister and Deputy Ministers for their support and guidance as well as the officials serving in the department for their hard work and dedication in ensuring that the department achieves its objectives.

The department would also like to thank the Audit and the Risk and Compliance committees for their guidance and support throughout the financial year.

The effective oversight role played by the Portfolio Committee on Rural Development and Land Reform is also acknowledged.

11. Approval and sign off

The Annual Financial Statements set out on pages 83 to 324 have been approved by the Accounting Officer.

A handwritten signature in black ink, appearing to be 'PM Shabane', written over a faint, large, stylized letter 'D'.

PM Shabane
Accounting Officer
Department of Rural Development and Land Reform
Date: 15 August 2016

Accounting Officer's statement of responsibility for the Annual Financial Statements

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

The department's financial statements for the year ended 31 March 2016 have been examined by the external auditors and their report is presented on page 77.

The Annual Financial Statements of the department set out on page 83 to page 324 have been approved.

A handwritten signature in black ink, consisting of a large, stylized 'P' and 'S' with a horizontal line through them, and a small circular mark below the 'S'.

PM Shabane
Accounting Officer
Department of Rural Development and Land Reform
Date: 15 August 2016

Report of the auditor-general to Parliament on Vote No. 39: Department of Rural Development and Land Reform

Report on the financial statements

Introduction

1. I have audited the financial statements of the Department of Rural Development and Land Reform set out on pages 83 to 252, which comprise the appropriation statement, the statement of financial position as at 31 March 2016, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation of these financial statements in accordance with the Modified Cash Standard (MCS) prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2015 (Act No. 1 of 2015) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial

statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Rural Development and Land Reform as at 31 March 2016 and its financial performance and cash flows for the year then ended, in accordance with the MCS prescribed by the National Treasury and the requirements of the PFMA and DoRA.

Emphasis of matters

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

Significant uncertainties

8. As disclosed in note 19.1 to the financial statements, claims were instituted against the department amounting to R2 418 million. These claims are subject to the outcome of legal proceedings. The ultimate outcome of these matters cannot be determined at present, with the result that no provision for any liability that may result has been made in the department's financial statements.
9. As disclosed in note 19.1 to the financial

statements, the department has a possible liability towards claimants in terms of the Restitution of Lands Rights Act of South Africa, 1994 (Act No. 22 of 1994). The total amount in claims verified and pending approval in terms of section 42D of this act is approximately R194 million. Once approved by the minister, this will increase the commitment amount disclosed in note 19 to the financial statements.

Impairments

10. As disclosed in note 13.1 to the financial statements, provision is made for the impairment of an investment of R16 million. This relates to Inala Farms (Pty) Ltd that is being liquidated, and for which the investment might not be recovered.
11. As disclosed in notes 12.5 and 24.2 to the financial statements, provision is made for an impairment of R111 million, of which R99 million relates to the non-recovery of accrued departmental revenue and R12 million relates to the provision for doubtful debts.

Restatement of corresponding figures

12. As disclosed in notes 26.4, 25.3, 25.1, 32.4.1, 32.3.1 and 37 to the financial statements, the corresponding figures for 31 March 2015 have been restated as a result of errors discovered during the 2015-16 financial year in the financial statements of the department at, and for the year ended, 31 March 2015.

Constitutional court judgment for the Restitution of Land Rights Amendment Act

13. As disclosed in note 31 to the financial statements, the Constitutional Court declared the Restitution of Land Rights Amendment Act, 2014 (Act No15 of 2014) invalid from the 28 July 2016. The Amendment Act reopened the lodgement of land claims for a period of five years, from 1 July 2014 to 30 June 2019.

Report on other legal and regulatory requirements

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 findings on the reported performance

information against predetermined objectives for selected programmes presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

15. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected programmes presented in the annual performance report of the department for the year ended 31 March 2016:
 - Programme 2: geo spatial and cadastral services on pages 23 to 25;
 - Programme 3: rural development on pages 26 to 28;
 - Programme 4: restitution on pages 29 to 30;
 - Programme 5: land reform on pages 31 to 33.
16. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
17. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for Managing Programme Performance Information.
18. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
19. I did not raise any material findings on the usefulness and reliability of the reported performance information for the following selected programmes:
 - Programme 2: geospatial and cadastral services;
 - Programme 3: rural development;
 - Programme 4: restitution;
 - Programme 5: land reform.

Additional matter

20. Although I raised no material findings on the usefulness and reliability of the reported performance information for the selected programmes, I draw attention to the following matter:

Achievement of planned targets

21. Refer to the annual performance report on pages 21 to 33 for information on the achievement of the planned targets for the year.

Compliance with legislation

22. I performed procedures to obtain evidence that the department had complied with applicable legislation regarding financial matters, financial management and other related matters. My material findings on compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:

Expenditure management

23. Effective steps were not taken to prevent irregular as well as fruitless and wasteful expenditure amounting to R4 456 000 and R11 856 000, respectively, as disclosed in notes 25 and 26 to the financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1.

Financial statements

24. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework, as required by section 40(1)(b) of the PFMA. Material misstatements relating to contingencies, commitments, immovable tangible capital assets, payables and accruals identified by the auditors in the submitted financial statements were adequately corrected and/or the supporting records could subsequently be provided, which resulted in the financial statements receiving an unqualified audit opinion.

Internal control

25. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. The matters reported below are limited to the significant internal control

deficiencies that resulted in the findings on compliance with legislation included in this report.

Leadership

26. There was inadequate oversight and leadership, as evidenced by the misstatements identified in the financial statements. The department still needs to improve its internal monitoring and reviewing controls to ensure full compliance with the financial reporting framework, as material misstatements were identified by the auditors and subsequently corrected by management. The department needs to focus on implementing its action plan to address the root causes of the internal control deficiencies identified.

Financial and performance management

27. Management did not ensure that there were adequate daily and monthly controls to confirm the accuracy of information in the preparation of financial reporting. This is evident in the material misstatements identified in the financial statements as well as the material findings on compliance with legislation identified during the audit. The audit revealed significant weaknesses in the information system environment which is not ideal for preparation of complete and credible financial and performance information (monthly, quarterly and annual) that is free of material errors and misstatements.

Other reports

28. I draw attention to the following engagements that could potentially have an impact on the department's financial, performance and compliance related matters. My opinion is not modified in respect of these engagements that are in progress or have been completed.

Investigations

29. As at 31 March 2016, 17 cases were under investigation by the internal audit function as requested by the department. These investigations related mainly to the following:
 - Allegations of corruption
 - Allegations of irregularities with a land claim
 - Allegations of fraudulently receiving reconstruction and development programme funding and houses
 - Allegations of mismanagement of land

- transfers
- Allegations of overtime abuse
 - Allegations of mismanagement of valuations
 - Allegations of mismanagement
 - Allegations of procurement irregularities
 - Allegations of fraudulent land claims
 - Recapitalisation and development projects
30. The financial impact of the above has not been quantified, as the investigations are still in progress.
31. As at 31 March 2016, the internal audit function had completed 14 investigations for the period under review. These investigations related to the following:
- Allegations relating to appointments at, and the management of, Coega
 - Allegations of nepotism
 - Allegations of Government Garage vehicle misuse
 - Allegations of a fraudulent claim for the erection of a campsite
 - Allegations of bribery and corruption
 - Allegations of fraud with falsified claims

- Allegations of fraudulent land claims
- Allegations of an irregular appointment
- Allegations of sexual harassment
- Allegations of mismanagement of adverts
- Allegations of leave mismanagement
- Allegations of mismanagement

32. The financial impact of these cases have been considered and found not to be material to the financial statements.

Auditor-General

Pretoria
31 July 2016



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence



Annual Financial Statements



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Department of Rural Development and Land Reform

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Appropriation per programme

Programme	2015/16						2014/15		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Administration	1 324 944	-	16 016	1 340 960	1 336 907	4 053	99.7%	1 384 430	1 382 197
2. National Geomatics Management Services	748 063	-	(46 784)	701 279	681 843	19 436	97.2%	734 815	732 537
3. Rural Development	1,984 577	-	(52 908)	1 931 669	1 921 995	9 674	99.5%	1 850 932	1 800 988
4. Restitution	2 602 669	-	73 315	2 675 984	2 630 239	45 745	98.3%	2 998 742	2 997 937
5. Land Reform	2 537 108	-	10361	2 547 469	2 547 063	406	100%	2 486 386	2 482 096
TOTAL	9 197 361	-	-	9 197 361	9 118 047	79 314	99.1%	9 455 305	9 395 755

	2015/16			2014/15		
	Final Appropriation	Actual Expenditure		Final Appropriation	Actual Expenditure	
	R'000	R'000		R'000	R'000	
TOTAL (brought forward)						
Reconciliation with statement of financial performance						
ADD						
Departmental receipts	54 643			87 439		
NRF Receipts	-			-		
Aid assistance	35 785			30 316		
Actual amounts per statement of financial performance (total revenue)	9 287 789			9 573 060		
ADD						
Aid assistance		22 130			11 904	
Prior year unauthorised expenditure approved without funding						
Actual amounts per statement of financial performance (total expenditure)		9 140 177			9 407 659	

Appropriation per economic classification

	2015/16						2014/15		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	3 469 861	(121 899)	18 363	3 366 325	3 335 533	30 792	99.1%	3 184 948	3 139 697
<i>Compensation of employees</i>	2 114 729	(139 909)	(11 870)	1 962 950	1 937 159	25 791	98.7%	1 799 279	1 791 559
Salaries and wages	1 857 716	(133 896)	(11 870)	1 711 950	1 689 084	22 866	98.7%	1 580 633	1 573 315
Social contributions	257 013	(6 013)	-	251 000	248 075	2 925	98.8%	218 646	218 244
<i>Goods and services</i>	1 354 832	16 199	30 233	1 401 264	1 396 265	4 999	99.6%	1 379 991	1 342 464
Administrative fees	38 871	(18 708)	-	20 163	20 116	47	99.8%	29 035	27 070
Advertising	34 619	7 325	-	41 944	41 902	42	99.9%	28 454	28 344
Minor assets	52 265	(41 993)	-	10 272	10 211	61	99.4%	10 317	8 954
Audit costs: External	16 511	673	-	17 184	17 178	6	100%	14 729	14 728
Bursaries: Employees	4 053	(565)	-	3 488	3 479	9	99.7%	4 420	4 419
Catering: Departmental activities	10 284	(1 239)	-	9 045	8 973	72	99.2%	5 578	5 423
Communication	46 293	11 457	-	57 750	57 360	390	99.3%	67 446	67 100
Computer services	133 916	22 281	-	156 197	156 164	33	100%	105 982	105 944
Consultants: Business and advisory services	180 713	(89 341)	46 000	137 372	134 282	3 090	97.8%	167 549	166 395
Infrastructure and planning services	2 905	(2 123)	-	782	766	16	98.0%	4 074	4 071
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	39 105	124 430	-	163 535	163 519	16	100%	130 231	130 213
Contractors	51 987	(19 766)	-	32 221	32 143	78	99.8%	22 288	22 093
Agency and support/outsourced services	51 554	(23 738)	4 000	31 816	31 701	115	99.6%	34 019	33 838
Entertainment	-	-	-	-	-	-	-	6	4
Fleet services	14 542	8 446	-	22 988	22 910	78	99.7%	11 389	11 170
Housing	-	-	-	-	-	-	-	-	-

	2015/16						2014/15		
	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									
Inventory: Clothing material and supplies	730	(730)	-	-	-	-	-	80	72
Inventory: Farming supplies	16	(16)	-	-	-	-	-	77	75
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	2 355	(2 354)	-	1	-	1	-	3 000	2 650
Inventory: Medical supplies	-	-	-	-	-	-	-	35	33
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas Inventory Interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	12 867	(5 924)	-	6 943	6 828	115	98.4%	6 266	4 391
Consumable: Stationery, printing and office supplies	42 518	(14 842)	-	27 676	27 600	76	99.7%	24 481	23 682
Operating leases	166 905	53 095	30 097	250 097	250 050	47	100.0%	189 194	189 142
Property payments	125 674	(9 858)	-	115 816	115 773	43	100.0%	105 815	105 610
Transport provided: Departmental activity	4 274	(1 858)	-	2 416	2 406	10	99.6%	7 438	7 428
Travel and subsistence	241 237	40 711	(49 864)	232 084	231 800	284	99.9%	301 806	277 842
Training and development	20 747	(12 813)	-	7 934	7 897	37	99.5%	9 898	9 482
Operating payments	25 827	(11 854)	-	13 973	13 753	220	98.4%	16 119	15 336
Venues and facilities	30 654	5 525	-	36 179	36 077	102	99.7%	73 232	70 164
Rental and hiring	3 410	(22)	-	3 388	3 376	12	99.6%	7 033	6 791
<i>Interest and rent on land</i>	300	1 811	-	2 111	2 109	2	99.9%	5 678	5 674
Interest (incl interest on unitary payments (PPP))	300	1 310	-	1 610	1 608	2	99.9%	5 494	5 490

		2015/16						2014/15	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Rent on land	-	501	-	501	501	-	100.0%	184	184
Transfers and subsidies									
<i>Provinces and municipalities</i>	5 665 706	(536 376)	(62 818)	5 066 512	5 018 423	48 089	99.1%	5 470 417	5 458 275
Provinces	57 173	19 581	-	76 754	76 741	13	100.0%	127 774	125 617
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal bank accounts	57 173	19 581	-	76 754	76 741	13	100.0%	127 774	125 617
Municipal agencies and funds	57 173	19 581	-	76 754	76 741	13	100.0%	127 774	125 617
<i>Departmental agencies and accounts</i>									
Social security funds	1 380 029	1 483	-	1 381 512	1 381 512	-	100.0%	1 752 678	1 752 447
Departmental agencies and accounts (non-business activities)	-	-	-	-	-	-	-	-	-
<i>Higher education institutions</i>	1 380 029	1 483	-	1 381 512	1 381 512	-	100.0%	1 752 678	1 752 447
<i>Foreign governments and international organisations</i>	-	-	-	-	-	-	-	-	-
<i>Public corporations and private enterprises</i>	1 495	830	272	2 597	2 596	-	100.0%	2 064	2 063
Public corporations	1	-	-	1	-	1	-	7 321	7 320
Subsidies on products and production	1	-	-	1	-	1	-	7 321	7 320
Other transfers to public corporations	-	-	-	-	-	-	-	7 321	7 320
Private enterprises	1	-	-	1	-	1	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-
<i>Non-profit institutions</i>	-	-	-	-	-	-	-	-	-
<i>Households</i>	3 159	-	-	3 159	3 159	-	100.0%	3 755	3 755
Social benefits	4 223 849	(558 270)	(63 090)	3 602 489	3 554 415	48 074	98.7%	3 576 825	3 567 073

2015/16										2014/15		
	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	
Economic classification												
Other transfers to households	2 895	200	-	3 095	3 076	19	99.4%	4 072	4 039			
Payments for capital assets	4 220 954	(558 470)	(63 090)	3 599 394	3 551 339	48 055	98.7%	3 572 753	3 563 034			
<i>Buildings and other fixed structures</i>												
Buildings	61 794	653 115	44 455	759 364	758 932	432	99.9%	799 940	793 422			
Other fixed structures	-	607 817	(6 600)	601 217	601 199	18	100.0%	401 165	401 145			
<i>Machinery and equipment</i>												
Machinery and equipment	-	11 661	(6 600)	5 061	5 044	17	99.7%	393 474	393 474			
Transport equipment	-	596 156	-	596 156	596 155	1	100.0%	7 691	7 671			
Other machinery and equipment	61 542	29 845	(23 794)	67 593	67 178	415	99.4%	170 284	165 595			
<i>Heritage assets</i>												
Heritage assets	4 151	(2 308)	-	1 843	1 836	7	99.6%	31 492	30 249			
<i>Specialised military assets</i>												
Specialised military assets	57 391	32 154	(23 794)	65 751	65 340	408	99.4%	138 792	135 346			
<i>Biological assets</i>												
Biological assets	-	32 153	-	65 750	65 342	-	-	-	-			
<i>Land and subsoil assets</i>												
Land and subsoil assets	-	-	-	-	-	-	-	-	-			
<i>Intangible assets</i>												
Intangible assets	-	-	-	-	-	-	-	-	-			
Payments for financial assets	-	15 549	75 005	90 554	90 555	(1)	100.0%	226 934	226 682			
Total	252	(96)	(156)	-	-	-	-	1 557	-			
	-	5 160	-	5 160	5 159	-	100.0%	-	4 361			
	9 197 361	-	-	9 197 361	9 118 047	79 314	99.1%	9 455 305	9 395 755			

Programme 1: Administration

2015/16										2014/15		
Sub programme	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	
1. Ministry	41 018	3 581	-	44 599	44 547	52	99.9%	41 283	41 210			
2. Management	151 511	(4 851)	(200)	146 460	146 392	68	100.0%	134 457	133 840			

2015/16										2014/15		
Sub programme	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	
3. Internal Audit	51 836	(8 576)	(20)	43 240	43 226	14	100.0%	41 046	40 953			
4. Corporate Services	387 600	(5 193)	(661)	381 746	381 528	218	99.9%	499 060	498 996			
5. Financial Services	183 383	(3 811)	(12 200)	167 372	167 557	(185)	100.11%	169 017	168 209			
6. Provincial Coordination	318 483	862	(1 000)	318 345	315 141	3 204	99.0%	295 092	294 516			
7. Office Accommodation	191 113	17 988	30 097	239 198	239 197	1	100.0%	204 475	204 473			
Total for sub programmes	1 324 944	-	16 016	1 340 960	1 337 588	3 372	99.7%	1 384 430	1 382 197			

2015/16										2014/15		
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure			
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000	
Current payments	1 291 310	(22 745)	30 097	1 298 662	1 295 462	3 200	99.7%	1 223 980	1 222 044			
<i>Compensation of employees</i>	697 185	(47 748)	-	649 437	649 240	197	100.0%	635 999	635 546			
Salaries and wages	604 361	(40 123)	-	564 238	564 061	177	100.0%	558 764	558 468			
Social contributions	92 824	(7 625)	-	85 199	85 179	20	100.0%	77 235	77 078			
<i>Goods and services</i>	594 125	24 975	30 097	649 197	645 512	3 685	99.4%	587 981	586 498			
Administrative fees	8 145	(3 931)	-	4 214	4 201	13	99.7%	8 347	8 294			
Advertising	17 934	(8 966)	-	8 968	8 954	14	99.8%	20 071	20 049			
Minor assets	14 623	(13 072)	-	1 551	1 540	11	99.3%	2 300	2 231			
Audit costs: External	16 381	390	-	16 771	16 771	-	100.0%	14 630	14 629			
Bursaries: Employees	4 031	(543)	-	3 488	3 479	9	99.7%	4 420	4 419			
Catering: Departmental activities	1 686	(692)	-	994	964	30	97.0%	1 016	996			
Communication	11 376	8 546	-	19 922	19 566	356	98.2%	25 572	25 488			
Computer services	117 487	20 030	-	137 517	137 505	12	100.0%	89 222	89 194			

	2015/16						2014/15		
	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									
Consultants: Business and advisory services	27 873	(9 445)	-	18 428	15 369	3 059	83.4%	34 297	34 291
Infrastructure and planning services	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	2 161	8 225	-	10 386	10 383	3	100.0%	10 430	10 425
Contractors	18 970	(14 952)	-	4 018	4 002	16	99.6%	4 307	4 287
Agency and support/outourced services	14 580	(2 857)	-	11 723	11 713	10	99.9%	11 261	11 254
Entertainment	-	-	-	-	-	-	-	2	1
Fleet services	2 889	7 639	-	10 528	10 517	11	99.9%	4 317	4 216
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and supplies	82	(82)	-	-	-	-	-	32	31
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	1 222	(1 221)	-	1	-	1	-	537	478
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Meddas Inventory Interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	3 901	(1 348)	-	2 553	2 537	16	99.4%	1 720	1 509
Consumable: Stationery, printing and office supplies	10 465	(2 015)	-	8 450	8 432	18	99.8%	7 549	7 446

2015/16										2014/15	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000		
Operating leases	147 403	42 546	30 097	220 046	220 027	19	100.0%	174 076	174 050		
Property payments	95 792	(1 239)	-	94 553	94 537	16	100.0%	87 086	87 070		
Transport provided: Departmental activity								86	85		
Travel and subsistence	53 940	5 169	-	59 109	59 080	29	100.0%	66 240	65 705		
Training and development	8 670	(4 182)	-	4 488	4 477	11	99.8%	5 927	5 906		
Operating payments	6 912	(2 091)	-	4 821	4 807	14	99.7%	5 915	5 852		
Venues and facilities	7 520	(916)	-	6 604	6 587	17	99.7%	8 602	8 574		
Rental and hiring	82	(18)	-	64	63	1	98.4%	19	18		
Interest and rent on land	-	28	-	28	29	(1)	103.6%	-	-		
Interest	-	28	-	28	29	(1)	103.6%	-	-		
Rent on land	-	-	-	-	-	-	-	-	-		
Transfers and subsidies	188	956	-	1 144	1 137	7	99.4%	39 327	39 301		
Provinces and municipalities	4	14	-	18	16	2	88.9%	25	20		
Provinces	-	-	-	-	-	-	-	-	-		
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-		
Provincial agencies and funds	-	-	-	-	-	-	-	-	-		
Municipalities	4	14	-	18	16	2	88.9%	25	20		
Municipal bank accounts	4	14	-	18	16	2	88.9%	25	20		
Municipal agencies and funds	-	-	-	-	-	-	-	-	-		
Departmental agencies and accounts	4	(1)	-	3	3	-	100.0%	3 525	3 523		
Social security funds	-	-	-	-	-	-	-	-	-		
Departmental agencies	4	(1)	-	3	3	-	100.0%	3 525	3 523		
Higher education institutions	-	-	-	-	-	-	-	-	-		
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-		
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-		
Public corporations	-	-	-	-	-	-	-	-	-		

		2015/16						2014/15	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-
<i>Non-profit institutions</i>	-	-	-	-	-	-	-	-	-
<i>Households</i>	-	-	-	-	-	-	-	-	-
Social benefits	180	943	-	1 123	1 118	5	99.6%	35 777	35 758
Other transfers to households	180	937	-	1 117	1 113	4	99.6%	2 069	2 052
Payments for capital assets	-	6	-	6	5	1	83.3%	33 708	33 706
<i>Buildings and other fixed structures</i>									
Buildings	33 446	21 138	(14 081)	40 503	40 337	166	99.6%	121 123	119 413
Other fixed structures	-	11 724	(6 600)	5 124	5 107	17	99.7%	7 671	7 671
<i>Machinery and equipment</i>									
Machinery and equipment	-	11 661	(6 600)	5 061	5 044	17	99.7%	-	-
Transport equipment	-	63	-	63	63	-	100.0%	7 671	7 671
Other machinery and equipment	33 350	9 510	(7 481)	35 379	35 230	149	99.6%	113 452	111 742
<i>Heritage assets</i>									
Heritage assets	4 151	(2 308)	-	1 843	1 836	7	99.6%	3 415	2 705
<i>Specialised military assets</i>									
Specialised military assets	29 199	11 818	(7 481)	33 536	33 394	142	99.6%	110 037	109 037
<i>Biological assets</i>									
Biological assets	-	-	-	-	-	-	-	-	-
<i>Land and subsoil assets</i>									
Land and subsoil assets	-	-	-	-	-	-	-	-	-
<i>Intangible assets</i>									
Intangible assets	96	(96)	-	-	-	-	-	-	-
Payments for financial assets	-	651	-	651	652	(1)	100.2%	-	1 439
Total	1 324 944	-	16 016	1 340 960	1 337 588	3 372	99.7%	1 384 430	1 382 197

1.1 Ministry

	2015/16						2014/15		
	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	40 557	3 357	-	43 914	43 863	51	99.9	40 719	40 640
<i>Compensation of employees</i>	27 318	(4 753)	-	22 565	22 565	-	100.0%	20 158	20 138
Salaries and wages	24 812	(4 005)	-	20 807	20 807	-	100.0%	18 555	18 541
Social contribution	2 506	(748)	-	1 758	1 758	-	100.0%	1 603	1 597
<i>Goods and services</i>	13 239	8 110	-	21 349	21 298	51	99.8%	20 561	20 502
Administrative fees	524	(64)	-	460	460	-	100.0%	472	468
Advertising	5	-	-	5	5	5	100.0%	32	32
Minor assets	370	(332)	-	38	38	-	100.0%	78	76
Catering: Departmental activities	57	36	-	93	77	16	82.8%	35	34
Communication (G&S)	1 035	349	-	1 384	1 384	-	100.0%	1 474	1 472
Computer services	10	10	-	10	10	10	-	-	-
Consultants: Business and advisory services	960	(30)	-	930	913	17	98.2%	1 198	1 198
Contractors	5	38	-	43	43	-	100.0	-	-
Agency and support/outsourced services	32	(30)	-	2	1	1	50.0%	-	-
Fleet services	5	1 348	-	1 353	1 353	-	100.0%	573	564
Inventory: Materials and supplies	2	(2)	-	-	-	-	-	7	5
Consumable supplies	305	(202)	-	103	103	-	100.0%	89	82
Consumable: stationery, printing and office supplies	537	(169)	-	368	368	-	100.0%	398	394
Operating leases	839	1 685	-	2 524	2 524	-	100.0%	1 535	1 534
Travel and subsistence	1	1	-	1	1	1	-	-	-
Training and development	7 638	6 259	-	13 897	13 897	-	100.0%	14 421	14 396
Advertising	198	(196)	-	2	1	1	50.0%	21	21
Operating payments	469	(354)	-	115	115	-	100.0%	69	67

2015/16										2014/15	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Venues and facilities	248	(227)	-	21	21	-	100.0%	159	159	-	159
Interest and rent on land											
Transfers and subsidies	1	(1)	-	-	-	-	-	1	-	-	-
Provinces and municipalities											
Departmental agencies and accounts	1	(1)	-	-	-	-	-	1	1	-	-
Departmental agencies	1	(1)	-	-	-	-	-	1	1	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-	-	-
Payments for capital assets	460	219	-	679	678	1	99.9%	563	558	-	558
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-	-	-
Machinery and equipment	460	219	-	679	678	1	99.9%	563	558	-	558
Other machinery and equipment	460	219	-	679	678	1	99.9%	563	558	-	558
Heritage assets	-	-	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	6	-	6	6	-	100.0%	-	12	-	12
Total	41 018	3 581	-	44 599	44 547	52	99.9%	41 283	41 210	-	41 210

1.2 Management

	2015/16						2014/15		
	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	150 335	(5 272)	-	145 063	145 022	41	100.0%	132 001	131 664
Compensation of employees	70 901	(6 019)	-	64 882	64 871	11	100.0%	59 522	59 439
Salaries and wages	63 918	(6 856)	-	57 062	57 055	7	100.0%	52 827	52 777
Social contribution	6 983	837	-	7 820	7 816	4	99.9%	6 695	6 662
Goods and services	79 434	747	-	80 181	80 151	30	100.0%	72 479	72 225
Administrative fees	1 735	(668)	-	1 067	1 065	2	99.8%	1 928	1 918
Advertising	336	(313)	-	23	22	1	95.7%	365	361
Minor assets	4 804	(4 704)	-	100	99	1	99.0%	425	408
Catering Departmental activities	368	(58)	-	310	309	1	99.7%	233	229
Communication (G&S)	1 549	179	-	1 728	1 726	2	99.9%	1 571	1 558
Computer Services	5 023	(732)	-	4 291	4 291	-	100.0%	1 776	1 772
Consultants: Business and advisory services	7 309	479	-	7 788	7 788	-	100.0%	8 429	8 426
Legal services									
Contractors	2 588	(1 418)	-	1 170	1 169	1	99.9%	2 800	2 800
Agency and support/outsourced services	175	(33)	-	142	141	1	99.3%	1 424	1 421
Fleet services	35	162	-	197	195	2	99.0%	377	376
Inventory: Clothing material and accessories			-					97	85
Inventory: Material and supplies	215	(214)	-	1		1		201	195
Inventory: Medical supplies			-					-	-
Consumable supplies	985	(384)	-	601	601	-	100.0%	310	272
Consumable: Stationery, printing and office supplies	1 451	140	-	1 591	1 589	2	99.9%	1 014	996
Operating lease	92	353	-	445	444	1	99.8%	316	313

	2015/16						2014/15		
	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									
Property payments	37 828	7 924	-	45 752	45 752	-	100.0%	38 040	38 038
Travel and subsistence	9 846	2 133	-	11 979	11 968	11	99.9%	9 732	9 632
Training and development	1 461	(1 188)	-	273	272	1	99.6%	1 283	1 278
Operating payments	718	(135)	-	583	581	2	99.7%	396	392
Venues and facilities	2 854	(714)	-	2 140	2 139	1	100.0%	1 743	1 737
Rental and hiring	62	(62)	-	-	-	-	-	-	-
<i>Interest and rent on land</i>	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Transfers and subsidies	47	82	-	129	128	1	99.2%	300	298
<i>Provinces and municipalities</i>	-	-	-	-	-	-	-	-	-
<i>Departmental agencies and accounts</i>	-	-	-	-	-	-	-	-	-
Departmental agencies	-	-	-	-	-	-	-	-	-
<i>Higher education institutions</i>	-	-	-	-	-	-	-	-	-
<i>Foreign governments and international organisations</i>	-	-	-	-	-	-	-	-	-
<i>Public corporations and private enterprises</i>	-	-	-	-	-	-	-	-	-
<i>Non-profit institutions</i>	-	-	-	-	-	-	-	-	-
Households	47	82	-	129	128	1	99.2%	300	298
Social benefit	47	82	-	129	128	1	99.2%	300	298
Payments for capital assets	1 129	275	(200)	1 204	1 178	26	97.8%	2 156	1 726
<i>Buildings and other fixed structures</i>	-	-	-	-	-	-	-	-	-
<i>Machinery and equipment</i>	1 129	275	(200)	1 204	1 178	26	97.8%	2 156	1 726
Other machinery and equipment	1 129	275	(200)	1 204	1 178	26	97.8%	2 156	1 726
<i>Heritage assets</i>	-	-	-	-	-	-	-	-	-
<i>Specialised military assets</i>	-	-	-	-	-	-	-	-	-

		2015/16						2014/15	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<i>Biological assets</i>	-	-	-	-	-	-	-	-	-
<i>Land and subsoil assets</i>	-	-	-	-	-	-	-	-	-
<i>Intangible assets</i>	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	64	-	64	64	-	100.0%	-	152
Total	151 511	(4 851)	(200)	146 460	146 392	68	100.0%	134 457	133 840

1.3 Internal Audit

		2015/16						2014/15	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	51 387	(8 959)	-	42 428	42 414	14	100.0%	39 354	39 259
<i>Compensation of employees</i>	31 066	(2 945)	-	28 121	28 117	4	100.0%	25 116	25 091
<i>Salaries and wages</i>	27 910	(2 932)	-	24 978	24 976	2	100.0%	22 474	22 459
<i>Social contribution</i>	3 156	(13)	-	3 143	3 141	2	99.9%	2 642	2 632
<i>Goods and services</i>	20 321	(6 014)	-	14 307	14 297	10	99.9%	14 238	14 168
<i>Administrative fees</i>	181	185	-	366	365	1	99.7%	494	490
<i>Advertising</i>	43	32	-	75	75	-	-	20	20
<i>Minor assets</i>	117	(106)	-	11	10	1	90.9%	331	329
<i>Catering Departmental activities</i>	105	(38)	-	67	66	1	98.5%	47	46
<i>Communication (G&S)</i>	212	103	-	315	315	-	100.0%	286	283
<i>Computer Services</i>	280	(103)	-	177	177	-	100.0%	210	208
<i>Consultants: Business and advisory services</i>	1 543	(234)	-	1 309	1 308	1	99.9%	935	935

	2015/16						2014/15		
	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									
Legal services	-	-	-	-	-	-	-	-	-
Contractors									
Agency and support/outsourced services	12 444	(4 277)	-	8 167	8 166	1	100.0%	9 277	9 274
Fleet services	-	17	-	17	17	-	100.0%	3	1
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Material and supplies	5	(5)	-	-	-	-	-	4	3
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	51	5	-	56	56	-	100.0%	86	77
Consumable: Stationery, printing and office supplies	203	(14)	-	189	188	1	99.5%	164	161
Operating lease	-	107	-	107	107	-	100.0%	4	3
Property payments	-	-	-	-	-	-	-	1	1
Travel and subsistence	3 817	(1 087)	-	2 730	2 727	3	99.9%	1 423	1 391
Training and development	1 166	(653)	-	513	512	1	98.8%	711	707
Operating payments	104	104	-	208	208	-	100.0%	165	162
Venues and facilities	50	(50)	-	-	-	-	-	27	27
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Transfers and subsidies	14	59	-	73	73	-	100.0%	32	32
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Departmental agencies	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-

Economic classification	2015/16						2014/15		
	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
<i>Foreign governments and international organisations</i>	-	-	-	-	-	-	-	-	-
<i>Public corporations and private enterprises</i>	-	-	-	-	-	-	-	-	-
<i>Non-profit institutions</i>	-	-	-	-	-	-	-	-	-
<i>Households</i>	14	59	-	73	73	-	100.0%	32	32
<i>Social benefit</i>	14	59	-	73	73	-	100.0%	32	32
Payments for capital assets	435	323	(20)	738	738	-	100.0%	1 660	1 659
<i>Buildings and other fixed structures</i>	-	-	-	-	-	-	-	-	-
<i>Machinery and equipment</i>	435	323	(20)	738	738	-	100.0%	1 660	1 659
<i>Other machinery and equipment</i>	435	323	(20)	738	738	-	100.0%	1 660	1 659
<i>Heritage assets</i>	-	-	-	-	-	-	-	-	-
<i>Specialised military assets</i>	-	-	-	-	-	-	-	-	-
<i>Biological assets</i>	-	-	-	-	-	-	-	-	-
<i>Land and subsoil assets</i>	-	-	-	-	-	-	-	-	-
<i>Intangible assets</i>	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	1	-	1	1	-	100.0%	-	3
Total	51 836	(8 576)	(20)	43 240	43 226	14	100.0%	41 046	40 953

1.4 Corporate Services

Economic classification	2015/16						2014/15		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	364 213	(8 633)	-	355 580	355 364	216	99.9%	360 775	360 301
<i>Compensation of employees</i>	180 649	(10 709)	-	169 940	169 900	40	100.0%	187 836	187 727

2015/16										2014/15		
	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	
Economic classification												
Salaries and wages	159 019	(10 372)	-	148 647	148 617	30	100.0%	167 526	167 452			
Social contributions	21 630	(337)	-	21 293	21 283	10	100.0%	20 310	20 275			
Goods and services	183 564	2 076	-	185 640	185 464	176	99.9%	172 939	172 574			
Administrative fees	3 064	(2 361)	-	703	696	7	99.0%	3 219	3 208			
Advertising	16 168	(7 848)	-	8 320	8 315	5	99.9%	18 911	18 905			
Minor assets	3 555	(3 233)	-	322	316	6	98.1%	380	364			
Audit costs: External	50	(50)	-	-	-	-	-	-	-			
Bursaries: Employees	4 031	(543)	-	3 488	3 479	9	99.7%	4 420	4 419			
Catering: Departmental activities	481	(306)	-	175	166	9	94.9%	218	215			
Communication	3 278	1 237	-	4 515	4 505	10	99.8%	3 568	3 548			
Computer services	112 034	16 929	-	128 963	128 962	1	100.0%	86 425	86 408			
Consultants: Business and advisory services	3 751	99	-	3 850	3 839	11	99.7%	20 842	20 840			
Infrastructure and planning services	-	-	-	-	-	-	-	-	-			
Laboratory services	-	-	-	-	-	-	-	-	-			
Scientific and technological services	-	-	-	-	-	-	-	-	-			
Legal services	2 154	7 629	-	9 783	9 783	-	100.0%	7 008	7 006			
Contractor	2 313	(184)	-	2 129	2 116	13	99.4%	2 501	2 497			
Agency and support/outsourced services	1 091	980	-	2 071	2 065	6	99.7%	430	429			
Entertainment	-	-	-	-	-	-	-	-	-			
Fleet services	119	(72)	-	47	42	5	89.4%	105	86			
Housing	-	-	-	-	-	-	-	-	-			
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-			
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-			
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-			

Economic classification	2015/16						2014/15		
	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
Inventories: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventories: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventories: Materials and supplies	890	(890)	-	-	-	-	-	207	203
Inventories: Medical supplies	-	-	-	-	-	-	-	-	-
Inventories: Medicine	-	-	-	-	-	-	-	-	-
Medsas Inventory Interface	-	-	-	-	-	-	-	-	-
Inventories: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	895	71	-	966	953	13	98.7%	416	361
Consumables: Stationery, printing and office supplies	2 996	(1 323)	-	1 673	1 663	10	99.4%	1 694	1 663
Operating leases	258	(93)	-	165	150	15	90.9%	46	40
Property payments	100	287	-	387	374	13	96.6%	162	161
Transport provided:	-	-	-	-	-	-	-	86	85
Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	16 038	(5 642)	-	10 396	10 383	13	99.9%	13 263	13 125
Training and development	4 079	(958)	-	3 121	3 115	6	99.8%	2 984	2 979
Operating payments	3 708	(1 408)	-	2 300	2 290	10	99.6%	2 262	2 248
Venues and facilities	2 511	(281)	-	2 230	2 216	14	99.4%	3 792	3 784
Rental and hiring	-	36	-	36	36	-	100.0%	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	74	313	-	387	385	2	99.5%	37 948	37 942
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-

2015/16										2014/15		
	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	
Economic classification												
<i>Municipalities</i>	-	-	-	-	-	-	-	-	-	-	-	-
Municipal bank accounts	-	-	-	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-	-	-	-
<i>Departmental agencies and accounts</i>	-	-	-	-	-	-	-	3 518	3 518	-	3 518	-
Social security funds	-	-	-	-	-	-	-	-	-	-	-	-
Departmental agencies	-	-	-	-	-	-	-	3 518	3 518	-	3 518	-
<i>Higher education institutions</i>	-	-	-	-	-	-	-	-	-	-	-	-
<i>Foreign governments and international organisations</i>	-	-	-	-	-	-	-	-	-	-	-	-
<i>Public corporations and private enterprises</i>	-	-	-	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-	-	-	-
<i>Non-profit institutions</i>	-	-	-	-	-	-	-	-	-	-	-	-
<i>Households</i>	74	313	-	387	385	2	99.5%	34 430	34 424	-	34 424	-
Social benefits	74	313	-	387	385	2	99.5%	754	749	-	749	-
Other transfers to households	-	-	-	-	-	-	-	33 676	33 675	-	33 675	-
Payments for capital assets	23 313	2 859	661	25 511	25 511	-	100.0%	100 337	99 814	-	99 814	-
<i>Buildings and other fixed structures</i>	-	63	-	63	63	-	100.0%	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-	-	-	-
Other fixed structures	-	63	-	63	63	-	100.0%	-	-	-	-	-
<i>Machinery and equipment</i>	23 217	2 892	661	25 448	25 448	-	100.0%	100 337	99 814	-	99 814	-
Transport equipment	-	-	-	-	-	-	-	-	-	-	-	-
Other machinery and equipment	23 217	2 892	661	25 448	25 448	-	100.0%	100 337	99 814	-	99 814	-

		2015/16						2014/15	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<i>Heritage assets</i>	-	-	-	-	-	-	-	-	-
<i>Specialised military assets</i>	-	-	-	-	-	-	-	-	-
<i>Biological assets</i>	-	-	-	-	-	-	-	-	-
<i>Land and subsoil assets</i>	-	-	-	-	-	-	-	-	-
<i>Intangible assets</i>	96	(96)	-	-	-	-	-	-	-
Payments for financial assets	-	268	-	268	268	-	100.0%	-	939
Total	387 600	(5 193)	(661)	381 746	381 528	218	99.9%	499 060	498 996

1.5 Financial Services

		2015/16						2014/15	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	177 867	(20 385)	-	157 482	157 003	479	99.7%	154 862	154 592
<i>Compensation of employees</i>	110 673	(3 022)	-	107 651	107 517	134	99.9%	100 396	100 339
<i>Salaries and wages</i>	94 676	(1 328)	-	93 348	93 214	134	99.9%	87 511	87 470
<i>Social contributions</i>	15 997	(1 694)	-	14 303	14 303	-	100.0%	12 885	12 869
<i>Goods and services</i>	67 194	(17 391)	-	49 803	49 457	346	99.3%	54 466	54 253
<i>Administrative fees</i>	1 216	(311)	-	905	904	1	99.9%	970	963
<i>Advertising</i>	300	(134)	-	166	166	-	100.0%	310	307
<i>Minor assets</i>	2 197	(1 707)	-	490	490	-	100.0%	440	425
<i>Audit costs: External</i>	16 331	440	-	16 771	16 771	-	100.0%	14 630	14 629
<i>Bursaries: Employees</i>	-	-	-	-	-	-	-	-	-
<i>Catering: Departmental activities</i>	105	(41)	-	64	64	-	100.0%	88	87
<i>Communication</i>	3 006	5 255	-	8 261	7 920	341	95.9%	12 940	12 929

Economic classification	2015/16						2014/15		
	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
Computer services	86	3 988	-	4 074	4 074	-	100.0%	778	775
Consultants: Business and advisory services	14 275	(13 346)	-	929	929	-	100.0%	2 893	2 892
Infrastructure and planning services	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractor	13 621	(13 123)	-	498	498	-	100.0%	102	99
Agency and support/outsourced services	20	(20)	-	-	-	-	-	10	10
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services	424	780	-	1 204	1 203	1	99.9%	732	711
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	13	13
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	14	(14)	-	-	-	-	-	44	30
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas Inventory Interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	1 102	(637)	-	465	464	1	99.9%	499	466

2015/16										2014/15	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000		
Consumable: Stationery, printing and office supplies	1 649	387	-	2 036	2 033	3	99.9%	1 846	1 832		
Operating leases	287	2 452	-	2 739	2 739	-	100.0%	2 525	2 520		
Property payments	6 390	(498)	-	5 892	5 892	-	100.0%	6 316	6 314		
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-		
Travel and subsistence	4 310	(124)	-	4 186	4 186	-	100.0%	7 188	7 129		
Training and development	801	(411)	-	390	390	-	100.0%	583	579		
Operating payments	826	(150)	-	676	676	-	100.0%	1 362	1 347		
Venues and facilities	234	(177)	-	57	57	-	100.0%	197	196		
Rental and hiring	-	-	-	-	-	-	-	-	-		
<i>Interest and rent on land</i>	-	28	-	28	29	(1)	103.6%	-	-		
Interest	-	28	-	28	29	(1)	103.6%	-	-		
Rent on land	-	-	-	-	-	-	-	-	-		
Transfers and subsidies	22	295	-	317	316	1	99.7%	319	314		
<i>Provinces and municipalities</i>											
Provinces	4	6	-	10	9	1	90.0%	8	7		
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-		
Provincial agencies and funds	-	-	-	-	-	-	-	-	-		
Municipalities	4	6	-	10	9	1	90.0%	8	7		
Municipal bank accounts	4	6	-	10	9	1	90.0%	8	7		
Municipal agencies and funds	-	-	-	-	-	-	-	-	-		
<i>Departmental agencies and accounts</i>											
Social security funds	-	-	-	-	-	-	-	-	-		
Departmental agencies	-	-	-	-	-	-	-	-	-		
<i>Higher education institutions</i>											
	-	-	-	-	-	-	-	-	-		

	2015/16						2014/15		
	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									
<i>Foreign governments and international organisations</i>	-	-	-	-	-	-	-	-	-
<i>Public corporations and private enterprises</i>	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-
<i>Non-profit institutions</i>	-	-	-	-	-	-	-	-	-
<i>Households</i>	18	289		307	307		100.0%	311	307
Social benefits	18	289		307	307		100.0%	311	307
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	5 494	16 230	(12 200)	9 524	9 506	18	99.8%	13 836	13 114
<i>Buildings and other fixed structures</i>	-	11 661	(6 600)	5 061	5 044	17	99.7%	7 671	7 671
Buildings	-	11 661	(6 600)	5 061	5 044	17	99.7%	-	-
Other fixed structures	5 494	4 569	(5 600)	4 463	4 462	1	100.0%	6 165	5 443
<i>Machinery and equipment</i>	4 151	(2 314)		1 837	1 836	1	99.9%	3 415	2 705
Transport equipment	1 343	6 883	(5 600)	2 626	2 626	-	100.0%	2 750	2 738
Other machinery and equipment	-	-	-	-	-	-	-	-	-
<i>Heritage assets</i>	-	-	-	-	-	-	-	-	-
<i>Specialised military assets</i>	-	-	-	-	-	-	-	-	-
<i>Biological assets</i>	-	-	-	-	-	-	-	-	-
<i>Land and subsoil assets</i>	-	-	-	-	-	-	-	-	-
<i>Intangible assets</i>	-	-	-	-	-	-	-	-	-

2015/16							2014/15		
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Payments for financial assets		49		49	51	(2)	104.1%	-	189
Total	183 383	(3 811)	(12 200)	167 372	166 876	496	99.7%	169 017	168 209

1.6 Provincial Coordination

2015/16							2014/15		
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	315 838	(841)		314 997	311 918	3 079	99.0%	291 794	291 115
<i>Compensation of employees</i>	276 578	(20 300)		256 278	256 270	8	100.0%	242 971	242 812
Salaries and wages	234 026	(14 630)		219 396	219 392	4	100.0%	209 871	209 769
Social contributions	42 552	(5 670)		36 882	36 878	4	100.0%	33 100	33 043
<i>Goods and services</i>	39 260	19 454		58 719	55 648	3 071	94.8%	48 823	48 303
Administrative fees	1 425	(712)		713	711	2	99.7%	1 264	1 247
Advertising	1 082	(703)		379	376	3	99.2%	433	424
Minor assets	3 580	(2 990)		590	587	3	99.5%	646	629
Audit costs: External	-	-		-	-	-	-	-	-
Bursaries: Employees	-	-		-	-	-	-	-	-
Catering: Departmental activities	570	(285)		285	282	3	98.9%	395	385
Communication	2 296	1 423		3 719	3 716	3	99.9%	5 733	5 698
Computer services	54	(52)		2	1	1	50.0%	33	31
Consultants: Business and advisory services	35	3 587		3 622	592	3 030	16.3%	-	-
Infrastructure and planning services	-	-		-	-	-	-	-	-
Laboratory services	-	-		-	-	-	-	-	-

Economic classification	2015/16						2014/15		
	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
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	7	596	-	603	600	3	99.5%	622	619
Contractor	443	(265)	-	178	176	2	98.9%	229	219
Agency and support/outourced services	818	523	-	1 341	1 340	1	99.9%	1 167	1 165
Entertainment								2	1
Fleet services	2 306	5 404	-	7 710	7 707	3	100.0%	2 807	2 769
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	82	(82)	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	96	(96)	-	-	-	-	-	74	42
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas Inventory Interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	563	(201)	-	362	360	2	99.4%	320	251
Consumable: Stationery, printing and office supplies	3 629	(1 036)	-	2 593	2 591	2	99.9%	2 433	2 400
Operating leases	2 423	11 831	-	14 254	14 252	2	100.0%	5 700	5 691
Property payments	3 865	(730)	-	3 135	3 133	2	99.9%	2 043	2 033
Transport provided: Departmental activity								-	-
Travel and subsistence	12 291	3 630	-	15 921	15 919	2	100.0%	20 213	20 032
Training and development	965	(776)	-	189	187	2	98.9%	345	342

Economic classification	2015/16						2014/15		
	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
Operating payments	1 087	(148)		939	937	2	99.8%	1 661	1 636
Venues and facilities	1 623	533		2 156	2 154	2	99.9%	2 684	2 671
Rental and hiring	20	8		28	27	1	96.4%	19	18
<i>Interest and rent on land</i>	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	30	208	-	238	235	3	98.7%	727	715
<i>Provinces and municipalities</i>	-	8	-	8	7	1	87.5%	17	13
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	8	-	8	7	1	87.5%	17	13
Municipal bank accounts	-	8	-	8	7	1	87.5%	17	13
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
<i>Departmental agencies and accounts</i>	3	-	-	3	3	-	100.0%	6	5
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies	3	-	-	3	3	-	100.0%	6	5
<i>Higher education institutions</i>									
<i>Foreign governments and international organisations</i>	-	-	-	-	-	-	-	-	-
<i>Public corporations and private enterprises</i>	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-

		2015/16						2014/15	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Economic classification									
<i>Non-profit institutions</i>	-	-	-	-	-	-	-	-	-
<i>Households</i>	27	200	-	227	225	2	99.1%	704	697
<i>Social benefits</i>	27	194	-	221	220	1	99.5%	672	666
<i>Other transfers to households</i>	-	6	-	6	5	1	83.3%	32	31
Payments for capital assets	2 615	1 232	(1 000)	2 847	2 726	121	95.7%	2 571	2 542
<i>Buildings and other fixed structures</i>									
<i>Buildings</i>									
<i>Other fixed structures</i>									
<i>Machinery and equipment</i>	2 615	1 232	(1 000)	2 847	2 726	121	95.7%	2 571	2 542
<i>Transport equipment</i>	-	6	-	6	-	6	-	-	-
<i>Other machinery and equipment</i>	2 615	1 226	(1 000)	2 841	2 726	115	96.0%	2 571	2 542
<i>Heritage assets</i>	-	-	-	-	-	-	-	-	-
<i>Specialised military assets</i>	-	-	-	-	-	-	-	-	-
<i>Biological assets</i>	-	-	-	-	-	-	-	-	-
<i>Land and subsoil assets</i>	-	-	-	-	-	-	-	-	-
<i>Intangible assets</i>	-	-	-	-	-	-	-	-	-
Payments for financial assets				263	262	1	99.6%	-	144
Total	3 18 483	862	(1 000)	3 18 345	3 15 141	3 204	99.0%	295 092	294 516

1.7 Office Accommodation

		2015/16						2014/15	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Economic classification									
Current payments	191 113	17 988	30 097	239 198	239 197	1	100.0%	204 475	204 473
<i>Compensation of employees</i>	-	-	-	-	-	-	-	-	-

		2015/16						2014/15		
		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										
Salaries and wages		-	-	-	-	-	-	-	-	-
Social contributions		-	-	-	-	-	-	-	-	-
Goods and services		191 113	17 988	30 097	239 198	239 197	1	100.0%	204 475	204 473
Administrative fees		-	-	-	-	-	-	-	-	-
Advertising		-	-	-	-	-	-	-	-	-
Minor assets		-	-	-	-	-	-	-	-	-
Audit costs: External		-	-	-	-	-	-	-	-	-
Bursaries: Employees		-	-	-	-	-	-	-	-	-
Catering: Departmental activities		-	-	-	-	-	-	-	-	-
Communication		-	-	-	-	-	-	-	-	-
Computer services		-	-	-	-	-	-	-	-	-
Consultants: Business and advisory services		-	-	-	-	-	-	-	-	-
Infrastructure and planning services		-	-	-	-	-	-	-	-	-
Laboratory services		-	-	-	-	-	-	-	-	-
Scientific and technological services		-	-	-	-	-	-	-	-	-
Legal services		-	-	-	-	-	-	-	-	-
Contractor		-	-	-	-	-	-	-	-	-
Agency and support/outsourced services		-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Fleet services		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories		-	-	-	-	-	-	-	-	-
Inventory: Farming supplies		-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies		-	-	-	-	-	-	-	-	-

2015/16										2014/15	
	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											
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-	-	-
Medsas Inventory Interface	-	-	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-	-	-
Consumable supplies	-	-	-	-	-	-	-	-	-	-	-
Consumable: Stationery, printing and office supplies	-	-	-	-	-	-	-	-	-	-	-
Operating leases	143 504	26 211	30 097	199 812	199 811	1	100.0%	163 950	163 949		
Property payments	47 609	(8 233)	-	39 386	39 386	-	100.0%	40 525	40 524		
Transport provided:	-	-	-	-	-	-	-	-	-	-	-
Departmental activity	-	-	-	-	-	-	-	-	-	-	-
Travel and subsistence	-	-	-	-	-	-	-	-	-	-	-
Training and development	-	-	-	-	-	-	-	-	-	-	-
Operating payments	-	-	-	-	-	-	-	-	-	-	-
Venues and facilities	-	-	-	-	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-	-	-
<i>Interest and rent on land</i>	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-	-	-
<i>Provinces and municipalities</i>	-	-	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-	-	-

		2015/16						2014/15		
		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										
Provincial agencies and funds		-	-	-	-	-	-	-	-	-
Municipalities		-	-	-	-	-	-	-	-	-
Municipal bank accounts		-	-	-	-	-	-	-	-	-
Municipal agencies and funds		-	-	-	-	-	-	-	-	-
<i>Departmental agencies and accounts</i>		-	-	-	-	-	-	-	-	-
Social security funds		-	-	-	-	-	-	-	-	-
Departmental agencies		-	-	-	-	-	-	-	-	-
<i>Higher education institutions</i>		-	-	-	-	-	-	-	-	-
<i>Foreign governments and international organisations</i>		-	-	-	-	-	-	-	-	-
<i>Public corporations and private enterprises</i>		-	-	-	-	-	-	-	-	-
Public corporations		-	-	-	-	-	-	-	-	-
Subsidies on products and production		-	-	-	-	-	-	-	-	-
Other transfers to public corporations		-	-	-	-	-	-	-	-	-
Private enterprises		-	-	-	-	-	-	-	-	-
Subsidies on products and production		-	-	-	-	-	-	-	-	-
Other transfers to private enterprises		-	-	-	-	-	-	-	-	-
<i>Non-profit institutions</i>		-	-	-	-	-	-	-	-	-
<i>Households</i>		-	-	-	-	-	-	-	-	-
Social benefits		-	-	-	-	-	-	-	-	-
Other transfers to households		-	-	-	-	-	-	-	-	-
Payments for capital assets		-	-	-	-	-	-	-	-	-
<i>Buildings and other fixed structures</i>		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other fixed structures		-	-	-	-	-	-	-	-	-
<i>Machinery and equipment</i>		-	-	-	-	-	-	-	-	-

2015/16										2014/15	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Transport equipment	-	-	-	-	-	-	-	-	-	-	-
Other machinery and equipment	-	-	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-	-	-
Total	191 113	17 988	30 097	239 198	239 197	1	100.0	204 475	204 473		

Programme 2: National Geomatic Management Services

2014/15										2013/14	
Sub programme	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
1. National Geomatics Management Services	517 201	-	(19 939)	497 262	486 652	10 610	97.9%	436 495	434 497		
2. Spatial Planning and Land Use management	211 774	-	(26 845)	184 929	176 103	8 826	95.2%	182 106	181 826		
3. Registration of Deeds Trading Account	15 929	-	-	15 929	15 929	-	100.0%	113 194	113 194		
4. South African Council of planners	3 159	-	-	3 159	3 159	-	100.0%	3 020	3 020		
Total for sub programmes	748 063	-	(46 784)	701 279	681 843	19 436	97.2%	734 815	732 537		

2015/16										2014/15	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Current payments	686 552	(6 661)	(35 526)	644 365	625 049	19 316	97.0%	602 901	601 973		
<i>Compensation of employees</i>	479 978	-	(11 870)	468 108	449 045	19 063	95.9%	411 736	411 572		
Salaries and wages	430 685	(6 117)	(11 870)	412 698	396 176	16 522	96.0%	363 638	363 527		
Social contributions	49 293	6 117	-	55 410	52 869	2 541	95.4%	48 098	48 045		
<i>Goods and services</i>	206 574	(6 661)	(23 656)	176 257	176 004	253	99.9%	191 087	190 324		
Administrative fees	1 198	(533)	-	665	663	2	99.7%	1 397	1 378		
Advertising	2 082	5 978	-	8 060	8 059	1	100.0%	1 311	1 303		
Minor assets	3 174	(1 379)	-	1 795	1 778	17	99.1%	572	548		
Audit costs: External	-	-	-	-	-	-	-	-	-		
Bursaries: Employees	-	-	-	-	-	-	-	-	-		
Catering: Departmental activities	486	(196)	-	290	285	5	98.3%	221	213		
Communication	3 566	1 873	-	5 439	5 436	3	99.9%	7 162	7 126		
Computer services	11 649	1 038	-	12 687	12 682	5	100.0%	15 210	15 205		
Consultants: Business and advisory services	96 674	(21 484)	-	75 190	75 187	3	100.0%	86 420	86 403		
Infrastructure and planning services	890	(740)	-	150	150	-	100.0%	3 108	3 107		
Laboratory services	-	-	-	-	-	-	-	-	-		
Scientific and technological services	-	-	-	-	-	-	-	-	-		
Legal services	-	-	-	-	-	-	-	-	-		
Contractors	20 626	(1 354)	-	19 272	19 266	6	100.0%	15 615	15 463		
Agency and support/outsourced services	24 073	(13 859)	-	10 214	10 211	3	100.0%	13 080	13 078		
Entertainment	-	-	-	-	-	-	-	-	-		
Fleet services	959	(70)	-	889	859	30	96.6%	1 506	1 484		
Housing	-	-	-	-	-	-	-	-	-		
Inventory: Clothing material and supplies	89	(89)	-	-	-	-	-	40	36		

2015/16										2014/15	
	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
Economic classification											
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	112	(112)	-	-	-	-	-	1 244	1 124	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	10	8	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-	-	-
Medsas Inventory Interface	-	-	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-	-	-
Consumable supplies	1 227	(288)	-	939	887	52	94.5%	612	556	-	-
Consumable: Stationery, printing and office supplies	4 896	(608)	-	4 288	4 255	33	99.2%	4 920	4 876	-	-
Operating leases	3 871	586	-	4 457	4 450	7	99.8%	2 782	2 779	-	-
Property payments	6 784	(92)	-	6 692	6 688	4	99.9%	5 351	5 336	-	-
Transport provided:	-	-	-	-	-	-	-	-	-	-	-
Departmental activity	-	-	-	-	-	-	-	-	-	-	-
Travel and subsistence	18 508	25 431	(23 656)	20 283	20 213	70	99.7%	21 022	20 844	-	-
Training and development	1 797	(512)	-	1 285	1 284	1	99.9%	1 647	1 640	-	-
Operating payments	1 727	(544)	-	1 183	1 174	9	99.2%	1 813	1 780	-	-
Venues and facilities	2 186	293	-	2 479	2 477	2	99.9%	5 741	5 735	-	-
Rental and hiring	-	-	-	-	-	-	-	303	302	-	-
Interest and rent on land	-	-	-	-	-	-	-	78	77	-	-
Interest	-	-	-	-	-	-	-	78	77	-	-
Rent on land	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies	51 631	1 091	(9 898)	42 824	42 717	107	99.8%	124 639	124 616	16	2
Provinces and municipalities	21	(13)	-	8	2	6	25.0%				

Economic classification	2015/16						2014/15		
	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
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	21	(13)	-	8	2	6	25.0%	16	2
Municipal bank accounts	21	(13)	-	8	2	6	25.0%	16	2
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
<i>Departmental agencies and accounts</i>	19 929	(4 000)	-	15 929	15 929	-	100.0%	118 097	118 097
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies	19 929	(4000)	-	15 929	15 929	-	100.0%	118 097	118 097
<i>Higher education institutions</i>	-	-	-	-	-	-	-	-	-
<i>Foreign governments and international organisations</i>	1 495	830	272	2 597	2 596	-	100.0%	2 064	2 063
<i>Public corporations and private enterprises</i>	-	-	-	-	-	-	-	-	-
Public corporations-	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-
<i>Non-profit institutions</i>	3 159	-	-	3 159	3 159	-	100.0%	3 020	3 020
<i>Households</i>	27 027	4 274	(10 170)	21 131	21 031	100	99.5%	1 442	1 434
Social benefits	94	808	-	902	898	3	99.7%	1 230	1 222
Other transfers to households	26 933	3 466	(10 170)	20 229	20 132	97	99.5%	212	212
Payments for capital assets	9 880	3 527	(1 360)	12 047	12 035	12	99.9%	7 275	4 820
<i>Buildings and other fixed structures</i>	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-

		2015/16						2014/15		
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Other fixed structures	-	-	-	-	-	-	-	-	-	
Machinery and equipment	9 724	3 527	(1 204)	12 047	12 035	12	99.9%	5 718	4 820	
Transport equipment	-	-	-	-	-	-	-	-	-	
Other machinery and equipment	9 724	3 527	(1 204)	12 047	12 035	12	99.9%	5 718	4 820	
Heritage assets	-	-	-	-	-	-	-	-	-	
Specialised military assets	-	-	-	-	-	-	-	-	-	
Biological assets	-	-	-	-	-	-	-	-	-	
Land and subsoil assets	-	-	-	-	-	-	-	-	-	
Intangible assets	156	-	(156)	-	-	-	-	1 557	-	
Payments for financial assets	-	2 043	-	2 043	2 042	1	100.0%	-	1 128	
Total	748 063	-	(46 784)	701 279	681 843	19 436	97.2%	734 815	732 537	

2.1 National Geomatics Management Services

		2015/16						2014/15		
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Current payments	477 283	(6 243)	(10 791)	460 249	449 750	10 499	97.7%	424 538	423 862	
Compensation of employees	386 396	-	(2 903)	383 493	373 179	10 314	97.3%	339 773	339 690	
Salaries and wages	343 321	(3 994)	(2 903)	336 424	326 919	9 505	97.2%	297 625	297 568	
Social contributions	43 075	3 994	-	47 069	46 260	809	98.3%	42 148	42 122	
Goods and services	90 887	(6 243)	(7 888)	76 756	76 571	185	99.8%	84 750	84 157	
Administrative fees	544	(215)	-	329	327	2	99.4%	529	514	
Advertising	670	(42)	-	628	628	-	100.0%	649	645	
Minor assets	1 504	159	-	1 663	1 648	15	99.1%	465	444	

Economic classification	2015/16						2014/15		
	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
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	192	(86)	-	106	105	1	99.1%	145	140
Communication	2 579	1 171	-	3 750	3 749	1	100.0%	5 167	5 142
Computer services	9 972	2 355	-	12 327	12 326	1	100.0%	15 210	15 205
Consultants: Business and advisory services	156	(141)	-	15	14	1	93.3%	368	367
Infrastructure and planning services	890	(740)	-	150	150	-	100.0%	3 108	3 107
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractor	19 992	(1 364)	-	18 628	18 627	1	100.0%	14 909	14 759
Agency and support/outourced services	24 073	(13 879)	-	10 194	10 192	2	100.0%	13 057	13 056
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services	959	(82)	-	877	849	28	96.8%	1 383	1 363
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	89	(89)	-	-	-	-	-	40	36
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	102	(102)	-	-	-	-	-	1 238	1 121
Inventory: Medical supplies	-	-	-	-	-	-	-	1	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-

2015/16										2014/15	
	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
Economic classification											
Medsas Inventory Interface	-	-	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-	-	-
Consumable supplies	967	(119)	-	848	801	47	94.5%	480	448		
Consumable: Stationery, printing and office supplies	3 865	(105)	-	3 760	3 730	30	99.2%	4 102	4 071		
Operating leases	3 804	564	-	4 368	4 368	-	100.0%	2 768	2 765		
Property payments	5 440	(135)	-	5 305	5 302	3	99.9%	4 795	4 784		
Transport provided:	-	-	-	-	-	-	-	-	-		
Departmental activity	-	-	-	-	-	-	-	-	-		
Travel and subsistence	11 603	7 617	(7 888)	11 332	11 284	48	99.6%	13 253	13 138		
Training and development	1 448	(212)	-	1 236	1 235	1	99.9%	1 360	1 355		
Operating payments	1 169	(342)	-	827	824	3	99.6%	1 146	1 123		
Venues and facilities	869	(456)	-	413	412	1	99.8%	577	574		
Rental and hiring	-	-	-	-	-	-	-	-	-		
<i>Interest and rent on land</i>	-	-	-	-	-	-	-	15	15		
Interest	-	-	-	-	-	-	-	15	15		
Rent on land	-	-	-	-	-	-	-	-	-		
Transfers and subsidies	30 543	798	(7 898)	23 443	23 337	106	99.5%	5 371	5 349		
<i>Provinces and municipalities</i>	21	(13)	-	8	2	6	25.0%	16	2		
Provinces	-	-	-	-	-	-	-	-	-		
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-		
Provincial agencies and funds	-	-	-	-	-	-	-	-	-		
Municipalities	21	(13)	-	8	2	6	25.0%	16	2		
Municipal bank accounts	21	(13)	-	8	2	6	25.0%	16	2		
Municipal agencies and funds	-	-	-	-	-	-	-	-	-		
<i>Departmental agencies and accounts</i>	4 000	(4 000)	-	-	-	-	-	1 903	1 903		
Social security funds	-	-	-	-	-	-	-	-	-		

Economic classification	2015/16						2014/15		
	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
Departmental agencies	4 000	(4 000)	-	-	-	-	-	1 903	1 903
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	1 495	830	272	2 597	2 596	-	100.0%	2 064	2 063
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	25 027	3 981	(8 170)	20 838	20 739	90	99.5%	1 388	1 381
Social benefits	94	515	-	609	607	2	99.7%	1 176	1 169
Other transfers to households	24 933	3 466	(8 170)	20 229	20 132	97	99.5%	212	212
Payments for capital assets	9 375	3 410	(1 250)	11 535	11 530	5	100.0%	6 586	4 311
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	9 219	3 410	(1 094)	11 535	11 530	5	100.0%	5 029	4 311
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	9 219	3 410	(1 094)	11 535	11 530	5	100.0%	5 029	4 311
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	1 557	-

	2015/16						2014/15		
	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									
<i>Intangible assets</i>	156	-	(156)	-	-	-	-	-	-
Payments for financial assets	-	2 035	-	2 035	2 035	-	100.0%	-	975
Total	517 201	-	(19 939)	497 262	486 652	10 610	97.9%	436 495	434 497

2.2 Spatial Planning and Land Management

	2015/16						2014/15		
	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	209 269	(418)	(24 735)	184 116	175 299	8 817	95.2%	178 363	178 111
<i>Compensation of employees</i>	93 582	-	(8 967)	84 615	75 866	8 749	89.7%	71 963	71 882
Salaries and wages	87 364	(2 123)	(8 967)	76 274	69 257	7 017	90.8%	66 013	65 959
Social contributions	6 218	2 123	-	8 341	6 609	1 732	79.2%	5 950	5 923
<i>Goods and services</i>	115 687	(418)	(15 768)	99 501	99 433	68	99.9%	106 337	106 167
Administrative fees	654	(318)	-	336	336	-	100.0%	868	864
Advertising	1 412	6 020	-	7 432	7 431	1	100.0%	662	658
Minor assets	1 670	(1 538)	-	132	130	2	98.5%	107	104
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	294	(110)	-	184	180	4	97.8%	76	73
Communication	987	702	-	1 689	1 687	2	99.9%	1 995	1 984
Computer services	1 677	(1 317)	-	360	356	4	98.9%	-	-
Consultants: Business and advisory services	96 518	(21 343)	-	75 175	75 173	2	100.0%	86 052	86 036
Infrastructure and planning services	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-

Economic classification	2015/16						2014/15		
	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
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractor	634	10	-	644	639	5	99.2%	706	704
Agency and support/outsourced services	-	20	-	20	19	1	95.0%	23	22
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services	-	12	-	12	10	2	83.3%	123	121
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	10	(10)	-	-	-	-	-	6	3
Inventory: Medical supplies	-	-	-	-	-	-	-	9	8
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas Inventory Interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	260	(169)	-	91	86	5	94.5%	132	108
Consumable: Stationery, printing and office supplies	1 031	(503)	-	528	525	3	99.4%	818	805
Operating leases	67	22	-	89	82	7	92.1%	14	14
Property payments	1 334	43	-	1 387	1 386	1	99.9%	556	552
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	6 905	17 814	(15 768)	8 951	8 929	22	99.8%	7 769	7 706
Training and development	349	(300)	-	49	49	-	100.0%	287	285

2015/16										2014/15	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000		
Operating payments	558	(202)	-	356	350	6	98.3%	667	657		
Venues and facilities	1 317	749	-	2 066	2 065	1	100.0%	5 164	5 161		
Rental and hiring	-	-	-	-	-	-	-	303	302		
<i>Interest and rent on land</i>	-	-	-	-	-	-	-	63	62		
Interest	-	-	-	-	-	-	-	63	62		
Rent on land	-	-	-	-	-	-	-	-	-		
Transfers and subsidies	2 000	293	(2 000)	293	292	1	99.7%	3 054	3 053		
<i>Provinces and municipalities</i>	-	-	-	-	-	-	-	-	-		
Provinces	-	-	-	-	-	-	-	-	-		
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-		
Provincial agencies and funds	-	-	-	-	-	-	-	-	-		
Municipalities	-	-	-	-	-	-	-	-	-		
Municipal bank accounts	-	-	-	-	-	-	-	-	-		
Municipal agencies and funds	-	-	-	-	-	-	-	-	-		
<i>Departmental agencies and accounts</i>	-	-	-	-	-	-	-	3 000	3 000		
Social security funds	-	-	-	-	-	-	-	-	-		
Departmental agencies	-	-	-	-	-	-	-	3 000	3 000		
<i>Higher education institutions</i>	-	-	-	-	-	-	-	-	-		
<i>Foreign governments and international organisations</i>	-	-	-	-	-	-	-	-	-		
<i>Public corporations and private enterprises</i>	-	-	-	-	-	-	-	-	-		
Public corporations	-	-	-	-	-	-	-	-	-		
Subsidies on products and production	-	-	-	-	-	-	-	-	-		
Other transfers to public corporations	-	-	-	-	-	-	-	-	-		
Private enterprises	-	-	-	-	-	-	-	-	-		
Subsidies on products and production	-	-	-	-	-	-	-	-	-		
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-		

		2015/16						2014/15	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<i>Non-profit institutions</i>	-	-	-	-	-	-	-	-	-
Households	2 000	293	(2 000)	293	292	1	99.7%	54	53
Social benefits		293		293	292	1	99.7%	54	53
Other transfers to households	2 000	-	(2 000)	-	-	-	-	-	-
Payments for capital assets	505	117	(110)	512	505	7	98.6%	689	509
<i>Buildings and other fixed structures</i>	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
<i>Machinery and equipment</i>	505	117	(110)	512	505	7	98.6%	689	509
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	505	117	(110)	512	505	7	98.6%	689	509
<i>Heritage assets</i>	-	-	-	-	-	-	-	-	-
<i>Specialised military assets</i>	-	-	-	-	-	-	-	-	-
<i>Biological assets</i>	-	-	-	-	-	-	-	-	-
<i>Land and subsoil assets</i>	-	-	-	-	-	-	-	-	-
<i>Intangible assets</i>	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	8	-	8	7	1	87.5%	-	153
Total	211 774	-	(26 845)	184 929	176 103	8 826	95.2%	182 106	181 826

2.3 Registration of Deeds Trading Account

	2015/16						2014/15		
	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	-	-	-	-	-	-	-	-	-
<i>Compensation of employees</i>	-	-	-	-	-	-	-	-	-
Salaries and wages	-	-	-	-	-	-	-	-	-
Social contributions	-	-	-	-	-	-	-	-	-
<i>Goods and services</i>	-	-	-	-	-	-	-	-	-
Administrative fees	-	-	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-	-	-
Minor assets	-	-	-	-	-	-	-	-	-
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	-	-	-	-	-	-	-	-	-
Communication	-	-	-	-	-	-	-	-	-
Computer services	-	-	-	-	-	-	-	-	-
Consultants: Business and advisory services	-	-	-	-	-	-	-	-	-
Infrastructure and planning services	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractor	-	-	-	-	-	-	-	-	-
Agency and support/outourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-

2015/16										2014/15	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000		
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-		
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-		
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-		
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-		
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-		
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-		
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-		
Inventory: Medicine	-	-	-	-	-	-	-	-	-		
Medcas Inventory Interface	-	-	-	-	-	-	-	-	-		
Inventory: Other supplies	-	-	-	-	-	-	-	-	-		
Consumable supplies	-	-	-	-	-	-	-	-	-		
Consumable: Stationery, printing and office supplies	-	-	-	-	-	-	-	-	-		
Operating leases	-	-	-	-	-	-	-	-	-		
Property payments	-	-	-	-	-	-	-	-	-		
Transport provided:	-	-	-	-	-	-	-	-	-		
Departmental activity	-	-	-	-	-	-	-	-	-		
Travel and subsistence	-	-	-	-	-	-	-	-	-		
Training and development	-	-	-	-	-	-	-	-	-		
Operating payments	-	-	-	-	-	-	-	-	-		
Venues and facilities	-	-	-	-	-	-	-	-	-		
Rental and hiring	-	-	-	-	-	-	-	-	-		
<i>Interest and rent on land</i>	-	-	-	-	-	-	-	-	-		
Interest	-	-	-	-	-	-	-	-	-		
Rent on land	-	-	-	-	-	-	-	-	-		

2015/16										2014/15	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Transfers and subsidies	15 929	-	-	15 929	15 929	-	100.0%	113 194	113 194	-	113 194
<i>Provinces and municipalities</i>	-	-	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-	-	-
Municipal bank accounts	-	-	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-	-	-
<i>Departmental agencies and accounts</i>	15 929	-	-	15 929	15 929	-	100.0%	113 194	113 194	-	113 194
Social security funds	-	-	-	-	-	-	-	-	-	-	-
Departmental agencies	15 929	-	-	15 929	15 929	-	100.0%	113 194	113 194	-	113 194
<i>Higher education institutions</i>	-	-	-	-	-	-	-	-	-	-	-
<i>Foreign governments and international organisations</i>	-	-	-	-	-	-	-	-	-	-	-
<i>Public corporations and private enterprises</i>	-	-	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-	-	-
<i>Non-profit institutions</i>	-	-	-	-	-	-	-	-	-	-	-
<i>Households</i>	-	-	-	-	-	-	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-	-	-

2015/16										2014/15	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
<i>Buildings and other fixed structures</i>	-	-	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-	-	-
<i>Machinery and equipment</i>	-	-	-	-	-	-	-	-	-	-	-
Transport equipment	-	-	-	-	-	-	-	-	-	-	-
Other machinery and equipment	-	-	-	-	-	-	-	-	-	-	-
<i>Heritage assets</i>	-	-	-	-	-	-	-	-	-	-	-
<i>Specialised military assets</i>	-	-	-	-	-	-	-	-	-	-	-
<i>Biological assets</i>	-	-	-	-	-	-	-	-	-	-	-
<i>Land and subsoil assets</i>	-	-	-	-	-	-	-	-	-	-	-
<i>Intangible assets</i>	-	-	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-	-	-
Total	15 929	-	-	15 929	15 929	-	100.0%	113 194	113 194	113 194	113 194

2.4 South African Council for Planners

2015/16										2014/15	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Current payments	-	-	-	-	-	-	-	-	-	-	-
<i>Compensation of employees</i>	-	-	-	-	-	-	-	-	-	-	-
Salaries and wages	-	-	-	-	-	-	-	-	-	-	-
Social contributions	-	-	-	-	-	-	-	-	-	-	-
<i>Goods and services</i>	-	-	-	-	-	-	-	-	-	-	-
Administrative fees	-	-	-	-	-	-	-	-	-	-	-

2015/16										2014/15	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000		
Advertising	-	-	-	-	-	-	-	-	-		
Minor assets	-	-	-	-	-	-	-	-	-		
Audit costs: External	-	-	-	-	-	-	-	-	-		
Bursaries: Employees	-	-	-	-	-	-	-	-	-		
Catering: Departmental activities	-	-	-	-	-	-	-	-	-		
Communication	-	-	-	-	-	-	-	-	-		
Computer services	-	-	-	-	-	-	-	-	-		
Consultants: Business and advisory services	-	-	-	-	-	-	-	-	-		
Infrastructure and planning services	-	-	-	-	-	-	-	-	-		
Laboratory services	-	-	-	-	-	-	-	-	-		
Scientific and technological services	-	-	-	-	-	-	-	-	-		
Legal services	-	-	-	-	-	-	-	-	-		
Contractor	-	-	-	-	-	-	-	-	-		
Agency and support/outsourced services	-	-	-	-	-	-	-	-	-		
Entertainment	-	-	-	-	-	-	-	-	-		
Fleet services	-	-	-	-	-	-	-	-	-		
Housing	-	-	-	-	-	-	-	-	-		
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-		
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-		
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-		
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-		
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-		
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-		
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-		

2015/16										2014/15	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Inventories: Medicine	-	-	-	-	-	-	-	-	-	-	-
Medsas Inventory Interface	-	-	-	-	-	-	-	-	-	-	-
Inventories: Other supplies	-	-	-	-	-	-	-	-	-	-	-
Consumable supplies	-	-	-	-	-	-	-	-	-	-	-
Consumables: Stationery, printing and office supplies	-	-	-	-	-	-	-	-	-	-	-
Operating leases	-	-	-	-	-	-	-	-	-	-	-
Property payments	-	-	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-	-	-
Travel and subsistence	-	-	-	-	-	-	-	-	-	-	-
Training and development	-	-	-	-	-	-	-	-	-	-	-
Operating payments	-	-	-	-	-	-	-	-	-	-	-
Venues and facilities	-	-	-	-	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies	3 159			3 159	3 159		100.0%	3 020	3 020		3 020
Provinces and municipalities	-	-	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-	-	-
Municipal bank accounts	-	-	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-	-	-

2015/16										2014/15	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000		
Social security funds	-	-	-	-	-	-	-	-	-		
Departmental agencies	-	-	-	-	-	-	-	-	-		
Higher education institutions	-	-	-	-	-	-	-	-	-		
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-		
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-		
Public corporations	-	-	-	-	-	-	-	-	-		
Subsidies on products and production	-	-	-	-	-	-	-	-	-		
Other transfers to public corporations	-	-	-	-	-	-	-	-	-		
Private enterprises	-	-	-	-	-	-	-	-	-		
Subsidies on products and production	-	-	-	-	-	-	-	-	-		
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-		
Non-profit institutions	3 159			3 159	3 159		100.0%	3 020	3 020		
Households	-	-	-	-	-	-	-	-	-		
Social benefits	-	-	-	-	-	-	-	-	-		
Other transfers to households	-	-	-	-	-	-	-	-	-		
Payments for capital assets	-			-	-		-	-	-		
Buildings and other fixed structures	-			-	-		-	-	-		
Buildings	-	-	-	-	-	-	-	-	-		
Other fixed structures	-	-	-	-	-	-	-	-	-		
Machinery and equipment	-			-	-		-	-	-		
Transport equipment	-	-	-	-	-	-	-	-	-		
Other machinery and equipment	-	-	-	-	-	-	-	-	-		
Heritage assets	-			-	-		-	-	-		
Specialised military assets	-			-	-		-	-	-		
Biological assets	-			-	-		-	-	-		

Economic classification	2015/16						2014/15		
	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
<i>Land and subsoil assets</i>	-	-	-	-	-	-	-	-	-
<i>Intangible assets</i>	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	3 159	-	-	3 159	3 159	-	100.0%	3 020	3 020

Programme 3: Rural Development

Sub programme	2015/16						2014/15		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Rural Infrastructure Development	926 700	(40 182)	(20 000)	866 518	861 746	4 772	99.4%	716 784	712 406
2. Rural Enterprise and Industrial Development	725 936	17 847	(31 599)	712 184	707 532	4 652	99.3%	487 925	459 339
3. National Rural Youth Services Crops	331 941	22 335	(1 309)	352 967	352 717	250	99.9%	646 223	629 243
Total for sub programmes	1 984 577	-	(52 908)	1 931 669	1 921 995	9 674	99.5%	1 850 932	1 800 988

Economic classification	2015/16						2014/15		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	425 311	(11 474)	(26 208)	387 629	380 794	6 835	98.2%	457 988	417 088
<i>Compensation of employees</i>	268 057	(7 693)	-	261 364	254 983	6 381	97.6%	256 253	249 613
<i>Salaries and wages</i>	238 586	(8 468)	-	230 118	224 044	6 074	97.4%	227 872	221 315

	2015/16						2014/15		
	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									
Social contributions	30 471	775	-	31 246	30 939	307	99.0%	28 381	28 298
<i>Goods and services</i>	156 254	(4 146)	(26 208)	125 900	125 447	453	99.6%	201 735	167 475
Administrative fees	7 768	(4 586)	-	3 182	3 173	9	99.7%	8 256	6 405
Advertising	3 277	107	-	3 384	3 376	8	99.8%	2 216	2 152
Minor assets	10 741	(9 591)	-	1 150	1 144	6	99.5%	2 633	1 216
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	22	(22)	-	-	-	-	-	-	-
Catering: Departmental activities	1 908	1 142	-	3 050	3 045	5	99.8%	2 320	2 211
Communication	3 958	1 533	-	5 491	5 489	2	100.0%	5 734	5 576
Computer services	121	124	-	245	240	5	98.0%	149	149
Consultants: Business and advisory services	5 531	14 021	-	19 552	19 550	2	100.0%	27 068	25 950
Infrastructure and planning services	-	340	-	340	331	9	97.4%	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	432	(17)	-	415	384	31	92.5%	488	482
Agency and support / outsourced services	2 123	(1 096)	-	1 027	941	86	91.6%	1 775	1 621
Entertainment	-	-	-	-	-	-	-	2	2
Fleet services	1 747	(578)	-	1 169	1 151	18	98.5%	414	394
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	219	(219)	-	-	-	-	-	7	5
Inventory: Farming supplies	16	(16)	-	-	-	-	-	77	75
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-

Economic classification	2015/16						2014/15		
	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	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	269	(269)	-	-	-	-	-	882	747
Inventory: Medical supplies	-	-	-	-	-	-	-	1	1
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas Inventory Interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	2 159	(861)	-	1 298	1 291	7	99.5%	2 202	716
Consumable: Stationery, printing and office supplies	8 433	(4 795)	-	3 638	3 637	1	100.0%	4 032	3 449
Operating leases	3 152	(375)	-	2 777	2 775	2	99.9%	671	665
Property payments	5 366	(3 830)	-	1 536	1 527	9	99.4%	924	774
Transport provided: Departmental activity	110	(46)	-	64	63	1	98.4%	449	448
Travel and subsistence	80 746	10 967	(26 208)	65 505	65 366	139	99.8%	113 080	90 290
Training and development	4 523	(3 251)	-	1 272	1 263	9	99.3%	1 474	1 095
Operating payments	4 968	(3 167)	-	1 801	1 756	45	97.5%	3 044	2 453
Venues and facilities	7 361	513	-	7 874	7 816	58	99.3%	21 174	18 170
Rental and hiring	1 304	(174)	-	1 130	1 129	1	99.9%	2 663	2 429
Interest and rent on land	-	365	-	365	364	1	99.7%	-	-
Interest	-	365	-	365	364	1	99.7%	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	1 553 154	(591 692)	(18 211)	943 251	940 414	2 836	99.7%	994 068	985 537
Provinces and municipalities	-	-	-	-	-	-	-	4 577	4 577
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-

		2015/16						2014/15	
	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									
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	4 577	4 577
Municipal bank accounts	-	-	-	-	-	-	-	4 577	4 577
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
<i>Departmental agencies and accounts</i>	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies	-	-	-	-	-	-	-	-	-
<i>Higher education institutions</i>	-	-	-	-	-	-	-	-	-
<i>Foreign governments and international organisations</i>	-	-	-	-	-	-	-	-	-
<i>Public corporations and private enterprises</i>	-	-	-	-	-	-	-	7 320	7 320
Public corporations	-	-	-	-	-	-	-	7 320	7 320
Subsidies on products and production	-	-	-	-	-	-	-	7 320	7 320
Other transfers to public corporations	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-
<i>Non-profit institutions</i>	-	-	-	-	-	-	-	735	735
Households	1 553 154	(591 692)	(18 211)	943 251	940 415	2 836	99.7%	981 436	972 905
Social benefits	14	107	-	121	121	-	100.0%	299	296
Other transfers to households	1 553 140	(591 797)	(18 211)	943 139	940 294	2 836	99.7%	981 137	972 609
Payments for capital assets	6 112	602 141	(8 489)	599 764	599 762	2	100.0%	398 876	398 081
<i>Buildings and other fixed structures</i>	-	596 000	-	596 000	596 000	-	100.0%	393 474	393 474
Buildings	-	-	-	-	-	-	-	393 474	393 474
Other fixed structures	-	596 000	-	596 000	596 000	-	100.0%	-	-
<i>Machinery and equipment</i>	6 112	6 141	(8 489)	3 764	3 762	2	99.9%	5 402	4 607

Economic classification	2015/16						2014/15		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	6 112	6 141	(8 489)	3 764	3 762	2	99.9%	5 402	4 607
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	1 025	-	1 025	1 024	1	99.9%	-	282
Total	1 984 577	-	(52 908)	1 931 669	1 921 995	9 674	99.5%	1 850 932	1 800 988

3.1 Rural Infrastructure Development

Economic classification	2015/16						2014/15		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	123 935	8 094	-	132 029	128 296	3 733	97.2%	123 960	123 597
<i>Compensation of employees</i>	85 870	(5 405)	-	80 465	76 928	3 537	95.6%	75 819	75 696
Salaries and wages	78 284	(6 466)	-	71 818	68 588	3 230	95.5%	68 227	68 130
Social contributions	7 586	1 061	-	8 647	8 340	307	96.4%	7 592	7 566
Goods and services	38 065	13 134	-	51 199	51 004	195	99.6%	48 141	47 901
Administrative fees	872	371	-	1 243	1 243	-	100.0%	1 654	1 647
Advertising	2 153	(320)	-	1 833	1 833	-	100.0%	1 313	1 306
Minor assets	2 285	(2 121)	-	164	164	-	100.0%	267	254
Audit costs: External	-	-	-	-	-	-	-	-	-

	2015/16						2014/15		
	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									
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	644	(126)	-	518	518	-	100.0%	569	566
Communication	1 148	514	-	1 662	1 662	-	100.0%	1 849	1 841
Computer services	18	185	-	203	200	3	98.5%	149	149
Consultants: Business and advisory services	3 385	14 746	-	18 131	18 131	-	100.0%	12 380	12 378
Infrastructure and planning services	-	340	-	340	331	9	97.4%	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractor	123	207	-	330	300	30	90.9%	90	86
Agency and support / outsourced services	603	(95)	-	508	424	84	83.5%	237	236
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services	488	(145)	-	343	326	17	95.0%	112	103
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	171	(171)	-	-	-	-	-	6	5
Inventory: Farming supplies	-	-	-	-	-	-	-	77	75
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	68	(68)	-	-	-	-	-	255	252
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas Inventory Interface	-	-	-	-	-	-	-	-	-

Economic classification	2015/16						2014/15		
	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: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	820	(191)	-	629	627	2	99.7%	266	242
Consumable: Stationery, printing and office supplies	2 695	(1 579)	-	1 116	1 115	1	99.9%	1 503	1 486
Operating leases	1 042	6	-	1 048	1 048	-	100.0%	357	355
Property payments	1 435	(492)	-	943	943	-	100.0%	308	306
Transport provided: Departmental activity	-	-	-	-	-	-	-	390	390
Travel and subsistence	15 492	2 853	-	18 345	18 345	-	100.0%	20 369	20 262
Training and development	968	(649)	-	319	312	7	97.8%	386	382
Operating payments	1 658	(885)	-	773	731	42	94.6%	1 095	1 078
Venues and facilities	1 247	841	-	2 088	2 088	-	100.0%	4 005	4 000
Rental and hiring	750	(87)	-	663	663	-	100.0%	504	502
Interest and rent on land	-	365	-	365	364	1	99.7%	-	-
Interest	-	365	-	365	364	1	99.7%	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	801 684	(646 260)	(18 211)	137 213	136 174	1 039	99.2%	197 557	193 869
<i>Provinces and municipalities</i>	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal bank accounts	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
<i>Departmental agencies and accounts</i>	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies	-	-	-	-	-	-	-	-	-

		2015/16						2014/15	
	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									
<i>Higher education institutions</i>	-	-	-	-	-	-	-	-	-
<i>Foreign governments and international organisations</i>	-	-	-	-	-	-	-	-	-
<i>Public corporations and private enterprises</i>	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-
<i>Non-profit institutions</i>	-	-	-	-	-	-	-	-	-
<i>Households</i>	801 684	(646 260)	(18 211)	137 213	136 174	1 039	99.4%	197 557	193 869
Social benefits	-	55	-	55	55	-	100.0%	35	35
Other transfers to households	801 684	(646 315)	(18 211)	137 158	136 119	1 039	99.4%	197 522	193 834
Payments for capital assets	1 081	597 794	(1 789)	597 086	597 086	-	100.0%	395 267	394 864
<i>Buildings and other fixed structures</i>	-	596 000	-	596 000	596 000	-	100.0%	393 474	393 474
Buildings	-	-	-	-	-	-	-	393 474	393 474
Other fixed structures	-	596 000	-	596 000	596 000	-	100.0%	-	-
<i>Machinery and equipment</i>	1 081	1 794	(1 789)	1 086	1 086	-	100%	1 793	1 390
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	1 081	1 794	(1 789)	1 086	1 086	-	100%	1 793	1 390
<i>Heritage assets</i>	-	-	-	-	-	-	-	-	-
<i>Specialised military assets</i>	-	-	-	-	-	-	-	-	-
<i>Biological assets</i>	-	-	-	-	-	-	-	-	-
<i>Land and subsoil assets</i>	-	-	-	-	-	-	-	-	-
<i>Intangible assets</i>	-	-	-	-	-	-	-	-	-

		2015/16						2014/15	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Payments for financial assets	-	190	-	190	190	-	100.0%	-	76
Total	926 700	(40 182)	(20 000)	866 518	861 746	4 772	99.4%	716 784	712 406

3.2 Rural Enterprise and Industrial Development

		2015/16						2014/15	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	204 306	721	(26 208)	178 819	175 919	2 900	98.4%	226 521	202 621
<i>Compensation of employees</i>	124 428	1 717	-	126 145	123 301	2 844	97.7%	125 478	122 529
Salaries and wages	109 341	860	-	110 201	107 357	2 844	97.4%	110 747	107 827
Social contributions	15 087	857	-	15 944	15 944	-	100.0%	14 731	14 702
<i>Goods and services</i>	79 878	(996)	(26 208)	52 674	52 618	56	99.9%	101 043	80 092
Administrative fees	5 091	(3 572)	-	1 519	1 510	9	99.4%	4 673	3 262
Advertising	907	579	-	1 486	1 478	8	99.5%	759	705
Minor assets	3 165	(2 733)	-	432	432	-	100.0%	1 951	791
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	830	1 422	-	2 252	2 247	5	99.8%	1 435	1 384
Communication	1 771	1 055	-	2 826	2 824	2	99.9%	2 751	2 740
Computer services	-	2	-	2	-	2	-	-	-
Consultants: Business and advisory services	470	(468)	-	2	-	2	-	3 288	2 172
Infrastructure and planning services	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-

Economic classification	2015/16						2014/15		
	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
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractor	-	8	-	8	7	1	87.5%	395	394
Agency and support / outsourced services	1 362	(994)	-	368	367	1	99.7%	1 475	1 323
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services	316	(68)	-	248	247	1	99.6%	171	165
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories-	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	16	(16)	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas-	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	138	(138)	-	-	-	-	-	133	7
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	4	4
Medsas Inventory Interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	623	(466)	-	157	152	5	96.8%	720	394
Consumable: Stationery, printing and office supplies	2 745	(1 132)	-	1 613	1 623	-	100.0%	1 745	1 331
Operating leases	1 278	(573)	-	705	703	2	99.7%	281	280
Property payments	195	397	-	592	583	9	98.5%	616	468
Transport provided: Departmental activity	110	(46)	-	64	63	1	98.4%	59	58

Economic classification	2015/16						2014/15		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Travel and subsistence	50 995	8 354	(26 208)	33 141	33 141	-	100.0%	64 776	52 076
Training and development	1 327	(449)	-	878	876	2	99.8%	768	506
Operating payments	2 582	(1 776)	-	806	803	3	99.6%	1 644	1 120
Venues and facilities	5 602	(340)	-	5 262	5 260	2	100.0%	11 244	8 989
Rental and hiring	355	(42)	-	313	312	1	99.7%	2 159	1 927
<i>Interest and rent on land</i>	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	5 17 373	14 331	-	531 704	529 953	1 751	99.7%	259 128	254 322
<i>Provinces and municipalities</i>	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal bank accounts	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
<i>Departmental agencies and accounts</i>	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies	-	-	-	-	-	-	-	-	-
<i>Higher education institutions</i>	-	-	-	-	-	-	-	-	-
<i>Foreign governments and international organisations</i>	-	-	-	-	-	-	-	-	-
<i>Public corporations and private enterprises</i>	-	-	-	-	-	-	-	6 526	6 526
Public corporations	-	-	-	-	-	-	-	6 526	6 526
Subsidies on products and production	-	-	-	-	-	-	-	6 526	6 526

		2015/16						2014/15	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Other transfers to public corporations	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-
<i>Non-profit institutions</i>	-	-	-	-	-	-	-	735	735
<i>Households</i>	517 373	14 331	-	531 704	529 953	1 754	99.7%	251 867	247 061
Social benefits	14	37	-	51	51	--	100.0%	233	231
Other transfers to households	517 359	14 294	-	531 653	529 902	1 751	99.7%	251 634	246 830
Payments for capital assets	4 257	2 411	(5 391)	1 277	1 277	-	100%	2 276	2 258
<i>Buildings and other fixed structures</i>	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
<i>Machinery and equipment</i>	4 257	2 411	(5 391)	1 277	1 277	-	100%	2 276	2 258
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	4 257	2 411	(5 391)	1 277	1 277	-	100%	2 276	2 258
<i>Heritage assets</i>	-	-	-	-	-	-	-	-	-
<i>Specialised military assets</i>	-	-	-	-	-	-	-	-	-
<i>Biological assets</i>	-	-	-	-	-	-	-	-	-
<i>Land and subsoil assets</i>	-	-	-	-	-	-	-	-	-
<i>Intangible assets</i>	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	384	-	384	383	1	99.7%	-	138
Total	725 936	17 847	(31 599)	712 184	707 532	4 652	99.3%	487 925	459 339

3.3 National Rural Youth Service Crop

Economic classification	2015/16						2014/15		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	97 070	(20 289)	-	76 781	76 579	202	99.7%	107 507	90 870
<i>Compensation of employees</i>	58 759	(4 005)	-	54 754	54 754	-	100.0%	54 956	51 388
Salaries and wages	50 961	(2 862)	-	48 099	48 099	-	100.0%	48 898	45 358
Social contributions	7 798	(1 143)	-	6 655	6 655	-	100.0%	6 058	6 030
<i>Goods and services</i>	38 311	(16 284)	-	22 027	21 825	202	99.1%	52 551	39 482
Administrative fees	1 805	(1 385)	-	420	420	-	100.0%	1 929	1 496
Advertising	217	(152)	-	65	65	-	100.0%	144	141
Minor assets	5 291	(4 737)	-	554	548	6	98.9%	415	171
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	22	(22)	-	-	-	-	-	-	-
Catering: Departmental activities	434	(154)	-	280	280	-	100.0%	316	261
Communication	1 039	(36)	-	1 003	1 003	-	100.0%	1 134	995
Computer services	103	(63)	-	40	40	-	100.0%	-	-
Consultants: Business and advisory services	1 676	(257)	-	1 419	1 419	-	100.0%	11 400	11 400
Infrastructure and planning services	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractor	309	(232)	-	77	77	-	100.0%	3	2
Agency and support / outsourced services	158	(7)	-	151	150	1	99.3%	63	62
Entertainment	-	-	-	-	-	-	-	2	2
Fleet services	943	(365)	-	578	578	-	100.0%	131	126
Housing	-	-	-	-	-	-	-	-	-

Economic classification	2015/16						2014/15		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Inventory: Clothing material and accessories	48	(48)	-	-	-	-	-	1	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	63	(63)	-	-	-	-	-	494	488
Inventory: Medical supplies	-	-	-	-	-	-	-	1	1
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas Inventory Interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	716	(204)	-	512	512	-	100.0%	1 216	80
Consumable: Stationery, printing and office supplies	2 993	(2 084)	-	909	909	-	100.0%	784	632
Operating leases	832	192	-	1 024	1 024	-	100.0%	33	30
Property payments	3 736	(3 735)	-	1	1	-	100.0%	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	14 259	(240)	-	14 019	13 880	139	99.0%	27 935	17 952
Training and development	2 228	(2 153)	-	75	75	-	100.0%	320	207
Operating payments	728	(506)	-	222	222	-	100.0%	305	255
Venues and facilities	512	12	-	524	468	56	89.3%	5 925	5 181
Rental and hiring	199	(45)	-	154	154	-	100.0%	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-

2015/16										2014/15	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Transfers and subsidies	234 097	40 237	-	274 334	274 288	46	100.0%	537 383	537 346		
<i>Provinces and municipalities</i>	-	-	-	-	-	-	-	4 577	4 577		
Provinces	-	-	-	-	-	-	-	-	-		
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-		
Provincial agencies and funds	-	-	-	-	-	-	-	-	-		
Municipalities	-	-	-	-	-	-	-	4 577	4 577		
Municipal bank accounts	-	-	-	-	-	-	-	4 577	4 577		
Municipal agencies and funds	-	-	-	-	-	-	-	-	-		
<i>Departmental agencies and accounts</i>	-	-	-	-	-	-	-	-	-		
Social security funds	-	-	-	-	-	-	-	-	-		
Departmental agencies	-	-	-	-	-	-	-	-	-		
<i>Higher education institutions</i>	-	-	-	-	-	-	-	-	-		
<i>Foreign governments and international organisations</i>	-	-	-	-	-	-	-	-	-		
<i>Public corporations and private enterprises</i>	-	-	-	-	-	-	-	794	794		
Public corporations	-	-	-	-	-	-	-	794	794		
Subsidies on products and production	-	-	-	-	-	-	-	794	794		
Other transfers to public corporations	-	-	-	-	-	-	-	-	-		
Private enterprises	-	-	-	-	-	-	-	-	-		
Subsidies on products and production	-	-	-	-	-	-	-	-	-		
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-		
<i>Non-profit institutions</i>	-	-	-	-	-	-	-	-	-		
Households	234 097	40 237	-	274 334	274 288	46	100.0%	532 012	531 975		
Social benefits	-	15	-	15	15	-	100.0%	31	30		
Other transfers to households	234 097	40 222	-	274 319	274 273	46	100.0%	531 981	531 945		

		2015/16						2014/15		
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Payments for capital assets	774	1 936	(1 309)	1 401	1 399	2	99.9%	1 333	959	
<i>Buildings and other fixed structures</i>	-	-	-	-	-	-	-	-	-	
Buildings	-	-	-	-	-	-	-	-	-	
Other fixed structures	-	-	-	-	-	-	-	-	-	
<i>Machinery and equipment</i>	774	1 936	(1 309)	1 401	1 399	2	99.9%	1 333	959	
Transport equipment	-	-	-	-	-	-	-	-	-	
Other machinery and equipment	774	1 936	(1 309)	1 401	1 399	2	99.9%	1 333	959	
<i>Heritage assets</i>	-	-	-	-	-	-	-	-	-	
<i>Specialised military assets</i>	-	-	-	-	-	-	-	-	-	
<i>Biological assets</i>	-	-	-	-	-	-	-	-	-	
<i>Land and subsoil assets</i>	-	-	-	-	-	-	-	-	-	
<i>Intangible assets</i>	-	-	-	-	-	-	-	-	-	
Payments for financial assets	-	451	-	451	451	-	100.0%	-	68	
Total	331 941	22 335	(1 309)	352 967	352 717	250	99.9%	646 223	629 243	

Programme 4: Restitution

		2015/16						2014/15		
Sub programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
1. Restitution National Office	59 303	(20 995)	50 000	88 308	88 037	271	99.7%	127 551	126 909	
2. Restitution Regional Office	427 356	20 995	75 005	5 23 356	522 978	378	99.9%	610 129	610 128	
3. Restitution Grants	2 116 010	-	(51 690)	2 064 320	2 019 224	45 096	97.8%	2 261 062	2 260 900	
Total for sub programmes	2 602 669	-	73 315	2 675 984	2 630 239	45 745	98.3%	2 998 742	2 997 937	

2015/16										2014/15	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000		
Current payments	472 115	(29 809)	50 000	492 306	491 912	394	99.9%	453 818	453 347		
Compensation of employees	312 321	(7 523)	-	304 798	304 738	60	100.0%	255 394	255 323		
Salaries and wages	271 616	(8 558)	-	263 058	263 023	35	100.0%	221 763	221 712		
Social contributions	40 705	1 035	-	41 740	41 715	25	99.9%	33 631	33 611		
Goods and services	159 494	(23 203)	50 000	186 291	185 959	332	99.8%	193 058	192 660		
Administrative fees	3 489	1 696	-	5 185	5 173	12	99.8%	8 330	8 317		
Advertising	9 057	11 223	-	20 280	20 269	11	99.9%	4 067	4 059		
Minor assets	8 613	(6 580)	-	2 033	2 022	11	99.5%	2 545	2 515		
Audit costs: External	130	283	-	413	407	6	98.5%	99	99		
Bursaries: Employees	-	-	-	-	-	-	-	-	-		
Catering: Departmental activities	3 362	(441)	-	2 921	2 909	12	99.6%	579	573		
Communication	11 752	(680)	-	11 072	11 062	10	99.9%	12 183	12 159		
Computer services	1 305	(399)	-	906	901	5	99.4%	850	846		
Consultants: Business and advisory services	12 801	(46 133)	46 000	12 668	12 654	14	99.9%	17 912	17 903		
Infrastructure and planning services	-	-	-	-	-	-	-	74	73		
Laboratory services	-	-	-	-	-	-	-	-	-		
Scientific and technological services	-	-	-	-	-	-	-	-	-		
Legal services	14 407	14 730	-	29 137	29 129	8	100.0%	32 449	32 443		
Contractors	8 069	(606)	-	7 463	7 455	8	99.9%	1 652	1 641		
Agency and support / outsourced services	9 016	(5 127)	4 000	7 889	7 880	9	99.9%	7 005	6 991		
Entertainment	-	-	-	-	-	-	-	-	-		
Fleet services	4 286	559	-	4 845	4 834	11	99.8%	2 038	1 999		
Housing	-	-	-	-	-	-	-	-	-		
Inventory: Clothing material and supplies	192	(192)	-	-	-	-	-	-	-		
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-		

Economic classification	2015/16						2014/15		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas-	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	356	(356)	-	-	-	-	-	132	119
Inventory: Medical supplies	-	-	-	-	-	-	-	24	24
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas Inventory Interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	1 730	(1 392)	-	338	329	9	97.3%	824	788
Consumable: Stationery, printing and office supplies	7 660	(1 521)	-	6 139	6 129	10	99.8%	4 015	3 990
Operating leases	4 552	4 534	-	9 086	9 078	8	99.9%	3 486	3 480
Property payments	9 283	(3 310)	-	5 973	5 963	10	99.8%	5 800	5 792
Transport provided: Departmental activity	2 706	(690)	-	2 016	2 011	5	99.8%	5 006	5 003
Travel and subsistence	33 519	9 724	-	43 243	43 228	15	100.0%	46 888	46 775
Training and development	1 336	(959)	-	377	369	8	97.9%	446	443
Operating payments	4 436	(1 868)	-	2 568	2 433	135	94.7%	3 063	3 048
Venues and facilities	5 840	4 648	-	10 488	10 480	8	99.9%	30 633	30 625
Rental and hiring	1 597	(346)	-	1 251	1 244	7	99.4%	2 958	2 955
Interest and rent on land	300	917	-	1 217	1 215	2	99.8%	5 366	5 364
Interest	300	917	-	1 217	1 215	2	99.8%	5 366	5 364
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	2 124 827	11 335	(51 690)	2 084 472	2 039 371	45 101	97.8%	2 279 267	2 278 729
Provinces and municipalities	8 363	10 710	-	19 073	19 071	2	100.0%	17 777	17 404
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-

2015/16										2014/15	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Provincial agencies and funds	-	-	-	-	-	-	-	-	-	-	-
Municipalities	8 363	10 710	-	19 073	19 071	2	100.0%	17 777	17 404	-	-
Municipal bank accounts	8 363	10 710	-	19 073	19 071	2	100.0%	17 777	17 404	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-	-	-
<i>Departmental agencies and accounts</i>	-	-	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-	-	-
Departmental agencies	-	-	-	-	-	-	-	-	-	-	-
<i>Higher education institutions</i>	-	-	-	-	-	-	-	-	-	-	-
<i>Foreign governments and international organisations</i>	-	-	-	-	-	-	-	-	-	-	-
<i>Public corporations and private enterprises</i>	-	-	-	-	-	-	-	-	-	-	-
Public corporations-	-	-	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-	-	-
<i>Non-profit institutions</i>	-	-	-	-	-	-	-	-	-	-	-
Households	2 116 464	625	(51 690)	2 065 399	2 020 300	45 099	97.8%	2 261 490	2 261 325	-	-
Social benefits	454	213	-	667	666	1	99.9%	342	339	-	-
Other transfers to households	2 116 010	412	(51 690)	2 064 732	2 019 634	45 098	97.8%	2 261 148	2 260 986	-	-
Payments for capital assets	5 727	17 387	75 005	98 119	97 869	250	99.7%	265 657	264 843	-	-
<i>Buildings and other fixed structures</i>	-	-	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-	-	-

		2015/16						2014/15		
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
<i>Machinery and equipment</i>	5 727	1 838	-	7 565	7 314	251	96.7%	38 723	38 161	
Transport equipment	-	-	-	-	-	-	-	28 077	27 544	
Other machinery and equipment	5 727	1 838	-	7 565	7 314	251	96.7%	10 646	10 617	
<i>Heritage assets</i>	-	-	-	-	-	-	-	-	-	
<i>Specialised military assets</i>	-	-	-	-	-	-	-	-	-	
<i>Biological assets</i>	-	-	-	-	-	-	-	-	-	
<i>Land and subsoil assets</i>	-	15 549	75 005	90 555	90 554	-	100.0%	226 934	226 682	
<i>Intangible assets</i>	-	-	-	-	-	-	-	-	-	
Payments for financial assets	-	1 087	-	1 087	1 087	-	100.0%	-	1 018	
Total	2 602 669	-	73 315	2 675 984	2 630 239	45 745	98.3%	2 998 742	2 997 937	

4.1 Restitution National office

		2015/16						2014/15		
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Current payments	58 073	(21 532)	50 000	86 541	86 273	268	99.7%	94 625	94 499	
<i>Compensation of employees</i>	35 921	4 139	-	40 060	40 038	22	99.9%	34 790	34 768	
Salaries and wages	31 279	4 142	-	35 421	35 405	16	100.0%	30 823	30 806	
Social contributions	4 642	(3)	-	4 639	4 633	6	99.9%	3 967	3 962	
<i>Goods and services</i>	22 152	(25 671)	50 000	46 481	46 235	246	99.5%	59 835	59 731	
Administrative fees	1 071	2 332	-	3 403	3 398	5	99.9%	5 898	5 897	
Advertising	718	12 490	-	13 208	13 204	4	100.0%	1 446	1 443	
Minor assets	1 244	(1 189)	-	55	49	6	89.1%	1 662	1 650	

Economic classification	2015/16							2014/15	
	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
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	82	(66)	-	16	8	8	50.0%	45	43
Communication	441	154	-	595	590	5	99.2%	636	631
Computer services	85	328	-	413	410	3	99.3%	145	144
Consultants: Business and advisory services	30	(39 388)	46 000	6 642	6 633	9	99.9%	4 593	4 591
Infrastructure and planning services	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	1 460	681	-	2 141	2 136	5	99.8%	5 683	5 683
Contractor	5 023	393	-	5 416	5 411	5	99.9%	1 243	1 241
Agency and support / outsourced services	2 969	(3 307)	4 000	3 662	3 656	6	99.8%	557	555
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services	167	(28)	-	139	132	7	95.0%	275	268
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	23	(23)	-	-	-	-	-	28	27
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-

2015/16										2014/15	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000		
Medsas Inventory Interface	-	-	-	-	-	-	-	-	-		
Inventory: Other supplies	-	-	-	-	-	-	-	-	-		
Consumable supplies	453	(339)	-	114	108	6	94.7%	229	215		
Consumable: Stationery, printing and office supplies	553	550	-	1 103	1 097	6	99.5%	995	989		
Operating leases	30	(6)	-	24	19	5	79.2%	19	17		
Property payments	83	6	-	89	83	6	93.3%	198	198		
Transport provided: Departmental activity	60	(19)	-	41	38	3	92.7%	1 286	1 285		
Travel and subsistence	5 667	1 564	-	7 231	7 221	10	99.9%	11 894	11 858		
Training and development	252	(122)	-	130	124	6	95.4%	251	250		
Operating payments	955	(153)	-	802	671	131	83.7%	1 586	1 583		
Venues and facilities	761	457	-	1 218	1 213	5	99.6%	19 487	19 484		
Rental and hiring	25	14	-	39	34	5	87.2%	1 679	1 679		
<i>Interest and rent on land</i>	-	-	-	-	-	-	-	-	-		
Interest	-	-	-	-	-	-	-	-	-		
Rent on land	-	-	-	-	-	-	-	-	-		
Transfers and subsidies	177	2	-	179	177	2	98.9%	9	9		
<i>Provinces and municipalities</i>	41	(3)	-	38	37	1	97.4%	9	9		
Provinces	-	-	-	-	-	-	-	-	-		
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-		
Provincial agencies and funds	-	-	-	-	-	-	-	-	-		
Municipalities	41	(3)	-	38	37	1	97.4%	9	9		
Municipal bank accounts	41	(3)	-	38	37	1	97.4%	9	9		
Municipal agencies and funds	-	-	-	-	-	-	-	-	-		
<i>Departmental agencies and accounts</i>	-	-	-	-	-	-	-	-	-		

		2015/16						2014/15		
		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										
Social security funds	-	-	-	-	-	-	-	-	-	-
Departmental agencies	-	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-	-
Households	136	5	-	141	140	1	99.3%	-	-	-
Social benefits	136	-	-	136	136	-	100.0%	-	-	-
Other transfers to households	-	5	-	5	4	1	80.0%	-	-	-
Payments for capital assets	1 053	520	-	1 573	1 572	1	99.9%	32 917	32 371	
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 053	520	-	1 573	1 572	1	99.9%	32 917	32 371	
Transport equipment	-	-	-	-	-	-	-	28 077	27 544	
Other machinery and equipment	1 053	520	-	1 573	1 572	1	99.9%	4 840	4 827	
Heritage assets	-	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-	-

2015/16										2014/15	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
<i>Land and subsoil assets</i>	-	-	-	-	-	-	-	-	-	-	-
<i>Intangible assets</i>	-	-	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	15	-	15	15	-	100.0%	-	-	-	30
Total	59 303	(20 995)	50 000	88 308	88 037	271	99.7%	127 551	126 909		

4.2 Restitution Regional Office

2015/16										2014/15	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Current payments	414 042	(8 277)	-	405 765	405 639	126	100.0%	359 193	358 848		
<i>Compensation of employees</i>	276 400	(11 662)	-	264 738	264 700	38	100.0%	220 604	220 555		
Salaries and wages	240 337	(12 700)	-	227 637	227 618	19	100.0%	190 940	190 906		
Social contributions	36 063	1 038	-	37 101	37 082	19	99.9%	29 664	29 649		
<i>Goods and services</i>	137 342	2 468	-	139 810	139 724	86	99.9%	133 223	132 929		
Administrative fees	2 418	(636)	-	1 782	1 775	7	99.6%	2 432	2 420		
Advertising	8 339	(1 267)	-	7 072	7 065	7	99.9%	2 621	2 616		
Minor assets	7 369	(5 391)	-	1 978	1 973	5	99.7%	883	865		
Audit costs: External	130	283	-	413	407	6	98.5%	99	99		
Bursaries: Employees	-	-	-	-	-	-	-	-	-		
Catering: Departmental activities	3 280	(375)	-	2 905	2 901	4	99.9%	534	530		
Communication	11 311	(834)	-	10 477	10 472	5	100.0%	11 547	11 528		
Computer services	1 220	(727)	-	493	491	2	99.6%	705	702		

Economic classification	2015/16						2014/15		
	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
Consultants: Business and advisory services	12 771	(6 745)	-	6 026	6 021	5	99.9%	13 319	13 312
Infrastructure and planning services	-	-	-	-	-	-	-	74	73
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	12 947	14 049	-	26 996	26 993	3	100.0%	26 766	26 760
Contractor	3 046	(999)	-	2 047	2 044	3	99.9%	409	400
Agency and support / outsourced services	6 047	(1 820)	-	4 227	4 224	3	99.9%	6 448	6 436
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services	4 119	587	-	4 706	4 702	4	99.9%	1 763	1 731
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	192	(192)	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	333	(333)	-	-	-	-	-	104	92
Inventory: Medical supplies	-	-	-	-	-	-	-	24	24
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas Inventory Interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	1 277	(1 053)	-	224	221	3	98.7%	595	573
Consumable: Stationery, printing and office supplies	7 107	(2 071)	-	5 036	5 032	4	99.9%	3 020	3 001
Operating leases	4 522	4 540	-	9 062	9 059	3	100.0%	3 467	3 463

2015/16										2014/15	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000		
Property payments	9 200	(3 316)	-	5 884	5 880	4	99.9%	5 602	5 594		
Transport provided: Departmental activity	2 646	(671)	-	1 975	1 973	2	99.9%	3 720	3 718		
Travel and subsistence	27 852	8 160	-	36 012	36 007	5	100.0%	34 994	34 917		
Training and development	1 084	(837)	-	247	245	2	99.2%	195	193		
Operating payments	3 481	(1 715)	-	1 766	1 762	4	99.8%	1 477	1 465		
Venues and facilities	5 079	4 191	-	9 270	9 267	3	100.0%	11 146	11 141		
Rental and hiring	1 572	(360)	-	1 212	1 210	2	99.8%	1 279	1 276		
<i>Interest and rent on land</i>	300	917	-	1 217	1 215	2	99.8%	5 366	5 364		
Interest	300	917	-	1 217	1 215	2	99.8%	5 366	5 364		
Rent on land	-	-	-	-	-	-	-	-	-		
Transfers and subsidies	8 640	11 333	-	19 973	19 970	3	100.0%	18 196	17 820		
<i>Provinces and municipalities</i>	8 322	10 713	-	19 035	19 034	1	100.0%	17 768	17 395		
Provinces	-	-	-	-	-	-	-	-	-		
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-		
Provincial agencies and funds	-	-	-	-	-	-	-	-	-		
Municipalities	8 322	10 713	-	19 035	19 034	1	100.0%	17 768	17 395		
Municipal bank accounts	8 322	10 713	-	19 035	19 034	1	100.0%	17 768	17 395		
Municipal agencies and funds	-	-	-	-	-	-	-	-	-		
<i>Departmental agencies and accounts</i>	-	-	-	-	-	-	-	-	-		
Social security funds	-	-	-	-	-	-	-	-	-		
Departmental agencies	-	-	-	-	-	-	-	-	-		
<i>Higher education institutions</i>	-	-	-	-	-	-	-	-	-		
<i>Foreign governments and international organisations</i>	-	-	-	-	-	-	-	-	-		
<i>Public corporations and private enterprises</i>	-	-	-	-	-	-	-	-	-		

Economic classification	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-
<i>Non-profit institutions</i>	-	-	-	-	-	-	-	-	-
<i>Households</i>	318	620	-	938	936	2	99.8%	428	425
Social benefits	318	213	-	531	530	1	99.8%	342	339
Other transfers to households	-	407	-	407	406	1	99.8%	86	86
Payments for capital assets	4 674	16 867	75 005	96 546	96 297	249	99.7%	232 740	232 472
<i>Buildings and other fixed structures</i>	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
<i>Machinery and equipment</i>	4 674	1 318	-	5 992	5 742	250	95.8%	5 806	5 790
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	4 674	1 318	-	5 992	5 742	250	95.8%	5 806	5 790
<i>Heritage assets</i>	-	-	-	-	-	-	-	-	-
<i>Specialised military assets</i>	-	-	-	-	-	-	-	-	-
<i>Biological assets</i>	-	-	-	-	-	-	-	-	-
<i>Land and subsoil assets</i>	-	15 549	75 005	90 554	90 555	-	100.0%	226 934	226 682
<i>Intangible assets</i>	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	1 072	-	1 072	1 072	-	100.0%	-	988
Total	427 356	20 995	75 005	523 356	522 978	378	99.9%	610 129	610 128

4.3 Restitution Grants

	2015/16							2014/15	
	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	-	-	-	-	-	-	-	-	-
<i>Compensation of employees</i>	-	-	-	-	-	-	-	-	-
Salaries and wages	-	-	-	-	-	-	-	-	-
Social contributions	-	-	-	-	-	-	-	-	-
<i>Goods and services</i>	-	-	-	-	-	-	-	-	-
Administrative fees	-	-	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-	-	-
Minor assets	-	-	-	-	-	-	-	-	-
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	-	-	-	-	-	-	-	-	-
Communication	-	-	-	-	-	-	-	-	-
Computer services	-	-	-	-	-	-	-	-	-
Consultants: Business and advisory services	-	-	-	-	-	-	-	-	-
Infrastructure and planning services	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractor	-	-	-	-	-	-	-	-	-
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-

	2015/16							2014/15	
	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									
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas Inventory Interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	-	-	-	-	-	-	-	-	-
Consumable: Stationery, printing and office supplies	-	-	-	-	-	-	-	-	-
Operating leases	-	-	-	-	-	-	-	-	-
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	-	-	-	-	-	-	-	-	-
Training and development	-	-	-	-	-	-	-	-	-
Operating payments	-	-	-	-	-	-	-	-	-
Venues and facilities	-	-	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	2 116 010	-	(51 690)	2 064 320	2 019 224	45 096	97.8%	2 261 602	2 260 900
Provinces and municipalities	-	-	-	-	-	-	-	-	-

2015/16										2014/15	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Provinces	-	-	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-	-	-
Municipal bank accounts	-	-	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-	-	-
Departmental agencies	-	-	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-	-	-
Households	2 116 010	-	(51 690)	2 064 320	2 019 224	45 096	97.8%	2 261 062	2 260 900		
Social benefits	-	-	-	-	-	-	-	-	-	-	-
Other transfers to households	2 116 010	-	(51 690)	2 064 320	2 019 224	45 096	97.8%	2 261 062	2 260 900		
Payments for capital assets	-	-	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-	-	-

	2015/16							2014/15	
	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									
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	2 116 010	-	(51 690)	2 064 320	2 019 224	45 096	97.8%	2 261 062	2 260 900

Programme 5: Land Reform

	2015/16							2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Land Reform National Office	166 160	62 471	(745)	227 886	227 651	235	99.9%	171 036	170 262
2. Land Reform Provincial	480 499	(91 868)	(5 875)	382 756	382 598	158	100.0%	387 785	385 524
3. Land Reform Grants	524 869	29 397	16 981	571 247	571 234	13	100.0%	296 514	295 487
4. KwaZulu-Natal Ingonyama Trust Board	18 069	-	-	18 069	18 069	-	100.0%	17 294	17 294
5. Agriculture Land Holding Account	1 342 027	-	-	1 342 027	1 342 027	-	100.0%	1 613 757	1 613 529
6. Office of Valuer-General	5 484	-	-	5 484	5 484	-	100.0%	-	-

2015/16							2014/15		
Sub programme	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
Total for sub programmes	2 537 108	-	10 361	2 547 469	2 547 063	406	100.0%	2 486 386	2 482 096
2015/16							2014/15		
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	594 573	(51 210)	-	543 363	542 997	366	99.9%	446 261	445 245
Compensation of employees	356 188	(76 945)	-	279 243	279 153	90	100.0%	239 897	239 505
Salaries and wages	312 468	(70 630)	-	241 838	241 780	58	100.0%	208 596	208 293
Social contributions	43 720	(6 315)	-	37 405	37 373	32	99.9%	31 301	31 212
Goods and services	238 385	25 234	-	263 619	263 343	276	99.9%	206 130	205 507
Administrative fees	18 271	(11 354)	-	6 917	6 906	11	99.8%	2 705	2 676
Advertising	2 269	(1 017)	-	1 252	1 244	8	99.4%	789	781
Minor assets	15 114	(11 371)	-	3 743	3 727	16	99.6%	2 267	2 444
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	2 842	(1 052)	-	1 790	1 770	20	98.9%	1 442	1 430
Communication	15 641	185	-	15 826	15 807	19	99.9%	16 795	16 751
Computer services	3 354	1 488	-	4 842	4 836	6	99.9%	551	550
Consultants: Business and advisory services	37 834	(26 300)	-	11 534	11 522	12	99.9%	1 852	1 848
Infrastructure and planning services	2 015	(1 723)	-	292	285	7	97.6%	892	891
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-

Economic classification	2015/16						2014/15		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Legal services	22 537	101 475	-	124 012	124 007	5	100.0%	87 352	87 345
Contractors	3 890	(2 837)	-	1 053	1 036	17	98.4%	226	220
Agency and support / outsourced services	1 762	(799)	-	963	956	7	99.3%	898	894
Entertainment	-	-	-	-	-	-	-	2	1
Fleet services	4 661	896	-	5 557	5 549	8	99.9%	3 114	3 077
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and supplies	148	(148)	-	-	-	-	-	1	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	396	(396)	-	-	-	-	-	205	182
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas Inventory Interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	3 850	(2 035)	-	1 815	1 784	31	98.3%	908	822
Consumable: Stationery, printing and office supplies	11 064	(5 903)	-	5 161	5 147	14	99.7%	3 965	3 921
Operating leases	7 927	5 804	-	13 731	13 720	11	99.9%	8 179	8 168
Property payments	8 449	(1 387)	-	7 062	7 058	4	99.9%	6 654	6 638
Transport provided: Departmental activity	1 458	(1 122)	-	336	332	4	98.8%	1 897	1 892

2015/16										2014/15	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000		
Travel and subsistence	54 524	(10 580)	-	43 944	43 913	31	99.9%	54 576	54 228		
Training and development	4 421	(3 909)	-	512	504	8	98.4%	404	398		
Operating payments	7 784	(4 184)	-	3 600	3 583	17	99.5%	2 284	2 203		
Venues and facilities	7 747	987	-	8 734	8 717	17	99.8%	7 082	7 060		
Rental and hiring	427	516	-	943	940	3	99.7%	1 090	1 087		
<i>Interest and rent on land</i>	-	501	-	501	501	-	100.0%	234	233		
Interest	-	-	-	-	-	-	-	50	49		
Rent on land	-	501	-	501	501	-	100.0%	184	184		
Transfers and subsidies	1 935 906	41 934	16 981	1 994 821	1 994 783	38	100.0%	2 033 116	2 030 092		
<i>Provinces and municipalities</i>	48 785	8 870	-	57 655	57 652	3	100.0%	105 379	103 614		
Provinces	-	-	-	-	-	-	-	-	-		
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-		
Provincial agencies and funds	-	-	-	-	-	-	-	-	-		
Municipalities	48 785	8 870	-	57 655	57 652	3	100.0%	105 379	103 614		
Municipal bank accounts	48 785	8 870	-	57 655	57 652	3	100.0%	105 379	103 614		
Municipal agencies and funds	-	-	-	-	-	-	-	-	-		
<i>Departmental agencies and accounts</i>	1 360 096	5 484	-	1 365 580	1 365 580	-	100.0%	1 631 056	1 630 827		
Social security funds	-	-	-	-	-	-	-	-	-		
Departmental agencies	1 360 096	5 484	-	1 365 580	1 365 580	-	100.0%	1 631 056	1 630 827		
<i>Higher education institutions</i>	-	-	-	-	-	-	-	-	-		
<i>Foreign governments and international organisations</i>	-	-	-	-	-	-	-	-	-		
<i>Public corporations and private enterprises</i>	1	-	-	-	-	-	-	1	-		
Public corporations	1	-	-	-	-	-	-	1	-		
Subsidies on products and production	-	-	-	-	-	-	-	1	-		
Other transfers to public corporations	1	-	-	-	-	-	-	-	-		
Private enterprises	-	-	-	-	-	-	-	-	-		

		2015/16						2014/15	
	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									
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-
<i>Non-profit institutions</i>	-	-	-	-	-	-	-	-	-
<i>Households</i>	527 024	27 580	16 981	571 585	571 551	34	100.0%	296 680	295 651
Social benefits	2 153	(1 865)	-	288	277	11	96.2%	132	130
Other transfers to households	524 871	29 445	16 981	571 297	571 274	23	100.0%	296 548	295 521
Payments for capital assets	6 629	8 922	(6 620)	8 931	8 929	2	100.0%	7 009	6 265
<i>Buildings and other fixed structures</i>	-	93	-	93	92	1	98.9%	20	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	93	-	93	92	1	98.9%	20	-
<i>Machinery and equipment</i>	6 629	8 829	(6 620)	8 838	8 837	1	100.0%	6 989	6 265
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	6 629	8 829	(6 620)	8 838	8 837	1	100.0%	6 989	6 265
<i>Heritage assets</i>	-	-	-	-	-	-	-	-	-
<i>Specialised military assets</i>	-	-	-	-	-	-	-	-	-
<i>Biological assets</i>	-	-	-	-	-	-	-	-	-
<i>Land and subsoil assets</i>	-	-	-	-	-	-	-	-	-
<i>Intangible assets</i>	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	354	-	354	354	-	100.0%	-	494
Total	2 537 108	-	10 361	2 547 469	2 547 063	406	100.0%	2 486 386	2 482 096

5.1 Land Reform National Office

	2015/16						2014/15		
	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	165 034	61 497	-	226 531	226 304	227	99.9%	170 113	169 429
Compensation of employees	83 108	(13 467)	-	69 641	69 570	71	99.9%	57 341	57 075
Salaries and wages	73 679	(12 021)	-	61 658	61 611	47	99.9%	50 977	50 752
Social contributions	9 429	(1 446)	-	7 983	7 959	24	99.7%	6 364	6 323
Goods and services	81 926	74 964	-	156 890	156 734	156	99.9%	112 772	112 354
Administrative fees	13 328	(7 643)	-	5 685	5 679	6	99.9%	1 383	1 372
Advertising	608	(416)	-	192	189	3	98.4%	117	113
Minor assets	3 987	(3 624)	-	363	353	10	97.2%	284	229
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	705	(359)	-	346	334	12	96.5%	300	296
Communication	1 264	(252)	-	1 012	999	13	98.7%	1 470	1 453
Computer services	2 478	(1 496)	-	982	981	1	99.9%	539	539
Consultants: Business and advisory services	12 831	(4 749)	-	8 082	8 079	3	100.0%	1 510	1 508
Infrastructure and planning services	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	19 855	99 982	-	119 837	119 835	2	100.0%	83 239	83 237
Contractor	302	(124)	-	178	168	10	94.4%	50	47
Agency and support / outsourced services	-	31	-	31	30	1	96.8%	3	3
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services	67	(62)	-	5	2	3	40.0%	21	15
Housing	-	-	-	-	-	-	-	-	-

	2015/16						2014/15		
	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									
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	29	(29)	-	-	-	-	-	4	2
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas Inventory Interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	1 346	(1 090)	-	256	229	27	89.5%	206	161
Consumable: Stationery, printing and office supplies	4 168	(2 707)	-	1 461	1 451	10	99.3%	720	700
Operating leases	252	(220)	-	32	24	8	75.0%	18	15
Property payments	-	-	-	-	-	-	-	1	1
Transport provided: Departmental activity	-	-	-	-	-	-	-	1 068	1 064
Travel and subsistence	14 806	(2 540)	-	12 266	12 243	23	99.8%	17 550	17 333
Training and development	1 103	(1 008)	-	95	91	4	95.8%	202	198
Operating payments	819	(411)	-	408	398	10	97.5%	199	193
Venues and facilities	3 978	1 671	-	5 649	5 639	10	99.8%	3 888	3 875
Rental and hiring	-	10	-	10	10	-	100.0%	-	-
<i>Interest and rent on land</i>	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	16	50	-	66	59	7	89.4%	35	34

Economic classification	2015/16						2014/15		
	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
<i>Provinces and municipalities</i>									
Provinces	-	-	-	-	-	-	-	3	-
Provincial Revenue Funds	-	-	-	-	-	-	-	3	-
Provincial agencies and funds	-	-	-	-	-	-	-	3	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal bank accounts	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
<i>Departmental agencies and accounts</i>	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies	-	-	-	-	-	-	-	-	-
<i>Higher education institutions</i>	-	-	-	-	-	-	-	-	-
<i>Foreign governments and international organisations</i>	-	-	-	-	-	-	-	-	-
<i>Public corporations and private enterprises</i>	1	-	-	1	-	1	-	1	-
Public corporations	1	-	-	1	-	-	-	1	-
Subsidies on products and production	-	-	-	-	-	-	-	1	-
Other transfers to public corporations	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-
<i>Non-profit institutions</i>	-	-	-	-	-	-	-	-	-
Households	15	50	-	65	59	6	90.8%	34	34
Social benefits	15	50	-	65	59	6	90.8%	-	-
Other transfers to households	-	-	-	-	-	-	-	34	34
Payments for capital assets	1 110	844	(745)	1 209	1 208	1	99.9%	888	711
<i>Buildings and other fixed structures</i>	-	-	-	-	-	-	-	-	-

	2015/16							2014/15	
	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									
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 110	844	(745)	1 209	1 208	1	99.9%	888	711
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	1 110	844	(745)	1 209	1 208	1	99.9%	888	711
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	80	-	80	80	-	100.0%	-	88
Total	166 160	62 471	(745)	227 886	227 651	235	99.9%	171 036	170 262

5.2 Land Reform Provincial Office

	2015/16							2014/15	
	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	424 055	(107 223)	-	316 832	316 693	139	100.0%	276 148	275 816
Compensation of employees	270 496	(60 894)	-	209 602	209 583	19	100.0%	182 556	182 430
Salaries and wages	536 520	(56 340)	-	180 180	180 169	11	100.0%	157 619	157 541
Social contributions	33 976	(4 554)	-	29 422	29 414	8	100.0%	24 937	24 889
Goods and services	153 559	(46 830)	-	106 729	106 609	120	99.9%	93 358	93 153
Administrative fees	4 879	(3 647)	-	1 232	1 227	5	99.6%	1 322	1 304

2015/16										2014/15	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000		
Advertising	1 609	(549)	-	1 060	1 055	5	99.5%	672	668		
Minor assets	10 711	(7 331)	-	3 380	3 374	6	99.8%	1 983	2 215		
Audit costs: External	-	-	-	-	-	-	-	-	-		
Bursaries: Employees	-	-	-	-	-	-	-	-	-		
Catering: Departmental activities	2 131	(687)	-	1 444	1 436	8	99.4%	1 142	1 134		
Communication	14 336	478	-	14 814	14 808	6	100.0%	15 325	15 298		
Computer services	861	2 999	-	3 860	3 855	5	99.9%	12	11		
Consultants: Business and advisory services	23 490	(20 038)	-	3 452	3 443	9	99.7%	342	340		
Infrastructure and planning services	2 015	(1 723)	-	292	285	7	97.6%	892	891		
Laboratory services	-	-	-	-	-	-	-	-	-		
Scientific and technological services	-	-	-	-	-	-	-	-	-		
Legal services	2 682	1 493	-	4 175	4 172	3	99.9%	4 113	4 108		
Contractor	3 582	(2 707)	-	875	868	7	99.2%	176	173		
Agency and support / outsourced services	1 762	(830)	-	932	926	6	99.4%	895	891		
Entertainment	-	-	-	-	-	-	-	2	1		
Fleet services	4 591	961	-	5 552	5 547	5	99.9%	3 093	3 062		
Housing	-	-	-	-	-	-	-	-	-		
Inventory: Clothing material and accessories	148	(148)	-	-	-	-	-	1	-		
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-		
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-		
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-		
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-		
Inventory: Materials and supplies	366	(366)	-	-	-	-	-	201	180		

		2015/16						2014/15	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Inventories: Medical supplies	-	-	-	-	-	-	-	-	-
Inventories: Medicine	-	-	-	-	-	-	-	-	-
Medsas Inventory Interface	-	-	-	-	-	-	-	-	-
Inventories: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	2 397	(838)	-	1 559	1 555	4	99.7%	702	661
Consumables: Stationery, printing and office supplies	6 790	(3 090)	-	3 700	3 696	4	99.9%	3 245	3 221
Operating leases	7 652	6 047	-	13 699	13 696	3	100.0%	8 161	8 153
Property payments	8 449	(1 387)	-	7 062	7 058	4	99.9%	6 653	6 637
Transport provided: Departmental activity	1 458	(1 122)	-	336	332	4	98.8%	829	828
Travel and subsistence	39 360	(7 682)	-	31 678	31 670	8	100.0%	37 026	36 895
Training and development	3 288	(2 871)	-	417	413	4	99.0%	202	200
Operating payments	6 856	(3 664)	-	3 192	3 185	7	99.8%	2 085	2 010
Venues and facilities	3 719	(634)	-	3 085	3 078	7	99.8%	3 194	3 185
Rental and hiring	427	506	-	933	930	3	99.7%	1 090	1 087
Interest and rent on land	-	501	-	501	501	-	100.0%	234	233
Interest	-	-	-	-	-	-	-	50	49
Rent on land	-	501	-	501	501	-	100.0%	184	184
Transfers and subsidies	50 925	7 003	-	57 928	57 910	18	100.0%	105 516	103 748
<i>Provinces and municipalities</i>	48 785	8 870	-	57 655	57 652	3	100.0%	105 379	103 614
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	48 785	8 870	-	57 655	57 652	3	100.0%	105 379	103 614
Municipal bank accounts	48 785	8 870	-	57 655	57 652	3	100.0%	105 379	103 614
Municipal agencies and funds	-	-	-	-	-	-	-	-	-

2015/16										2014/15	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
<i>Departmental agencies and accounts</i>	-	-	-	-	-	-	-	-	-	5	4
Social security funds	-	-	-	-	-	-	-	-	-	-	-
Departmental agencies	-	-	-	-	-	-	-	-	-	5	4
<i>Higher education institutions</i>	-	-	-	-	-	-	-	-	-	-	-
<i>Foreign governments and international organisations</i>	-	-	-	-	-	-	-	-	-	-	-
<i>Public corporations and private enterprises</i>	-	-	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-	-	-
<i>Non-profit institutions</i>	-	-	-	-	-	-	-	-	-	-	-
Households	2 140	(1 867)	-	273	258	15	94.5%	132	130	132	130
Social benefits	2 138	(1 915)	-	223	218	5	97.8%	132	130	132	130
Other transfers to households	2	48	-	50	40	10	80.0%	-	-	-	-
Payments for capital assets	5 519	8 078	(5 875)	7 722	7 721	1	100.0%	6 121	5 554	6 121	5 554
<i>Buildings and other fixed structures</i>	-	93	-	93	92	1	98.9%	20	-	20	-
Buildings	-	-	-	-	-	-	-	-	-	-	-
Other fixed structures	-	93	-	93	92	1	98.9%	20	-	20	-
<i>Machinery and equipment</i>	5 519	7 985	(5 875)	7 629	7 629	-	100.0%	6 101	5 554	6 101	5 554
Transport equipment	-	-	-	-	-	-	-	-	-	-	-
Other machinery and equipment	5 519	7 985	(5 875)	7 629	7 629	-	100.0%	6 101	5 554	6 101	5 554
<i>Heritage assets</i>	-	-	-	-	-	-	-	-	-	-	-
<i>Specialised military assets</i>	-	-	-	-	-	-	-	-	-	-	-

2015/16										2014/15	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
<i>Biological assets</i>	-	-	-	-	-	-	-	-	-	-	-
<i>Land and subsoil assets</i>	-	-	-	-	-	-	-	-	-	-	-
<i>Intangible assets</i>	-	-	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	274	-	274	274	-	100.0%	-	-	-	406
Total	480 499	(91 868)	(5 875)	382 756	382 598	158	100.0%	387 785	385 524		

5.3 Land Reform Grants

2015/16										2014/15	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Current payments	-	-	-	-	-	-	-	-	-	-	-
<i>Compensation of employees</i>	-	-	-	-	-	-	-	-	-	-	-
<i>Salaries and wages</i>	-	-	-	-	-	-	-	-	-	-	-
<i>Social contributions</i>	-	-	-	-	-	-	-	-	-	-	-
<i>Goods and services</i>	-	-	-	-	-	-	-	-	-	-	-
<i>Administrative fees</i>	-	-	-	-	-	-	-	-	-	-	-
<i>Advertising</i>	-	-	-	-	-	-	-	-	-	-	-
<i>Minor assets</i>	-	-	-	-	-	-	-	-	-	-	-
<i>Audit costs: External</i>	-	-	-	-	-	-	-	-	-	-	-
<i>Bursaries: Employees</i>	-	-	-	-	-	-	-	-	-	-	-
<i>Catering: Departmental activities</i>	-	-	-	-	-	-	-	-	-	-	-
<i>Communication</i>	-	-	-	-	-	-	-	-	-	-	-
<i>Computer services</i>	-	-	-	-	-	-	-	-	-	-	-

2015/16										2014/15	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000		
Consultants: Business and advisory services	-	-	-	-	-	-	-	-	-		
Infrastructure and planning services	-	-	-	-	-	-	-	-	-		
Laboratory services	-	-	-	-	-	-	-	-	-		
Scientific and technological services	-	-	-	-	-	-	-	-	-		
Legal services	-	-	-	-	-	-	-	-	-		
Contractor	-	-	-	-	-	-	-	-	-		
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-		
Entertainment	-	-	-	-	-	-	-	-	-		
Fleet services	-	-	-	-	-	-	-	-	-		
Housing	-	-	-	-	-	-	-	-	-		
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-		
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-		
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-		
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-		
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-		
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-		
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-		
Inventory: Medicine	-	-	-	-	-	-	-	-	-		
Medsas Inventory Interface	-	-	-	-	-	-	-	-	-		
Inventory: Other supplies	-	-	-	-	-	-	-	-	-		
Consumable supplies	-	-	-	-	-	-	-	-	-		
Consumable: Stationery, printing and office supplies	-	-	-	-	-	-	-	-	-		
Operating leases	-	-	-	-	-	-	-	-	-		

2015/16										2014/15	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Property payments	-	-	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-	-	-
Travel and subsistence	-	-	-	-	-	-	-	-	-	-	-
Training and development	-	-	-	-	-	-	-	-	-	-	-
Operating payments	-	-	-	-	-	-	-	-	-	-	-
Venues and facilities	-	-	-	-	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-	-	-
<i>Interest and rent on land</i>	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies	524 869	29 397	16 981	571 247	571 234	13	100.0%	296 514	295 487		
Provinces and municipalities	-	-	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-	-	-
Municipal bank accounts	-	-	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-	-	-
<i>Departmental agencies and accounts</i>	-	-	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-	-	-
Departmental agencies	-	-	-	-	-	-	-	-	-	-	-
<i>Higher education institutions</i>	-	-	-	-	-	-	-	-	-	-	-
<i>Foreign governments and international organisations</i>	-	-	-	-	-	-	-	-	-	-	-
<i>Public corporations and private enterprises</i>	-	-	-	-	-	-	-	-	-	-	-

2015/16										2014/15	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Public corporations	-	-	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-	-	-
<i>Non-profit institutions</i>	-	-	-	-	-	-	-	-	-	-	-
<i>Households</i>	524 869	29 397	16 981	571 247	571 234	13	100.0%	296 514	295 487		
Social benefits	-	-	-	-	-	-	-	-	-	-	-
Other transfers to households	524 869	29 397	16 981	571 247	571 234	13	100.0%	296 514	295 487		
Payments for capital assets	-	-	-	-	-	-	-	-	-	-	-
<i>Buildings and other fixed structures</i>	-	-	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-	-	-
<i>Machinery and equipment</i>	-	-	-	-	-	-	-	-	-	-	-
Transport equipment	-	-	-	-	-	-	-	-	-	-	-
Other machinery and equipment	-	-	-	-	-	-	-	-	-	-	-
<i>Heritage assets</i>	-	-	-	-	-	-	-	-	-	-	-
<i>Specialised military assets</i>	-	-	-	-	-	-	-	-	-	-	-
<i>Biological assets</i>	-	-	-	-	-	-	-	-	-	-	-
<i>Land and subsoil assets</i>	-	-	-	-	-	-	-	-	-	-	-
<i>Intangible assets</i>	-	-	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-	-	-
Total	524 869	29 397	16 981	571 247	571 234	13	100.0%	296 514	295 487		

5.4 KwaZulu-Natal Ingonyama Trust Board

	2015/16						2014/15		
	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	-	-	-	-	-	-	-	-	-
<i>Compensation of employees</i>	-	-	-	-	-	-	-	-	-
Salaries and wages	-	-	-	-	-	-	-	-	-
Social contributions	-	-	-	-	-	-	-	-	-
<i>Goods and services</i>	-	-	-	-	-	-	-	-	-
Administrative fees	-	-	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-	-	-
Minor assets	-	-	-	-	-	-	-	-	-
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	-	-	-	-	-	-	-	-	-
Communication	-	-	-	-	-	-	-	-	-
Computer services	-	-	-	-	-	-	-	-	-
Consultants: Business and advisory services	-	-	-	-	-	-	-	-	-
Infrastructure and planning services	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractor	-	-	-	-	-	-	-	-	-
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-

2015/16										2014/15	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-	-	-
Medsas Inventory Interface	-	-	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-	-	-
Consumable supplies	-	-	-	-	-	-	-	-	-	-	-
Consumable: Stationery, printing and office supplies	-	-	-	-	-	-	-	-	-	-	-
Operating leases	-	-	-	-	-	-	-	-	-	-	-
Property payments	-	-	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-	-	-
Travel and subsistence	-	-	-	-	-	-	-	-	-	-	-
Training and development	-	-	-	-	-	-	-	-	-	-	-
Operating payments	-	-	-	-	-	-	-	-	-	-	-
Venues and facilities	-	-	-	-	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies	18 069	-	-	18 069	18 069	-	100.0%	18 069	17 294	17 294	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-	-	-

2015/16										2014/15	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Provincial agencies and funds	-	-	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-	-	-
Municipal bank accounts	-	-	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-	-	-
<i>Departmental agencies and accounts</i>	18 069	-	-	18 069	18 069	-	100.0%	17 294	17 294	-	17 294
Social security funds	-	-	-	-	-	-	-	-	-	-	-
Departmental agencies	18 069	-	-	18 069	18 069	-	100.0%	17 294	17 294	-	17 294
<i>Higher education institutions</i>	-	-	-	-	-	-	-	-	-	-	-
<i>Foreign governments and international organisations</i>	-	-	-	-	-	-	-	-	-	-	-
<i>Public corporations and private enterprises</i>	-	-	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-	-	-
<i>Non-profit institutions</i>	-	-	-	-	-	-	-	-	-	-	-
<i>Households</i>	-	-	-	-	-	-	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-	-	-
<i>Buildings and other fixed structures</i>	-	-	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-	-	-
<i>Machinery and equipment</i>	-	-	-	-	-	-	-	-	-	-	-
Transport equipment	-	-	-	-	-	-	-	-	-	-	-

2015/16										2014/15	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Other machinery and equipment	-	-	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-	-	-
Total	18 069	-	-	18 069	18 069	-	100.0%	18 069	18 069	17 294	17 294

5.5 Agricultural Land Holding Account

2015/16										2014/15	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Current payments	-	-	-	-	-	-	-	-	-	-	-
<i>Compensation of employees</i>	-	-	-	-	-	-	-	-	-	-	-
Salaries and wages	-	-	-	-	-	-	-	-	-	-	-
Social contributions	-	-	-	-	-	-	-	-	-	-	-
<i>Goods and services</i>	-	-	-	-	-	-	-	-	-	-	-
Administrative fees	-	-	-	-	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-	-	-	-	-
Minor assets	-	-	-	-	-	-	-	-	-	-	-
Audit costs: External	-	-	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	-	-	-	-	-	-	-	-	-	-	-

Economic classification	2015/16							2014/15	
	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
Communication	-	-	-	-	-	-	-	-	-
Computer services	-	-	-	-	-	-	-	-	-
Consultants: Business and advisory services	-	-	-	-	-	-	-	-	-
Infrastructure and planning services	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractor	-	-	-	-	-	-	-	-	-
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas Inventory Interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	-	-	-	-	-	-	-	-	-

2015/16										2014/15	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Consumable: Stationery, printing and office supplies	-	-	-	-	-	-	-	-	-	-	-
Operating leases	-	-	-	-	-	-	-	-	-	-	-
Property payments	-	-	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-	-	-
Travel and subsistence	-	-	-	-	-	-	-	-	-	-	-
Training and development	-	-	-	-	-	-	-	-	-	-	-
Operating payments	-	-	-	-	-	-	-	-	-	-	-
Venues and facilities	-	-	-	-	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies	1 342 027	-	-	1 342 027	1 342 027	-	100.0%	1 613 757	1 613 529	1 613 757	1 613 529
<i>Provinces and municipalities</i>	-	-	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-	-	-
Municipal bank accounts	-	-	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-	-	-
<i>Departmental agencies and accounts</i>	1 342 027	-	-	1 342 027	1 342 027	-	100.0%	1 613 757	1 613 529	1 613 757	1 613 529
Social security funds	-	-	-	-	-	-	-	-	-	-	-
Departmental agencies	1 342 027	-	-	1 342 027	1 342 027	-	100.0%	1 613 757	1 613 529	1 613 757	1 613 529
<i>Higher education institutions</i>	-	-	-	-	-	-	-	-	-	-	-
<i>Foreign governments and international organisations</i>	-	-	-	-	-	-	-	-	-	-	-

		2015/16						2014/15	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification									
<i>Public corporations and private enterprises</i>	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-
<i>Non-profit institutions</i>	-	-	-	-	-	-	-	-	-
<i>Households</i>	-	-	-	-	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
<i>Buildings and other fixed structures</i>	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
<i>Machinery and equipment</i>	-	-	-	-	-	-	-	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	-	-	-	-	-	-	-	-	-
<i>Heritage assets</i>	-	-	-	-	-	-	-	-	-
<i>Specialised military assets</i>	-	-	-	-	-	-	-	-	-
<i>Biological assets</i>	-	-	-	-	-	-	-	-	-
<i>Land and subsoil assets</i>	-	-	-	-	-	-	-	-	-
<i>Intangible assets</i>	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	1 342 027	-	-	1 342 027	1 342 027	-	100.0%	1 613 757	1 613 529

5.6 Office of Valuer-General

	2015/16						2014/15		
	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	5 848	(5 484)	-	-	-	-	-	-	-
<i>Compensation of employees</i>	2 584	(2 584)	-	-	-	-	-	-	-
Salaries and wages	2 269	(2 269)	-	-	-	-	-	-	-
Social contributions	315	(315)	-	-	-	-	-	-	-
<i>Goods and services</i>	2 900	(2 900)	-	-	-	-	-	-	-
Administrative fees	64	(64)	-	-	-	-	-	-	-
Advertising	52	(52)	-	-	-	-	-	-	-
Minor assets	416	(416)	-	-	-	-	-	-	-
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	6	(6)	-	-	-	-	-	-	-
Communication	41	(41)	-	-	-	-	-	-	-
Computer services	15	(15)	-	-	-	-	-	-	-
Consultants: Business and advisory services	1 513	(1 513)	-	-	-	-	-	-	-
Infrastructure and planning services	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractor	6	(6)	-	-	-	-	-	-	-
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services	3	(3)	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-

	2015/16							2014/15	
	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									
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	1	(1)	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas Inventory Interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	107	(107)	-	-	-	-	-	-	-
Consumable: Stationery, printing and office supplies	106	(106)	-	-	-	-	-	-	-
Operating leases	23	(23)	-	-	-	-	-	-	-
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	358	(358)	-	-	-	-	-	-	-
Training and development	30	(30)	-	-	-	-	-	-	-
Operating payments	109	(109)	-	-	-	-	-	-	-
Venues and facilities	50	(50)	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
<i>Interest and rent on land</i>	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-

2015/16										2014/15	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000		
Transfers and subsidies	-	5 484	-	5 484	5 484	-	100.0%	-	-		
<i>Provinces and municipalities</i>	-	-	-	-	-	-	-	-	-		
Provinces	-	-	-	-	-	-	-	-	-		
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-		
Provincial agencies and funds	-	-	-	-	-	-	-	-	-		
Municipalities	-	-	-	-	-	-	-	-	-		
Municipal bank accounts	-	-	-	-	-	-	-	-	-		
Municipal agencies and funds	-	-	-	-	-	-	-	-	-		
<i>Departmental agencies and accounts</i>	-	5 484	-	5 484	5 484	-	100.0%	-	-		
Social security funds	-	-	-	-	-	-	-	-	-		
Departmental agencies	-	5 484	-	5 484	5 484	-	100.0%	-	-		
<i>Higher education institutions</i>	-	-	-	-	-	-	-	-	-		
<i>Foreign governments and international organisations</i>	-	-	-	-	-	-	-	-	-		
<i>Public corporations and private enterprises</i>	-	-	-	-	-	-	-	-	-		
Public corporations	-	-	-	-	-	-	-	-	-		
Subsidies on products and production	-	-	-	-	-	-	-	-	-		
Other transfers to public corporations	-	-	-	-	-	-	-	-	-		
Private enterprises	-	-	-	-	-	-	-	-	-		
Subsidies on products and production	-	-	-	-	-	-	-	-	-		
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-		
<i>Non-profit institutions</i>	-	-	-	-	-	-	-	-	-		
<i>Households</i>	-	-	-	-	-	-	-	-	-		
Social benefits	-	-	-	-	-	-	-	-	-		
Other transfers to households	-	-	-	-	-	-	-	-	-		
Payments for capital assets	-	-	-	-	-	-	-	-	-		

2015/16										2014/15	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
<i>Buildings and other fixed structures</i>	-	-	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-	-	-
<i>Machinery and equipment</i>	-	-	-	-	-	-	-	-	-	-	-
Transport equipment	-	-	-	-	-	-	-	-	-	-	-
Other machinery and equipment	-	-	-	-	-	-	-	-	-	-	-
<i>Heritage assets</i>	-	-	-	-	-	-	-	-	-	-	-
<i>Specialised military assets</i>	-	-	-	-	-	-	-	-	-	-	-
<i>Biological assets</i>	-	-	-	-	-	-	-	-	-	-	-
<i>Land and subsoil assets</i>	-	-	-	-	-	-	-	-	-	-	-
<i>Intangible assets</i>	-	-	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-	-	-
Total	5 484	-	-	5 484	5 484	-	100.0%	-	-	-	-

DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM

Vote 39: Annual Financial Statements for the year ended 31 March 2016

NOTES TO THE APPROPRIATION STATEMENT

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

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

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.

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.

4.1 Per programme

Programme name	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
Administration	1 340 960	1 336 907	4 053	0.3%
National Geomatics Management Services	701 279	681 843	19 436	2.77%
Rural Development	1 931 669	1 921 995	9 674	0.50%
Restitution	2 675 984	2 630 238	45 746	1.71%
Land Reform	2 547 469	2 547 063	406	0.02%

4.2 Per economic classification

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Current payments				
Compensation of employees	1 962 950	1 937 161	25 789	1.31%
Goods and services	1 401 264	1 396 265	4 999	0.33%
Interest and rent on land	2 111	2 109	2	0.09%
Transfers and subsidies				
Provinces and municipalities	76 754	76 741	13	0.02%
Departmental agencies and accounts	1 381 512	1 381 512	0	0.00%
Higher education institutions	-	-	-	0.00%
Public corporations and private enterprises	1	-	1	100.0%
Foreign governments and international organisations	2 597	2 597	0	0.00%
Non-profit institutions	3 159	3 159	0	0.00%
Households	3 602 489	3 554 415	48 074	1.32%
Payments for capital assets				
Buildings and other fixed structures	601 217	601 199	18	0.00%
Machinery and equipment	67 593	67 178	415	0.62%
Heritage assets	-	-	-	0.00%
Specialised military assets	-	-	-	0.00%
Biological assets	-	-	-	0.00%
Land and subsoil assets	90 554	90 555	(1)	0.00%
Intangible assets	-	-	-	0.00%
Payments for financial assets	5 160	5 159	1	0.00%

DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM

Vote 39: Annual Financial Statements for the year ended 31 March 2016

STATEMENT OF FINANCIAL PERFORMANCE

	Note	2015/16 R'000	2014/15 R'000
REVENUE			
Annual appropriation	1	9 197 361	9 455 305
Departmental revenue	2	54 643	87 439
Aid assistance	3	35 785	30 316
TOTAL REVENUE		9 287 789	9 573 060
EXPENDITURE			
Current expenditure			
Compensation of employees	4	1 937 159	1 791 559
Goods and services	5	1 396 265	1 342 464
Interest and rent on land	6	2 109	5 674
Aid assistance	3	22 130	11 605
Total current expenditure		3 357 663	3 151 302
Transfers and subsidies			
Transfers and subsidies	8	5 018 423	5 458 275
Expenditure for capital assets			
Tangible assets	9	758 932	793 721
Total expenditure for capital assets		758 932	793 721
Payments for financial assets			
	7	5 159	4 361
TOTAL EXPENDITURE		9 140 177	9 407 659
SURPLUS/(DEFICIT) FOR THE YEAR		147 612	165 401
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		79 314	59 550
Annual appropriation		79 314	59 550
Departmental revenue and NRF Receipts	15	54 643	87 439
Aid assistance	3	13 655	18 412
SURPLUS/(DEFICIT) FOR THE YEAR		147 612	165 401

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Vote 39: Annual Financial Statements for the year ended 31 March 2016

STATEMENT OF FINANCIAL POSITION

	Note	2015/16 R'000	2014/15 R'000
ASSETS			
Current assets		265 010	420 056
Cash and cash equivalents	<u>10</u>	249 465	363 368
Prepayments and advances	<u>11</u>	9 573	49 224
Receivables	<u>12</u>	5 972	7 464
Non-current assets		31 146	33 923
Investments	<u>13</u>	16 112	16 112
Receivables	<u>12</u>	15 034	17 811
TOTAL ASSETS		296 156	453 979
LIABILITIES			
Current liabilities		268 615	429 285
Voted funds to be surrendered to the Revenue Fund	<u>14</u>	79 314	59 550
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	<u>15</u>	8 810	25 949
Payables	<u>16</u>	166 836	325 374
Aid assistance repayable	<u>3</u>	13 655	18 412
TOTAL LIABILITIES		268 615	429 285
NET ASSETS		27 541	24 694
	Note	2015/16 R'000	2014/15 R'000
Represented by:			
Capitalisation reserve		16 112	16 112
Recoverable revenue		11 429	8 582
TOTAL		27 541	24 694

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STATEMENT OF NET ASSETS

	<i>Note</i>	2015/16	2014/15
		R'000	R'000
Capitalisation Reserves			
Opening balance		16 112	16 112
Closing balance		<u>16,112</u>	<u>16,112</u>
Recoverable revenue			
Opening balance		8 582	6 182
Transfers:		2 847	2 400
Debts revised		-	-
Debts recovered (included in departmental receipts)		(2 240)	(3 450)
Debts raised		5 087	5 850
Closing balance		<u>11 429</u>	<u>8 582</u>
TOTAL		<u><u>27 541</u></u>	<u><u>24 694</u></u>

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CASH FLOW STATEMENT

	Note	2015/16 R'000	2014/15 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		9 286 999	9 572 537
Annual appropriated funds received	<u>1.1</u>	9 197 361	9 455 305
Departmental revenue received	<u>2</u>	38 096	74 873
Interest received	<u>2.2</u>	15 757	12 043
Aid assistance received	<u>3</u>	35 785	30 316
Net (increase)/decrease in working capital		(114 618)	113 801
Surrendered to Revenue Fund		(131 332)	(108 114)
Surrendered to RDP Fund/Donor		(18 412)	(4 563)
Current payments		(3 355 813)	(3 145 812)
Interest paid	<u>6</u>	(1 608)	(5 490)
Payments for financial assets		(5 159)	(4 361)
Transfers and subsidies paid		(5 018 423)	(5 458 275)
Net cash flow available from operating activities	<u>17</u>	<u>641 634</u>	<u>959 723</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	<u>9</u>	(758 932)	(793 721)
Proceeds from sale of capital assets	<u>2.3</u>	790	523
Net cash flows from investing activities		<u>(758 384)</u>	<u>(793 198)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		2 847	2 400
Net cash flows from financing activities		<u>2 847</u>	<u>2 400</u>
Net increase/(decrease) in cash and cash equivalents		(113 903)	168 925
Cash and cash equivalents at beginning of period		363 368	194 443
Cash and cash equivalents at end of period	<u>18</u>	<u>249 465</u>	<u>363 368</u>

ACCOUNTING POLICIES

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

1. Basis of preparation

The financial statements have been prepared in accordance with the Modified Cash Standard.

2. Going concern

The financial statements have been prepared on a going concern basis.

3. Presentation currency

Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.

4. Rounding

Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).

5. Foreign currency translation

Cash flows arising from foreign currency

transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.

6. Comparative information

6.1 Prior period comparative information

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

6.2 Current year comparison with budget

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

7. Revenue

7.1 Appropriated funds

Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).

Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustment budget process are recognised in the statement of financial performance on the date the adjustments become effective.

The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.

7.2 Departmental revenue

Departmental revenue is recognised in the

ACCOUNTING POLICIES

statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise. Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.

7.3 Accrued departmental revenue

Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and
- the amount of revenue can be measured reliably.

The accrued revenue is measured at the fair value of the consideration receivable.

Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.

8. Expenditure

8.1 Compensation of employees

8.1.1 Salaries and wages

Salaries and wages are recognised in the statement of financial performance on the date of payment.

8.1.2 Social contributions

Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.

Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.

8.2 Other expenditure

Other expenditure (such as goods and services, transfers and subsidies and payments for

capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.

8.3 Accrued expenditure payable

Accrued expenditure payable is recorded in the notes to the financial statements when the goods are received or, in the case of services, when they are rendered to the department or in the case of transfers and subsidies when they are due and payable.

Accrued expenditure payable is measured at cost.

8.4 Leases

8.4.1 Operating leases

Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment.

The operating lease commitments are recorded in the notes to the financial statements.

8.4.2 Finance leases

Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment.

The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.

Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:

- cost, being the fair value of the asset; or
- the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.

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ACCOUNTING POLICIES

9. Aid Assistance

9.1 Aid assistance received

Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value.

Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.

9.2 Aid assistance paid

Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.

10. Cash and cash equivalents

Cash and cash equivalents are stated at cost in the statement of financial position.

Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.

11. Prepayments and advances

Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.

Prepayments and advances are initially and subsequently measured at cost.

12. Loans and receivables

Loans and receivables are recognised in the statement of financial position at cost plus

accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.

13. Investments

Investments are recognised in the statement of financial position at cost.

14. Financial Assets

14.1 Financial assets (not covered elsewhere)

A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial.

At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.

14.2 Impairment of financial assets

Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.

15. Payables

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

16. Capital Assets

16.1 Immovable capital assets

Immovable capital assets are initially recorded in the notes to the financial statements at cost. Immovable capital assets acquired through a

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ACCOUNTING POLICIES

non-exchange transaction is measured at fair value as at the date of acquisition.

Where the cost of immovable capital assets cannot be determined reliably, the immovable capital assets are measured at R1 unless the fair value of the asset has been reliably estimated, in which case the fair value is used.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.

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

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

16.2 Movable capital assets

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

Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.

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

Biological assets are subsequently carried at fair value. Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the movable

asset is recorded by another department/entity in which case the completed project costs are transferred to that department.

16.3 Intangible assets

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

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

Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.

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

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

17. Provisions and Contingents

17.1 Provisions

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

ACCOUNTING POLICIES

measured as the best estimate of the funds required to settle the present obligation at the reporting date.

17.2 Contingent liabilities

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

17.3 Contingent assets

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

17.4 Commitments

Commitments are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.

18. Unauthorised expenditure

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

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

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

19. Fruitless and wasteful expenditure

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

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

Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

20. Irregular expenditure

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

Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery or not condoned and is not recoverable.

Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

21. Changes in accounting policies, accounting estimates and errors

Changes in accounting policies that are effected by management have been applied retrospectively in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific

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ACCOUNTING POLICIES

effects or the cumulative effect of the change in policy. In such instances the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

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

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

22. Events after the reporting date

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

23. Principal-Agent arrangements

The department has entered into an agent-Principal arrangement with a number of entities where it lacks capacity and technical expertise to deliver on its mandate, refer to note 34 of the financial statements.

24. Departures from the MCS requirements

There were no departures from the MCS requirements.

25. Capitalisation reserve

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

Fund when the underlying asset is disposed and the related funds are received.

26. Recoverable revenue

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

27. Related party transactions

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

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.

28. Inventories (Effective from 1 April 2017)

At the date of acquisition, inventories are recorded at cost price in the notes to the financial statements.

Where inventories are acquired as part of a non-exchange transaction, the cost of inventory is its fair value at the date of acquisition.

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

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

1. Annual Appropriation

1.1 Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act (and the Adjustments Appropriation Act) for national departments (Voted funds) and provincial departments:

	2015/16			2014/15	
	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	1 340 960	1 340 960	-	1 384 430	1 169 693
Geospatial and Cadastral Services	701 279	701 279	-	734 815	774 865
Rural Development	1 931 669	1 931 669	-	1 850 932	2 011 619
Restitution	2 675 984	2 675 984	-	2 998 742	2 680 742
Land Reform	2 547 469	2 547 469	-	2 486 386	2 818 386
Total	9 197 361	9 197 361	-	9 455 305	9 455 305

2. Departmental revenue

	Note	2015/16 R'000	2014/15 R'000
Tax revenue			
Sales of goods and services other than capital assets	2.1	23 695	21 539
Interest, dividends and rent on land	2.2	20 947	13 503
Sales of capital assets	2.3	790	523
Transactions in financial assets and liabilities	2.4	9 211	51 874
Total revenue collected		54 643	87 439
Departmental revenue collected		54 643	87 439

2.1 Sales of goods and services other than capital assets

	Note	2015/16 R'000	2014/15 R'000
Sales of goods and services produced by the department	2	23 693	21 534
Sales by market establishment		736	1 023
Administrative fees		18 068	16 722
Other sales		4 889	3 789
Sales of scrap, waste and other used current goods		2	5
Total		23 695	21 539

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2.2 Interest, dividends and rent on land

	Note	2015/16	2014/15
	2	R'000	R'000
Interest		15 757	12 043
Rent on land		5 190	1 460
Total		20 947	13 503

2.3 Sale of capital assets

	Note	2015/16	2014/15
	2	R'000	R'000
Tangible assets		790	523
Machinery and equipment	39	574	523
Land and subsoil assets	41	216	-
Total		790	523

2.4 Transactions in financial assets and liabilities

	Note	2015/16	2014/15
	2	R'000	R'000
Receivables		988	1 722
Other Receipts including Recoverable Revenue		8 223	50 152
Total		9 211	51 874

3. Aid assistance

	Note	2015/16	2014/15
		R'000	R'000
Opening Balance		18 412	4 563
Prior period error		-	-
As restated		18 412	4 563
Transferred from statement of financial performance		13 655	18 412
Paid during the year		(18 412)	(4 563)
Closing Balance		13 655	18 412

3.1 Analysis of balance by source

	Note	2015/16	2014/15
	3	R'000	R'000
Aid assistance from RDP		13 655	18 412
Aid assistance from other sources			
CARA			
Closing balance		13 655	18 412

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

3.2 Analysis of balance

	Note	2015/16 R'000	2014/15 R'000
Aid assistance repayable		13 655	18 412
Closing balance		13 655	18 412

4. Compensation of employees

4.1 Salaries and Wages

	Note	2015/16 R'000	2014/15 R'000
Basic salary		1 349 574	1 247 630
Performance award		25 724	25 839
Service Based		2 462	2 227
Compensative/circumstantial		41 923	54 370
Periodic payments		319	7
Other non-pensionable allowances		269 081	243 242
Total		1 689 083	1 573 315

4.2 Social contributions

	Note	2015/16	2014/15
Employer contributions			
Pension		171 054	157 780
Medical		76 143	60 157
UIF			9
Bargaining council		879	298
Total		248 076	218 244
Total compensation of employees		1 937 159	1 791 559
Average number of employees		4 406	4 389

5. Goods and services

	Note	2015/16 R'000	2014/15 R'000
Administrative fees		20 116	27 070
Advertising		41 902	28 344
Minor assets	5.1	10 210	8 954
Bursaries (employees)		3 479	4 419
Catering		8 973	5 423
Communication		57 361	67 100
Computer services	5.2	156 165	105 944
Consultants: Business and advisory services		134 283	166 397
Infrastructure and planning services		765	4 071

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Note	2015/16 R'000	2014/15 R'000
Legal services		163 518	130 213
Contractors		32 142	22 093
Agency and support / outsourced services		31 703	33 838
Entertainment		-	4
Audit cost – external	5.3	17 178	14 728
Fleet services		22 913	11 170
Inventory	5.4	-	2 830
Consumables	5.5	34 427	28 073
Operating leases		250 048	189 142
Property payments	5.6	115 773	105 610
Rental and hiring		3 374	6 791
Transport provided as part of the departmental activities		2 406	7 428
Travel and subsistence	5.7	231 799	277 840
Venues and facilities		36 079	70 164
Training and development		7 898	9 482
Other operating expenditure	5.8	13 753	15 336
Total		1 396 265	1 342 464

5.1 Minor assets

	Note	2015/16 R'000	2014/15 R'000
Tangible assets	5	10 210	8 954
Buildings and other fixed structures		-	5
Machinery and equipment		10 209	8 932
Transport assets		1	17
Total		10 210	8 954

5.2 Computer services

	Note	2015/16 R'000	2014/15 R'000
SITA computer services	5	34 881	26 879
External computer service providers		121 284	79 065
Total		156 165	105 944

5.3 Audit cost – External

	Note	2015/16 R'000	2014/15 R'000
Regularity audits	5	17 178	14 629
Investigations		-	99
Total		17 178	14 728

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

5.4 Inventory

	Note	2015/16	2014/15
	5	R'000	R'000
Clothing material and accessories		-	72
Farming supplies		-	75
Materials and supplies		-	2 650
Medical supplies		-	33
Total		-	2 830

5.5 Consumables

	Note	2015/16	2014/15
	5	R'000	R'000
Consumable supplies		6 828	4 391
Uniform and clothing		675	193
Household supplies		2 980	3 017
Building material and supplies		-	6
Communication accessories		5	35
IT consumables		820	410
Other consumables		2 348	730
Stationery, printing and office supplies		27 599	23 682
Total		34 427	28 073

5.6 Property payments

	Note	2015/16	2014/15
	5	R'000	R'000
Municipal services		39 819	40 529
*Other		75 954	65 081
Total		115 773	105 610

5.7 Travel and subsistence

	Note	2015/16	2014/15
	5	R'000	R'000
Local		223 503	203 957
Foreign		8 296	73 883
Total		231 799	277 840

5.8 Other operating expenditure

	Note	2015/16	2014/15
	5	R'000	R'000
Professional bodies, membership and subscription fees		232	520
Resettlement costs		3 443	3 388
Other		10 078	11 428
Total		13 753	15 336

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

6. Interest and rent on land

	Note	2015/16 R'000	2014/15 R'000
Interest paid		1 608	5 490
Rent on land		501	184
Total		2 109	5 674

7. Payments for financial assets

	Note	2015/16 R'000	2014/15 R'000
Other material losses written off	7.1	4 799	1 977
Debts written off	7.2	360	2 384
Total		5 159	4 361

7.1 Other material losses written off

	Note	2015/16 R'000	2014/15 R'000
Nature of losses (Group major categories, but list material items)			
Damaged rental vehicles - officials did not forfeit state cover	7	4 785	1 964
No Show accommodation - Officials did not forfeit state cover		14	11
Other		-	2
Total		4 799	1 977

7.2 Debts written off

	Note	2015/16 R'000	2014/15 R'000
Nature of debts written off			
Other debts written off			
Breach of contract		234	1 319
Subsidised Transport		-	11
Salary Debt		59	749
Suppliers		-	118
Other		33	146
Telephone Debts		-	10
Tax Debts		34	31
Total		360	2 384
Total debt written off		360	2 384

8. Transfers and subsidies

	Note	2015/16 R'000	2014/15 R'000
Provinces and municipalities	47, 48	76 741	125 617

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Departmental agencies and accounts	<i>Annex 1B</i>	1 381 512	1 752 447
Higher education institutions	<i>Annex 1C</i>	-	-
Foreign governments and international organisations	<i>Annex 1E</i>	2 596	2 063
Public corporations and private enterprises	<i>Annex 1D</i>	-	7 320
Non-profit institutions	<i>Annex 1F</i>	3 159	3 755
Households	<i>Annex 1G</i>	3 554 415	3 567 073
Total		5 018 423	5 458 275

Unspent funds transferred to the above beneficiaries: Included in Transfer payments to household is an amount of R678 284 687, where payment was made to conveyancers but the actual transfer of properties has not yet taken place.

9. Expenditure for capital assets

	<i>Note</i>	2015/16	2014/15
		R'000	R'000
Tangible assets		758 932	793 721
Buildings and other fixed structures	<u>40</u>	601 199	401 145
Machinery and equipment	<u>39</u>	67 179	165 894
Land and subsoil assets	<u>41</u>	90 554	226 682
Total		758 932	793 721

9.1 Analysis of funds utilised to acquire capital assets – 2015/16

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	758 932		758 932
Buildings and other fixed structures	601 199	-	601 199
Machinery and equipment	67 179		67 179
Land and subsoil assets	90 554	-	90 554
Total	758 932		758 932

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

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	793 422	299	793 721
Buildings and other fixed structures	401 145	-	401 145
Machinery and equipment	165 595	299	165 894
Land and subsoil assets	226 682	-	226 682
Total	793 422	299	793 721

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

9.3 Finance lease expenditure included in expenditure for capital assets

	Note	2015/16 R'000	2014/15 R'000
Tangible assets			
Machinery and equipment		8 312	9 011
Total		8 312	9 011

10. Cash and cash equivalents

	Note	2015/16 R'000	2014/15 R'000
Consolidated Paymaster General Account		249 335	363 229
Cash receipts		(1)	-
Disbursements		(5)	7
Cash on hand		136	132
Total		249 465	363 368

Note: No part of the balance has been encumbered and neither were there any amounts of undrawn borrowing facilities that may be available for future opening activities and to settle capital commitments.

11. Prepayments and advances

	Note	2015/16 R'000	2014/15 R'000
Travel and subsistence	11.1	41	22
Advances paid	11.2	9 532	49 202
Total		9 573	49 224

11.1 Advances paid

	Note	2015/16 R'000	2014/15 R'000
National departments	Annex8A	8 349	20 989
Public entities	Annex8A	1 183	28 213
Total		9 532	49 202

12. Receivables

	Note	2015/16			2014/15		
		R'000	R'000	R'000	R'000	R'000	R'000
		Current	Non-current	Total	Current	Non-current	Total
Claims recoverable	12.1	98	284	382	454	2 921	3 375
Recoverable expenditure	12.2	641	3 119	6 762	2 706	9 704	10 610
Staff debt	12.3	4 980	8 580	13 560	4 286	6 308	10 594

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Other debtors	12.4	253	51	302	18	678	696
Total		5 972	15 034	21 006	7 464	17 811	25 275

12.1 Claims recoverable

	Note	2015/16	2014/15
	12 and Annex 4	R'000	R'000
Provincial departments		98	170
Public entities		284	3 205
Total		382	3 375

12.2 Recoverable expenditure (disallowance accounts)

	Note	2015/16	2014/15
	12	R'000	R'000
Sal: Disallowances account: CA		158	91
Disallowance: Damaged GG Vehicle		6 554	10 426
Sal: Tax Debt		-	63
Sal: Medical Aid		50	30
Total		6 762	10 610

12.3 Staff debt

	Note	2015/16	2014/15
	12	R'000	R'000
Salary Debt		894	789
Bursary Debt		10 567	7 902
Subsidised Motor Scheme		57	101
Tax Debts		127	132
Telephone Debt		2	-
Suppliers		68	62
Misconduct		1 172	1 178
Government Garage Motor Vehicle Accident		260	253
Other debts		387	149
SG Debtor		26	28
Total		13 560	10 594

12.4 Other debtors

	Note	2015/16	2014/15
	12	R'000	R'000
Transport Payment Suspense: CL		121	696
Pension Recoverable ACC		181	-
Total		302	696

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

12.5 Impairment of receivables

	Note	2015/16	2014/15
	12	R'000	R'000
Estimate of impairment of receivables		11 785	12 321
Total		11 785	12 321

13. Investments

	Note	2015/16	2014/15
		R'000	R'000
Non-Current			
Shares and other equity			
*Inala Farms (PTY) Ltd		16 112	16 112
Total		16 112	16 112
		-	-
Total		-	-
		-	-
Total non-current		16,112	16,112
Analysis of non-current investments		16 112	16 112
Opening balance		-	-
Additions in cash		-	-
Disposals for cash		-	-
Non-cash movements		-	-
Closing balance		16 112	16 112

*The Inala Farm (Pty) Ltd is in the process of being liquidated, hence the net-asset value of this investment has been reduced to zero. It will be written off once the liquidation has been finalised.

13.1 Impairment of investments

	Note	2015/16	2014/15
		R'000	R'000
Estimate of impairment		16 112	16 112
Total		16 112	16 112

14. Voted funds to be surrendered to the Revenue Fund

	Note	2015/16	2014/15
		R'000	R'000
Opening balance		59 550	5 684
Transfer from statement of financial performance (as restated)		79 314	59 550
Paid during the year		(59 550)	(5 684)
Closing balance		79 314	59 550

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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

	Note	2015/16 R'000	2014/15 R'000
Opening balance		25 949	40 940
Transfer from Statement of Financial Performance (as restated)		54 643	87 439
Paid during the year		(71 782)	(102 430)
Closing balance		8 810	25 949

16. Payables – current

	Note	2015/16 R'000	2014/15 R'000
Advances received	16.1	41 184	16 706
Clearing accounts	16.2	48 000	42 867
Other payables	16.3	77 652	265 801
Total		166 836	325 374

16.1 Advances received

	Note	2015/16 R'000	2014/15 R'000
National departments	16	41 184	16 706
Total		41 184	16 706

16.2 Clearing accounts

	Note	2015/16 R'000	2014/15 R'000
Payable: (Restitution claims returned)	16	48 000	42 867
Total		48 000	42 867

16.3 Other payables

	Note	2015/16 R'000	2014/15 R'000
Salaries: Pension Fund: CL	16	8	188
Salaries: Medical: CL		-	5
Salaries: Housing		17	-
Salaries: Bargaining Council		-	2
Transport Suspense Account: CL		5	551
Sal:Income Tax		947	2 603
Sal:ACB Recalls:CA		144	4
Restitution projects accounts – ABSA		76 520	262 445
Lease - ABSA		11	3
Total		77 652	265 801

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

17. Net cash flow available from operating activities

Note	2015/16 R'000	2014/15 R'000
Net surplus/(deficit) as per Statement of Financial Performance	147 612	165 401
Add back non cash/cash movements not deemed operating activities	494 022	794 322
(Increase)/decrease in receivables – current	4 269	(2 254)
(Increase)/decrease in prepayments and advances	39 651	(25 777)
Increase/(decrease) in payables – current	(158 538)	141 832
Proceeds from sale of capital assets	(790)	(523)
Expenditure on capital assets	759 174	793 721
Surrenders to Revenue Fund	(131 332)	(108 114)
Surrenders to RDP Fund/Donor	(18 412)	(4 563)
Net cash flow generated by operating activities	641 634	959 723

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

Note	2015/16 R'000	2014/15 R'000
Consolidated Paymaster General account	249 335	363 229
Cash receipts	(1)	-
Disbursements	(5)	7
Cash on hand	136	132
Total	249 465	363 368

DISCLOSURE NOTES

19. Contingent Liabilities and Contingent asset

19.1 Contingent liabilities

Note	2015/16 R'000	2014/15 R'000
Liable to Nature		
Housing loan guarantees Employees	718	1 059
Claims against the department	2 418 377	2 123 113
Intergovernmental payables (unconfirmed balances)	345 734	-
Other	193 908	113 302
Total	2 958 737	2 237 474

Other: Restitution claims which are still at validation stage. The validation of the merits of the claim may result in a possible obligation which can be confirmed after the negotiation process. After finalisation of negotiations an award may be made by the Minister in accordance with S42D of the Restitution of Land Rights Act. The award may constitute restoration of land, financial compensation or a combination of both options. The submissions which have been vetted for substantial compliance and which are ready for Minister's consideration are valued at R193 907 655 as at 31 March 2016. Upon approval, this will result in a commitment to the department.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Interest and legal costs that may arise from claims against the state is not disclosed as contingent liability as the occurrence of the obligations depends on the handing down of an order by a court that the department is liable for the payment and only in instances where the department is not appealing or reviewing the order. Included in the contingent liabilities is an amount of R344 million which relates to the possible rates and taxes liability. The amount disclosed is still under investigation by Department of Public Works; hence the amount is disclosed as a contingent liability

19.2 Contingent assets

<i>Note</i>	2015/16	2014/15
	R'000	R'000
Nature of contingent asset		
Legal claims by the department	131 856	67 601
Assets seized during forfeiture order by the Assets Forfeiture Unit	31 991	32 861
Total	163 847	100 462

The total value of the assets seized during the forfeiture order by the Assets Forfeiture Unit amount to R31 991, whilst the preservation order amounted to R184 957.

20. Commitments

<i>Note</i>	2015/16	2014/15
	R'000	R'000
Current expenditure		
Approved and contracted	19 059	9 304
Approved but not yet contracted	1 437 846	1 064 676
	1 456 905	1 073 979
Capital expenditure		
Approved and contracted	797 594	376 216
Approved but not yet contracted	5 401 225	5 090 385
	6 198 819	5 466 601
Total Commitments	7 655 724	6 540 580

Included in commitments are projects that are between 1 to 3 years (R854 719 922) and projects that are older than 3 years (R2 586 032 092) this is due to changes of Restitution settlement options, community, tribal and family disputes and untraceable claim. Interest might be charged on settlement of some of these claims in terms of Section 80 of PFMA as prescribed by the Minister of Finance.

21. Accruals and payables not recognised

21.1 Accruals

	2015/16			2014/15
	R'000			R'000
	30 Days	30+ Days	Total	Total
Listed by economic classification				
Goods and services	51 888	68 976	120 864	93 551

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Transfers and subsidies		1 710	1 710	17 784
Capital assets	-	-	-	5 493
Other	165	4	169	-
Total	52 053	70 690	122 743	116 828

<i>Note</i>	2015/16	2014/15
	R'000	R'000

Listed by programme level

Administration		63 078	30 441
Geospatial and Cadastral Surveys		4 058	4 131
Rural Development		34 670	24 099
Restitution		10 346	18 055
Land Reform		10 591	40 102
Total		122 743	116 828

21. 2 Payables not recognised

	2015/16			2014/15
	R'000			R'000
	30 Days	30+ Days	Total	Total

Listed by economic classification

Goods and services	48 512	15 616	64 128	-
Transfers and subsidies	47 890	27 858	75 748	-
Other	38	28	66	-
Total	96 440	43 502	139 942	-

<i>Note</i>	2015/16	2014/15
	R'000	R'000

Listed by programme level

Programme 1: Administration		17 233	-
Programme 2: Geospatial and Cadastral Surveys		3 857	-
Programme 3: Rural Development		30 813	-
Programme 4: Restitution		51 902	-
Programme 5: Land Reform		36 137	-
Total		139 942	-

<i>Note</i>	2015/16	2014/15
	R'000	R'000

Included in the above totals are the following:

Confirmed balances with other government entities	<i>Annex 5</i>	7 841	-
Total		7 841	-

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

22. Employee benefits

	Note	2015/16 R'000	2014/15 R'000
*Leave entitlement		69 121	63 348
Service bonus (Thirteenth cheque)		54 808	50 814
Performance awards		31 739	27 155
Capped leave commitments		31 767	31 658
Other		44	132
Total		187 479	173 107

*The department has negative balances of R2 300 000 which resulted from the following:

At the beginning of the year the officials are allocated 22 days of vacation leave for the whole year which is pro-rated from month to month. Sometimes there are delays in terms of capturing the leave and which then result in the pro-rated days of that particular month being exceeded hence the negative balances.

At this stage the department is not able to reliably measure the long term portion of the long service awards.

23. Lease commitments

23.1 Operating leases expenditure

	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
2015/16					
Not later than 1 year	-	-	142 213	35 005	177 218
Later than 1 year and not later than 5 years	-	-	238 433	25 752	264 185
Later than five years	-	-	-	-	-
Total lease commitments	-	-	380 646	60 757	441 403
2014/15					
Not later than 1 year	-	-	164 366	34 695	199 061
Later than 1 year and not later than 5 years	-	-	217 862	43 793	261 655
Later than five years	-	-	-	-	-
Total lease commitments	-	-	382 228	78 488	460 716

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

23.2 Finance leases expenditure**

	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
2015/16	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	6 521	6 521
Later than 1 year and not later than 5 years	-	-	-	3 989	3 989
Later than five years	-	-	-	-	-
Total lease commitments	-	-	-	10 510	10 510

	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
2014/15	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	2 487	2 487
Later than 1 year and not later than 5 years	-	-	-	2 328	2 328
Later than five years	-	-	-	-	-
Total lease commitments	-	-	-	4 815	4 815

23.3 Operating leases revenue

	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
2015/16	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	1 052	95	-	1 147
Later than 1 year and not later than 5 years	-	2 073	5	-	2 078
Later than five years	-	20 985	-	-	20 985
Total lease commitments	-	24 110	100	-	24 240

	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
2014/15	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	1 732	452	-	2 184

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Later than 1 year and not later than 5 years	-	2 812	100	-	2 912
Later than five years	-	21 298	-	-	21 298
Total lease commitments	-	25 842	552	-	26 394

24. Accrued departmental revenue

	Note	2015/16 R'000	2014/15 R'000
Interest, dividends and rent on land		145 608	90 696
Transfers received (incl. conditional grants to be repaid by provincial departments)		65 321	31 388
Other			31 389
Total		210 929	153 473

24.1 Analysis of accrued departmental revenue

	Note	2015/16 R'000	2014/15 R'000
Opening balance		116 295	126 399
Less: amounts received		47 086	11 371
Add: amounts recognised		141 762	57 441
Less: amounts written-off/reversed as irrecoverable		42	18 996
Closing balance		210 929	153 473

24.2 Impairment of accrued departmental revenue

	Note	2015/16 R'000	2014/15 R'000
Estimate of impairment of accrued departmental revenue		98 993	70 758
Total		98 993	70 758

25. Irregular expenditure

25.1 Reconciliation of irregular expenditure

	Note	2015/16 R'000	2014/15 R'000
Opening balance		16 645	26 065
Prior period error			(8 797)
As restated		16 645	17 268
Add: Irregular expenditure – relating to current year		4 456	25 286
Less: Prior year amounts condoned		-	(25 909)
Less: Current year amounts condoned		-	-
Less: Amounts not condoned and recoverable	24	-	-
Less: Amounts not condoned and not recoverable		-	-
Closing balance		21 101	16 645

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Note	2015/16 R'000	2014/15 R'000
Analysis of awaiting condonation per age classification			
Current year		4 456	16 489
Prior years		16 645	156
Total		21 101	16 645

25.2 Details of irregular expenditure – current year

Incident	Disciplinary steps taken/criminal proceedings	2015/16 R'000
Non-Compliance with Supply chain prescripts	Disciplinary steps taken/criminal proceedings	2 845
Restitution Overspending	Disciplinary steps taken/criminal proceedings	1 611
Total		4 456

25.3 Prior period error

	Note	2015/16 R'000
Nature of prior period error		
Relating to 2014/15 [affecting the opening balance]		(8 797)
The whole order amount of R492 was reported instead of an invoice amount of R246		(246)
Unutilised NARYSEC Candidates were mis-allocated to Irregular instead of being allocated to fruitless and wasteful expenditure		(8 551)
Relating to 2014/15		-
Total prior period errors		(8 797)

Irregular expenditure relating to R9 226 million was condoned by the Accounting Officer after 31 March 2016.

26. Fruitless and wasteful expenditure

26.1 Reconciliation of fruitless and wasteful expenditure

	Note	2015/16 R'000	2014/15 R'000
Opening balance		15 677	41 095
Prior period error		8 551	8 551
As restated		15 677	49 646
Fruitless and wasteful expenditure – relating to prior year		-	-
Fruitless and wasteful expenditure – relating to current year		11 856	6 073

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Less: Amounts resolved		-	(40 042)
Less: Amounts transferred to receivables for recovery	26.1		-
Closing balance		27 533	15 677

26.2 Analysis of awaiting resolution per economic classification

	2015/16	2014/15
	R'000	R'000
Current	27 533	15 677
Total	27 533	15 677

26.3 Analysis of Current year's fruitless and wasteful expenditure

Incident	Disciplinary steps taken/criminal proceedings	2015/16
		R'000
Interest paid on late payments	Disciplinary steps taken/criminal proceedings	473
Interest paid as compelled by the court	Disciplinary steps taken/criminal proceedings	1 134
Rent on land	Disciplinary steps taken/criminal proceedings	501
Utilised NARYSEC Candidates	Disciplinary steps taken/criminal proceedings	9 748
Total		11 856

26.4 Prior period error

	Note	2015/16
		R'000
Nature of prior period error		
Relating to 2014/15		8 551
Unutilised NARYSEC Candidates were mis-allocated to Irregular expenditure instead of being allocated to fruitless and wasteful expenditure		8 551
Relating to 2014/15		
Total prior period errors		8 551

Fruitless and wasteful expenditure relating to R6 239 million was resolved by the Accounting Officer after 31 March 2016.

27. Related party transactions

	Note	2015/16	2014/15
		R'000	R'000
Revenue received			
Sales of goods and services other than capital assets		-	6 289
Total		-	6 289
	Note	2015/16	2014/15

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Payments made	R'000	R'000
Goods and services	-	400
Total	-	400

<i>Note</i>	2015/16	2014/15
	R'000	R'000

Year end balances arising from revenue/payments	-	-
Receivables from related parties	348	3 205
Payables to related parties	(7 841)	(246)
Total	(7 493)	2 959

<i>Note</i>	2015/16	2014/15
	R'000	R'000

In kind goods and services provided/received

Agricultural Land Holding Account falls under the administration of the Department of Rural Development and Land Reform. The executives of the trading entity. Further the department provides the services of internal audit function, information technology and staff training. There is no cost charged by the department on this regard. The department paid for the office space for the Deeds Registration Trading Account.

Deeds Registration Trading Account has rendered services (it was the bulk information searches for properties) to Surveyor General searches for the properties to the department (Surveyor General).	(10 854)	(9 562)
	(57 444)	(49 274)
	275 783	171 134
Total	207 485	112 298

28. Key management personnel

	No. of Individuals	2015/16 R'000	2014/15 R'000
Political office bearers	3	5 876	5 306
Officials:			
Level 15 to 16	14	17 973	16 028
Level 14 (incl. CFO if at a lower level)	76	72 368	72 015
Family members of key management personnel	6	3 243	462
Total		99 460	93 811

29. Impairment: (other than receivables, accrued departmental revenue, loans and investments)

<i>Note</i>	2015/16	2014/15
	R'000	R'000
Investments	-	16 112
DRDLR Lease Debtors	-	43 082
Provision for doubtful Debts (Interest due to Conveyances)	-	27 676
Transport Payment Suspense	-	639
Damage Vehicle	-	6 398
Staff Debts	-	5 284
Total	-	99 191

DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM

Vote 39: Annual Financial Statements for the year ended 31 March 2016

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

The template has been changed as a result note no 29 is now in note 12.5, 13.1 and 24.2

30. Provisions

	<i>Note</i>	2015/16	2014/15
		R'000	R'000
Other : Upgrades of level 9 and 11		2 555	-
Other : Occupational Specific Dispensation		10 251	-
Other : Rates claim		11 442	-
Cheadle Thompson and Haysom		14 265	17 612
State Land Payables		5 555	4 761
Total		44 068	22 373

The amount of R11 million was previously disclosed as contingent liabilities because the validity of the debt owing had not yet been confirmed.

30.1 Reconciliation of movement in provisions – 2015/16

	Other	Rates Claims	Cheadle Thompson	Land Payables	Total provisions
	R'000	R'000	R'000	R'000	R'000
Opening balance			17 612	4 761	22 373
Increase in provision	12 806	11 442	10 374	5 555	40 177
Settlement of provision			(11 829)	(4 761)	(16 590)
Unused amount reversed			(1 892)	-	(1 892)
Closing balance	12 806	11 442	14 265	5 555	44 068

30.2 Reconciliation of movement in provisions – 2014/15

	Other	Cheadle Thompson	Land Payables	Total provisions
	R'000	R'000	R'000	R'000
Opening balance	-	9 053	3 838	12 891
Increase in provision	-	17 612	923	18 535
Settlement of provision	-	(7 929)	-	(7 929)
Unused amount reversed	-	(1 124)	-	(1 124)
Closing balance	-	17 612	4 761	22 373

31. Non-adjusting events after reporting date

2015/16
R'000

HIGH LEVEL IMPLICATIONS OF THE CONSTITUTIONAL COURT JUDGMENT FOR THE ANNUAL FINANCIAL STATEMENTS OF THE DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM

On 28 July 2016 the Constitutional Court declared the Restitution of Land Rights Amendment Act, 2014, (Act No. 15 of 2014) ("Amendment Act") invalid, effective from that date. The Amendment Act reopened the lodgement of land claims for a period of five years, from 1 July 2014 to 30 June 2019.

The Commission on Restitution of Land Rights is responsible for investigating and processing land claims in terms of the Restitution of Land Rights Act, 1994, (Act No. 22 of 1994) ("Restitution Act"). Prior to the Amendment Act the Commission processed land claims that were lodged before the previous cut-off date of 31 December 1998.

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The Amendment Act required the Commission to receive new land claims, but to prioritise those lodged by 31 December 1998. The Commission adopted a prioritisation policy that provides that it would differentiate between the claims lodged by 1998 (old order claims) and those lodged after 1 July 2014 (new order claims). It dedicated its resources to the settlement of old order claims, and the receipt and the issuance of acknowledgement of the receipt of the new order claims. New order claims would only be processed if they overlap (are in respect of the same land) with old order claims.

Simultaneously with the declaration that the Amendment Act is invalid, the Constitutional Court ordered the Commission to continue to receive new land claims and issue letters of acknowledgement of receipt of claims, but interdicted it against processing them until a new Act re-opening lodgement of claims is re-enacted.

Prior to the Constitutional Court judgment the Commission targeted to research, settle and finalise outstanding claims lodged by 31 December 1998, and to receive lodgement of new claims. New order claims were processed only if they overlapped with old order claims.

The order of the Constitutional Court does not change any of the targets or plans. The Commission is ordered to continue receiving claims and issuing letters of authority, but is now interdicted from processing new order claims even where they overlap.

32. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Opening balance	Value Adjustments	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
HERITAGE ASSETS	-	-	-	-	-
Heritage assets	-	-	-	-	-
MACHINERY AND EQUIPMENT	515 990	-	58 166	9 073	565 083
Transport assets	39 537	-	1 836	2 049	39 524
Computer equipment	349 204	-	42 112	5 964	385 352
Furniture and office equipment	60 064	-	9 631	821	68 874
Other machinery and equipment	67 185	-	4 587	239	71 533
SPECIALISED MILITARY ASSETS					
Specialised military assets	-	-	-	-	-
BIOLOGICAL ASSETS					
Biological assets	-	-	-	-	-
Capital Work-in-progress <i>(Effective 1 April 2016)</i>					
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	515 990	-	58 166	9 073	565 083

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32.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Cash R'000	Non-cash R'000	(Capital Work in Progress current costs and finance lease payments) R'000	Received current, not paid (Paid current year, received prior year) R'000	Total R'000
HERITAGE ASSETS	-	-	-	-	-
Heritage assets	-	-	-	-	-
MACHINERY AND EQUIPMENT	67 419	-	(8 200)	(1 053)	58 166
Transport assets	1 836	-	-	-	1 836
Computer equipment	43 401	-	-	(1 289)	42 112
Furniture and office equipment	9 309	-	112	210	9 631
Other machinery and equipment	12 873	-	(8 312)	26	4 587
SPECIALISED MILITARY ASSETS					
Specialised military assets	-	-	-	-	-
BIOLOGICAL ASSETS					
Biological assets	-	-	-	-	-
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	67 419	-	(8 200)	(1 053)	58 166

32.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Sold for cash R'000	Non-cash disposal R'000	Total disposals R'000	Cash Received Actual R'000
HERITAGE ASSETS	-	-	-	-
Heritage assets	-	-	-	-
MACHINERY AND EQUIPMENT	7 191	1 882	9 073	575
Transport assets	2 049	-	2 049	551
Computer equipment	4 518	1 446	5 964	23
Furniture and office equipment	425	396	821	1
Other machinery and equipment	199	40	239	-

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	Sold for cash R'000	Non-cash disposal R'000	Total disposals R'000	Cash Received Actual R'000
SPECIALISED MILITARY ASSETS				
Specialised military assets	-	-	-	-
BIOLOGICAL ASSETS				
Biological assets	-	-	-	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	7 191	1 882	9 073	575

32.3 Movement for 2014/15

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
HERITAGE ASSETS					
Heritage assets	-	-	-	-	-
MACHINERY AND EQUIPMENT	363 475	(2)	156 858	4 341	515 990
Transport assets	10 510	-	30 249	1 222	39 537
Computer equipment	242 024	(9 110)	118 795	2 505	349 204
Furniture and office equipment	86 129	(31 643)	6 040	462	60 064
Other machinery and equipment	24 812	40 751	1 774	152	67 185
SPECIALISED MILITARY ASSETS					
Specialised military assets	-	-	-	-	-
BIOLOGICAL ASSETS					
Biological assets	-	-	-	-	-
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	363 475	(2)	156 858	4 341	515 990

32.3.1 Prior period error

	Note	2015/16 R'000
Nature of prior period error		(2)
Relating to 2014/15	29.4	(2)
Total prior period errors		(2)

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32.4 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2016

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	-	-	72 897	-	72 897
Value adjustments	-	-	-	10 405	-	10 405
Additions Disposals	-	-	-	1 214	-	1 214
TOTAL MINOR ASSETS	-	-	-	82 088	-	82 088

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Number of R1 minor assets	-	-	-	27	-	27
Number of minor assets at cost	-	-	-	43	-	73
TOTAL NUMBER OF MINOR ASSETS	-	-	-	70	-	70

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2015

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	-	-	65 241	-	65 241
Prior period error	-	-	-	-	-	-
Additions	-	-	-	8 527	-	8 527
Disposals	-	-	-	871	-	871
TOTAL MINOR ASSETS	-	-	-	72 897	-	72 897

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Number of R1 minor assets	-	-	-	27	-	27
Number of minor assets at cost	-	-	-	39	-	39
TOTAL NUMBER OF MINOR ASSETS	-	-	-	66	-	66

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	Note	2015/16 R'000
32.4.1 Nature of prior period error		
Relating to 2015/16 [affecting the opening balance]		(165)
		(165)
Relating to 2014/15		-
Total prior period errors		(165)

33. Immovable Tangible Capital Asset

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Opening balance R'000	Value Adjust- ments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	736 631		460 500	224 978	972 153
Dwellings	-	-	-	-	-
Non-residential buildings	-	-	-	-	-
Other fixed structures	736 631	-	460 500	224 978	972 153
HERITAGE ASSETS					
Heritage assets	-	-	-	-	-
LAND AND SUBSOIL ASSETS	1 324 295	-	146 133	213 183	1 257 245
Land	1 324 295	-	146 133	213 183	1 257 245
Mineral and similar non-regenerative resources	-	-	-	-	-
Capital Work-in-progress					
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	2 060 926	-	606 633	438 161	2 229 398

33.1 Additions

ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Cash R'000	Non-cash R'000	(Capital Work in Progress current costs and finance lease payments) R'000	Received current, not paid (Paid current year, received prior year) R'000	Total R'000
BUILDING AND OTHER FIXED STRUCTURES	601 198	460 500	(601 198)	-	460 500
Dwellings	-	-	-	-	-
Non-residential buildings	-	-	-	-	-

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	Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
Other fixed structures	601 198	460 500	(601 198)	-	460 500
HERITAGE ASSETS	-	-	-	-	-
Heritage assets	-	-	-	-	-
LAND AND SUBSOIL ASSETS	90 554	-	(11 783)	67 362	146 133
Land	90 554	-	(11 783)	67 362	146 133
Mineral and similar non-regenerative resources	-	-	-	-	-
TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS	691 752	460 500	(612 981)	67 362	606 633

33.2 Disposals

DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Sold for cash	Non-cash disposal	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	-	224 978	224 978	-
Dwellings	-	-	-	-
Non-residential buildings	-	-	-	-
Other fixed structures	-	224 978	224 978	-
LAND AND SUBSOIL ASSETS	-	213 183	213 183	216
Land	-	213 183	213 183	216
Mineral and similar non-regenerative resources	-	-	-	-
TOTAL DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS	-	438 161	438 161	216

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33.3 Movement for 2015/16

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	595 325	(20 480)	694 397	532 611	736 631
Dwellings	-	-	-	-	-
Non-residential buildings	-	-	-	-	-
Other fixed structures	595 325	(20 480)	694 397	532 611	736 631
HERITAGE ASSETS	-	-	-	-	-
Heritage assets	-	-	-	-	-
LAND AND SUBSOIL ASSETS	1 380 472	(12 632)	177 548	221 093	1 324 295
Land	1 380 472	(12 632)	177 548	221 093	1 324 295
Mineral and similar non-regenerative resources	-	-	-	-	-
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	1 975 797	(33 112)	871 945	753 704	2 060 926

33.3.1 Prior period error

	Note	2015/16 R'000
Nature of prior period error		
		(33 112)
Relating to 2001 - 2014 [affecting the opening balance] State Land		(12 632)
Relating to 2009 – 2015 [affecting the opening balance] RID Assets		(20 480)
Relating to 2014/15		304 970
Adjustment on prior year Disposal		(339 494)
Non cash for 2014/15 that was not disclosed in prior year		680 464
Total prior period errors		(307 858)

The adjustment of R12 632 is for the assets on State Land that were not disposed. The adjustment of R20 480 and R339 494 is for the disposal of RID Assets that were not disclosed in prior years. An amount of R680 464 is for non-cash that was not disclosed in 2014/15, this is for the completed assets.

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33.4 Immovable assets valued at R1

IMMOVABLE ASSETS VALUED AT R1 IN THE ASSET REGISTER AS AT 31 MARCH 2016

	Buildings and other fixed structures R'000	Heritage assets R'000	Land and subsoil assets R'000	Total R'000
R1 Immovable assets	-	-	22	22
TOTAL	-	-	22	22

IMMOVABLE ASSETS VALUED AT R1 IN THE ASSET REGISTER AS AT 31 MARCH 2015

	Buildings and other fixed structures R'000	Heritage assets R'000	Land and subsoil assets R'000	Total R'000
R1 Immovable assets	-	-	23	23
TOTAL	-	-	23	23

33.5 S42 Immovable assets

Assets subjected to transfer in terms of S42 of the PFMA – 2015/16

	Number of assets	Value of assets R'000
BUILDINGS AND OTHER FIXED STRUCTURES	424	224 978
Dwellings	-	-
Non-residential buildings	-	-
Other fixed structures	424	224 978
HERITAGE ASSETS	-	-
Heritage assets	-	-
LAND AND SUBSOIL ASSETS		
Land	-	-
Mineral and similar non-regenerative resources	-	-
TOTAL	424	224 978

Assets subjected to transfer in terms of S42 of the PFMA – 2014/15

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	Number of assets	Value of assets R'000
BUILDINGS AND OTHER FIXED STRUCTURES	1 983	193 147
Dwellings	-	-
Non-residential buildings	-	-
Other fixed structures	1 983	193 147
HERITAGE ASSETS	-	-
Heritage assets	-	-
LAND AND SUBSOIL ASSETS	-	-
Land	-	-
Mineral and similar non-regenerative resources	-	-
TOTAL	1 983	193 147

33.6 Immovable assets additional information

	Estimated completion date	2015/16 Area	2014/15 Area
	<i>Note</i>	Number	Number
a) Properties deemed vested	<i>Annexure 9</i>	7 387	2 971
Land parcels			
Facilities			
Schools			
Clinics			
Hospitals			
Office buildings			
Dwellings			
Storage facilities			
Other			
		Number	Number
b) Facilities on unsurveyed land	Duration of use <i>Annexure 9</i>	4 472	5 116
Schools		446	446
Clinics		25	25
Hospitals		175	175
Office buildings		296	296
Dwellings		-	-
Storage facilities		318	318
Other			

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Un-surveyed State land

- The Nature of un-surveyed land is that no representative data or direct measurement of it exists. With the assistance of all the Surveyor-General Offices, all un-surveyed state land was identified in each province by technically interrogating and researching 'gaps' in the Cadastral Spatial Continuous Map. All identified un-surveyed administrative areas are surveyed.
- All State Domestic Facilities on un-surveyed State Land were simultaneously surveyed with the outside figure (Administrative Area), with approved SG diagrams. The survey and approval of diagrams for State Domestic Facilities (SDF) contained within previously surveyed state land is facilitated by a parallel exercise which is a long-term ongoing exercise, owing to the vast number of un-surveyed SDFs.
- All un-surveyed state land, including those from the former TBVC States and Self Governing Territories and state land in the former territory of the Republic of South Africa (pre 27 April 1994).

Surveyed but not registered State land

- All surveyed but unregistered land parcels for which the custodianship is still being determined and which is not confirmed vested in the name of a province or where custodial powers have not been assigned to another national department in terms of section 4 of the GIAMA.
- All surveyed but unregistered land parcels where the surveying process has been concluded between 1 October and 31 March of every year or where the relevant information to commence registration has not been handed over to the rightful custodian before 30 September of every year.

Surveyed Land registered

- All land vested with the national government situated in the former TBVC states and the former Self Governing Territories including any tribal land located in these areas with the exclusion of land governed by the KwaZulu-Natal Ingonyama Trust Act, 1994 (Act 3 of 1994) and Amendment Act.
- All former South African Development Trust land unless title clearly resides with another party in terms of specific legislation or have been confirmed vested in a province.
- All national land held for land reform purposes.

34. Principal-agent arrangements

34.1 Department acting as the principal

	2015/16	2014/15
	R'000	R'000
Independent Development Trust	-	7 321
Agricultural Research Council	117 541	127 996
Development Bank Of Southern Africa	-	29 646
National Agricultural Marketing Council	20 680	16 670
National Wool Growers Ass of SA	9 976	19 548

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	2015/16	2014/15
	R'000	R'000
Agribusiness in sustainable natural plant (ASNAPP)	4 877	9 915
CSIR	50 196	24 447
Witzenberg Municipality	-	4 577
Cheadle Thompson & Hayson (CTH)	18 526	87 993
Other	305 698	787
Total	527 494	328 900

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Nature	Circumstances	Significant judgement applied	Significant terms and conditions	Significant risk and benefits	Resources or Cost implication for termination	Resources under the custodianship
ARC As a Research Institute and specialists in Agriculture the entity project manages, provides technical support, training, enterprise development, and market access for the enterprises.	Against a pre-existing limited capacity in the branch, also the shift in mandate from STRIF to REID forced the branch to enter into an SLA with ARC as specialist in the Agricultural sector to deliver on various value chain projects (PVC, DVC, Horticulture, cotton, etc).	Department entered into an MOA with ARC in 2012 as an entity of DAFF. By virtue of the nature and core business of the entity and given the perceived reputation at face value.	The contract is very clear to say that in the event of poor performance and non-delivery there should be a review and if poor performance persists the department should terminate. Issues of Intellectual property rights are captured and both parties are entitled and have access to the intellectual property emanating from these projects.	Benefits- Skills transfer from entity to the beneficiaries, job creation and improved sustainable enterprises. Risk - non-delivery on the project and inability to establish sustainable agricultural enterprise from the preselected farmers.	HR (Researchers, trainers) appointed on fixed contract as per the SLAs.	Vehicles, cameras, Vopi building,
NWGA This entity is wool Industry Commodity Group that provides genetic improvement of the rams in order to improve the quality of the breed and the wool from the rams. The entity also provides training and technical support to the farmers on sheep shearing, grading of wool, and market access for the rural enterprises.	The majority of sheep in the Eastern Cape is in communal areas. However, the genetic make-up of the wool sheep in communal areas is predominantly poor and leaves farmers locked at subsistence level not able to participate at commercial level. The programme sought to address wool quality, quantity and participation of small scale black farmers in the commercial wool industry. This can only be achieved by improving the genetic make-up of the rams to promote pure breed mating to improve the wool quantities and quality in order to be able to participate in wool commercial industry.	Department has an existing MOA with NWGA from 2013. Significant judgement was indeed applied as all wool sheep breeders affiliate to the stud association which is monitored by the commodity association, in this case the Wool Growers Association. Furthermore, the NWGA has registered wool brokers who negotiate the price for farmers for better prices to the benefit of the farmers.	Penalty clauses are raised in the contract for non-performance.	Risk: Readiness of the communal farmers to receive the rams, provide a favourable environment for breeding performance as well as mate at the right times or periods of the year. Benefits: Improved stock for communal farmers, increased income from wool produce, job creation and skills transfer.	The NWGA has contracted registered breeders until 2018 as such any termination of these contracts may have legal implications as each breeders has a breeding programme which if distracted may lead to detrimental costs to the breeders and communal farmers alike since not all areas have received rams.	No assets except rams already delivered are under the custodianship of the participating communal farmers.

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Nature	Circumstances	Significant judgement applied	Significant terms and conditions	Significant risk and benefits	Resources or Cost implication for termination	Resources under the custodian-ship
<p>ASNAPP</p> <p>The entity provides technical support for enterprises, mentoring and training, necessary infrastructure in the form of Hydroponic tunnels, and retail market access for the produce.</p>	<p>As part of sustainability of our agricultural food security projects which are seasonally dependent, the entity (ASNAPP) introduced the hydroponic technology to ensure that there is farming production for 365 days.</p>	<p>The entity had preferential contracts for any rural project and ready-made off take agreements with the retail groups (with SPAR, Shoprite, and Pick n Pay) that were enough to secure businesses for rural enterprises as supplier.</p>	<p>Imposing penalties if deliverables and outputs are not met as per work plan.</p>	<p>Risk-Inability to meet contractual obligation from the rural enterprises due to economies of scale. Benefit - Shifting away from seasonal employment and business activity to guaranteed business continuity throughout the year. Also the level of expertise and exposure is yet another benefit. Increased crop production for enterprises, increased income and job creation.</p>	<p>Legal costs for breach of contractual obligations.</p>	<p>Hydroponic tunnels and production inputs.</p>

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	Nature	Circumstances	Significant judgement applied	Significant terms and conditions	Significant risk and benefits	Resources or Cost implication for termination	Resources under the custodian-ship
MASISIZANE	The entity acquired farm mechanisation equipment, and provided technical capacity to Matatiel GrainCo.	To leverage and agree on capacity and financial offerings by various parties (strategic partners e.g. OMNIA, DRDLR, EC DRDAR, Barloworld) that jointly raised and provided financing in the form of production capital for the farmers of Matatiel and the greater Alfred Ndzo, it was lucrative and opportune to enter into a contract that would accelerate regional food security through enterprise development of farmers.	The department has an existing MOA to support rural enterprises. GrainCO/Masisizane agricultural initiative is in line with our mandate of supporting such rural enterprise initiatives. Intervention was a containment action during the planting season.	The immediate acquisition of mechanisation so that the farmers can plant within the planting season was the key condition amongst other terms and conditions, which was achieved.	Risk - Missing the planting season was the major risk for the rural farmers (Matatiel GrainCo). Benefit - Immediate assistance of 19 farmers, job creation, and the cultivation of over 5000 ha. Enhancing value chain participation along the Agri-park model by rural based farmers.	No cost implication because it was a once-off funding.	Mechanisation.
OMNIA	This intervention focused on commercialising the communal farmers by means of supporting them with mechanisation, implements, infrastructure, production inputs and linking them to the markets and address all challenges they face in the grain sector.	This was a remedial intervention to the North West Drought relief programme to support farmers with agricultural production inputs.	The department entered into an MOA with OMNIA. OMNIA was already supporting rural people with agricultural production inputs around the Agri-park area and the extra support provided by the department was to increase the economies of scale of farmers and contributing to the success of the Agri-park.	Ensure that resource evaluation is conducted (soil sampling, yield potential, soil surveying). The immediate acquisition of production inputs with support.	Risk:- Poor produce quality and inconsistency of production yield (output) being supplied to the Agri-park. Benefits - Improving the productivity and consistency of small scale farmers in terms of volumes, quality; Skills transfer, job creation and food security etc.	Immediate Termination would risk the production supply pipeline and volumes to the Agri-parks.	Production inputs.

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Nature	Circumstances	Significant judgement applied	Significant terms and conditions	Significant risk and benefits	Resources or Cost implication for termination	Resources under the custodian-ship
GRAIN SA	<p>This was a remedial intervention to the Free State, KZN and Mpu-malanga drought relief programme to support farmers with agricultural production inputs.</p>	<p>The Branch leveraged on the Grain SA production know-how and expertise in the grains commodity to cultivate 3500 Ha and the association was well positioned to assist.</p>	<p>The immediate acquisition of production inputs so that the farmers can plant within the planting season was the key condition amongst other terms and conditions, which was achieved.</p>	<p>Risks - Late delivery. Benefits - Skills transfer, job creation, improved productivity.</p>	<p>No cost implication because it was a once-off funding.</p>	<p>Production inputs.</p>
DBSA	<p>The department initiated the formation and registration of cooperatives as part of their national rural development strategy. Within this context 26 district municipalities were priorities as CRDP sites. With many registered cooperatives that were not functional, fund were then committed to resuscitate the defunct cooperatives.</p> <p>There was and still is a dire need to capacitate cooperatives, a knowledge gap in managing cooperatives which is one of the flagships for the branch. A normal SCM was followed.</p>	<p>As a leading and reputable development financial institution working in the space of cooperative support the entity was given this role to align the new programme with other related project that were already being done by the DBSA.</p> <p>As economists they are specialists in rural development and were chosen in view of their capability, they have satellite offices in all the provinces.</p>	<p>The contract is very clear to say that in the event of poor performance and non-delivery there should be a review and if poor performance persists the department should terminate.</p>	<p>Risks - Non-viability of many registered co-operatives; limited market access Benefits - Skills transfer, job creation, functional enterprises</p>	<p>Project completed as per the SLA and the SLA has come to an end.</p>	<p>Biological (piglets, chicks etc.), Poultry structures, irrigation system, and water tanks etc.</p>
	<p>Core business is on cooperative and small SMME development.</p>		<p>Poor performance and non-delivery, reporting on progress.</p>	<p>Benefits - Exposure to cooperative management and governance. Risk – Sustainability of cooperatives.</p>	<p>The contract was limited to one year, which came to an end at the end of March 2016.</p>	<p>Not applicable.</p>

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34.2 Department acting as the agent

34.2.1 Revenue received for agency activities

	2015/16 R'000	2014/15 R'000
Dept of Higher Education: NSF	49 060	40 375
Total	49 060	40 375

The nature of arrangement is to train NARYSEC youth in different skills programme as stipulated in the implementation protocol. In 2012, the department did not have enough funding to train more than 7000 youth. A funding proposal was made to the Depart Higher Education and Training which was approved. A Memorandum of Agreement was signed by the two departments. The conditions to the agreement was that

- (i) DRDLR will in writing notify NSF within 21 days of any changes on the project which might affect the planned project deliverables.
- (ii) All draw down request should be accompanied by the current bank reconciliation statement, supported by evidence of specific commitment and performance and all other documentation and information as may be requested by NSF.
- (iii) The department undertakes to honour its obligation for vat payment and other transaction in compliance with South African laws and good practices.
- (iv) DRDLR undertake to submit to NSF quarterly report within 15 days after the end of the quarter. This would have a positive impact in implementing the projects as outlined below:
 - Skills training provided to the youth.
 - Increase employability chances for the skills youth.
 - Current training linked to NQF to enable rural youth to further their studies after exit should they choose to.

The following risks were however identified:

- (i) Limited capacity of public colleges to absorb all NARYSEC learners and to offer all required skills training.
- (ii) Colleges outsource training to private providers without informing the Department.
- (iii) Prolonged delay by SETAs to issue competent learners with certificates and failure by Colleges to up-load learner information into SETA systems.

NSF Obligations to the DRDLR:

- (i) The NSF will pay an amount for the first quarter as agreed in the project draw-down schedule upon receipt of the signed agreement and necessary supporting documents.
- (ii) Payment of subsequent draw-downs shall be dependent on the presentation by DRDLR and acceptance by the NSF of the quarterly progress reports as in clause 5.7 above.
- (iii) The NSF shall retain 10% of the total project costs and this shall be paid to DRDLR on the successful closure of the project.
- (iv) The NSF shall process DRDLR quarterly in advance subject to Clause 6.5 above and in accordance with the rates and budgeted times as set out in the Project budget.
- (v) The NSF is entitled to refuse to pay any claim submitted by DRDLR in relation to this MoA if such claim is submitted after the expiry of this MoA.

DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM

Vote 39: Annual Financial Statements for the year ended 31 March 2016

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

34.2.2 Reconciliation of funds and disbursements – 2015/16

Category of revenue or expenditure per arrangement	Total funds received R'000	Expenditure incurred against funds R'000
Revenue Received	49 060	24 581
Total	<u>49 060</u>	<u>24 581</u>

34.2.3 Reconciliation of carrying amount of receivables and payables – 2015/16

	Opening balance R'000	Expenses incurred on behalf of the principal R'000	Cash paid on behalf of the principal R'000	Closing Balance R'000
Dept of Higher Education	-	26 844	24 581	2 263
Closing balance	<u>-</u>	<u>26 844</u>	<u>24 581</u>	<u>2 263</u>

35. Prior period errors

35.1 Correction of prior period errors

Note	2014/15 R'000
	2015/16 R'000
Assets: (Accrued departmental revenue, Operating revenue)	
Lease Receivables	41 602
Commitment: Operating lease revenue	5 783
Interest Conveyancers	113
Net effect	<u>47 498</u>

The department mistakenly use the incorrect date of the lease contract, and the classification of the disclosure was not correct, the department classified the leases as Land whereas there are also leases for the building.

2015/16
R'000

Liabilities:

Commitments	359 144
Claims against the department	140 056
Employee Benefits: Long service awards	132
Impairments for Leases	20 801

Net effect

520 133

Commitments:

The adjustment is as a result of contract management commitments which were not disclosed in the prior years. The correction was needed so as to show a true reflection of the value of the department's commitments with regards to the current contracts that have been awarded to the various service providers.

Claims against the department:

This resulted from court cases against the department which were erroneously omitted from disclosed being as part of the commitments in the prior year

Employee Benefits: Long Service awards:

Correction of an error in the calculation of long service awards due

Impairments of Leases:

The adjustment is as a result of lease debtors which were not previously recorded as part of the departmental lease disclosure. These were disclosed under ALHA as the trading account was managing these debtors on the department's behalf. The debtors have since been returned to be managed by the department.

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER			SPENT			2014/15 Division of Revenue Act R'000	
	Division of Revenue Act R'000	Roll Overs R'000	Adjustments R'000	Total Available	Actual Transfer R'000	Funds Withheld R'000	Re-allocations by National Treasury or National Department %	Amount received by municipality R'000	Amount spent by municipality R'000		% of available funds spent by municipality %
Witzenberg Municipal	-	-	-	-	-	-	-	-	-	-	4 577
Rates and Taxes	3 620		56 797	60 417	76 671						120 996
Levies Vehicle											
Licences	115		37	152	70						44
Total	3 735	-	56 834	60 569	76 741	-	-	-	-	-	125 617

National departments are reminded of the DORA requirements to indicate any re-allocations by the National Treasury or the transferring department, certify that all transfers in terms of this Act were deposited into the primary bank account of a province or, where appropriate, into the CPD account of a province as well as indicate the funds utilised for the administration of the receiving officer.

ANNEXURE 1B

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION			TRANSFER		2014/15	
	Adjusted Appropriation R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	Appropriation Act R'000
Ingonyama Trust Board	18 069	-	-	18 069	18 069	100.0%	17 294
Registration of Deeds Trading Account	119 537	-	(98 124)	21 413	21 413	100.0%	113 194
Agricultural Land Holding Account	1 542 027	-	(200 000)	1 342 027	1 342 027	100.0%	1 613 529
Skills Development Levy	-	-	-	-	-	-	3 518
Com: Licences (Radio%TV)	-	-	-	4	3	75%	9
Agricultural Research Council	-	-	-	-	-	-	-
AgriSeta	-	-	-	-	-	-	-
Development Bank of South Africa	-	-	-	-	-	-	-
PROV DA:Agri-Business Rural Dev Corp	-	-	-	-	-	-	-
Human Sciences Rec CNCIL (HSRC)	-	-	-	-	-	-	1 903
Kwazulu Natal Agricultural Development Trust	-	-	-	-	-	-	-
Khula Enterprises Finance LTD	1	-	-	1	-	-	-
Agribusiness: ASNAPP	-	-	-	-	-	-	-
National Agricultural Marketing Council	-	-	-	-	-	-	-
National Wool Growers Assoc of SA	-	-	-	-	-	-	-
The Council for Scientific and Industrial Research (CSIR)	-	-	-	-	-	-	-
Mpumalanga Regional Training Trust	-	-	-	-	-	-	-
SA Local Government	-	-	-	-	-	-	3 000
Total	1 679 634	-	(298 124)	1 381 514	1 381 512	-	1 752 447

ANNEXURE 1D

STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2014/15
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	Capital R'000	Current R'000	
Public Corporations	-	-	-	-	-	-	-	-	-
Independent Development Trust	-	-	-	-	-	-	-	-	7 320
Subsidies	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	7 320
TOTAL	-	-	-	-	-	-	-	-	7 320

ANNEXURE 1E

STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS

FOREIGN GOVERNMENT/ INTERNATIONAL ORGANISATION	TRANSFER ALLOCATION				EXPENDITURE			2014/15
	Adjusted Appropriation Act R'000	Roll overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	Appropriation Act R'000	
Transfers	-	-	2 325	2 325	2 596	112%	2 063	
UN Membership Fees	1 495	-	-	1 495	-	0%	-	
Regnl Cntr for MAP- Res for Dev	-	-	-	-	-	-	-	
Total	1 495	-	2 325	3 820	2 596	-	2 063	

ANNEXURE 1F

STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

	TRANSFER ALLOCATION			EXPENDITURE		2014/15
	Adjusted Appropriation Act R'000	Roll overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	
NON-PROFIT INSTITUTIONS						
Transfers						
South African Council for Planners	3 159	-	-	3 159	3 159	100%
Goedgedacht Trust	-	-	-	-	-	-
Ikageng Self Help Assoc for the Blind	-	-	-	-	-	-
Ikemeseng Assoc for the blind	-	-	-	-	-	-
Itireleng Trust	-	-	-	-	-	-
	3 159	-	-	3 159	3 159	-
Subsidies						
	-	-	-	-	-	-
	-	-	-	-	-	-
Total	3 159	-	-	3 159	3 159	3 755

ANNEXURE 1G

STATEMENT OF TRANSFERS TO HOUSEHOLDS

	TRANSFER ALLOCATION			EXPENDITURE		2014/15
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	
HOUSEHOLDS						
Transfers						
Restitution Grants (Beneficiaries)	2 116 000	-	10	2 116 010	2 019 225	95%
Land Reform Grants (Beneficiaries)	560 869	-	(36 000)	524 869	569 480	108%
Social benefits Bursaries (Non-Employees)	22 933	-	10 476	33 409	22 361	67%
Social benefits (Leave Gratuity)	3 335	-	587	3 922	3 075	78%
Social benefits (Cash)	246 903	-	(84 948)	161 955	10 554	7%
Social benefits (Narysec)	438 636	-	168 477	607 113	398 422	66%
Social benefits (RID/REID)	660 140	-	189 914	850 054	531 296	63%
	2 116 000	-	10	2 116 010	2 019 225	2 260 720
	560 869	-	(36 000)	524 869	569 480	295 667
	22 933	-	10 476	33 409	22 361	33 887
	3 335	-	587	3 922	3 075	4 039
	246 903	-	(84 948)	161 955	10 554	102 088
	438 636	-	168 477	607 113	398 422	537 316
	660 140	-	189 914	850 054	531 296	333 356

	TRANSFER ALLOCATION					EXPENDITURE		2014/15
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	Appropriation Act R'000	
HOUSEHOLDS	4 048 816	-	248 516	4 297 332	3 554 415		3 567 073	
Subsidies	-	-	-	-	-	-	-	
Total	4 048 816	-	248 516	4 297 332	3 554 413		3 567 073	

ANNEXURE 11

STATEMENT OF AID ASSISTANCE RECEIVED

NAME OF DONOR	PURPOSE	OPENING BALANCE R'000	REVENUE R'000	EXPENDITURE R'000	CLOSING BALANCE R'000
Received in cash					
Belgium	Post settlement and development support for land reform beneficiaries	18 412	35 785	40 203	13 994
Subtotal		18 412	35 785	40 203	13 994
Received in kind					
Subtotal		-	-	-	-
TOTAL		18 412	35 785	40 203	13 994

ANNEXURE 2A**STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO NATIONAL/PROVINCIAL PUBLIC ENTITIES**

NAME OF PUBLIC ENTITY	State Entity's PFMA Schedule type (state yearend if not 31 March)	% Held 15/16	% Held 14/15	Number of shares held		Cost of investment R'000		Net Asset value of investment R'000		Profit/(Loss) for the year R'000		Losses guaranteed
				2015/16	2014/15	2015/16	2014/15	2015/16	2014/15	2015/16	2014/15	
National/Provincial Public Entity		1	1	100	100	16 112	16 112	2015/16	2014/15	2015/16	2014/15	
Subtotal		-	-	100	100	16 112	16 112	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-
Subtotal		-	-	-	-	-	-	-	-	-	-	-
TOTAL		-	-	100	100	16 112	16 112	-	-	-	-	-

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

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount R'000	Opening balance 1 April 2015 R'000	Adjustments to Opening balance R'000	Guarantees draw downs during the year R'000	Guarantees repayments/ cancelled/ reduced/ released during the year R'000	Revaluations R'000	Closing balance 31 March 2016 R'000	Guaranteed interest for year ended 31 March 2016 R'000	Realised losses not recoverable i.e. claims paid out R'000
Subtotal		-	425	-	-	201	-	224	-	-
ABSA		-	18	-	-	18	-	-	-	-
BOE (Ltd)		-	73	-	-	-	-	73	-	-
First Rand Bank		-	-	-	-	-	-	-	-	-
First Rand Bank FNBS		-	-	-	-	-	-	-	-	-
Mpumalanga		-	30	-	-	-	-	-	-	-
Nedbank		-	20	-	-	30	-	-	-	-
Nedbank Inc		-	-	-	-	20	-	-	-	-

BOE	-	-	-	-	-	-	-	-
Old Mutual	-	-	-	-	-	-	-	-
Peoples Bank Ltd FBC	-	-	-	-	-	-	-	-
Peoples Bank Ltd NBS	-	-	-	-	-	-	-	-
Standard Bank	430	-	72	-	-	358	-	-
NP Develop Corp. LTD	63	-	-	-	-	63	-	-
Standard Bank	-	-	-	-	-	-	-	-
NP Develop Corp.LTD	-	-	-	-	-	-	-	-
Subtotal	1 059		341			718		
Other								
Subtotal								
TOTAL	1 059		341			718		

ANNEXURE 3B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2016

NATURE OF LIABILITY

	Opening balance 1 April 2015	Adjustment to Opening Balance	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable	Closing balance 31 March 2016
	R'000	R'000	R'000	R'000	R'000	R'000
Claims against the department						
Application compelling commission to pay grant money to CPA's account	10 000	(10 000)	-	-	-	-
Breach of contract and sued for interest	2 440	-	-	-	-	2 440
Claim for valuations performed	1 802	(202)	-	-	-	1 600
Claim on interest 15.5%	5 290	2 681	-	-	-	7 971
Claim on property	23 482	-	-	-	-	23 482
Claimant dispute claim of just and equitable compensation	44 676	(528)	-	-	-	44 148
Current owner want to be paid more than the valuation amount on an approved S42D matter	4 500	-	-	-	-	4 500
Department dispute Alexcor claim of just and equitable compensation	164 896	-	-	-	-	164 896
Interest failure to pay 2nd 50%, as contained in the agreement.	253	-	-	-	-	253

	Opening balance 1 April 2015	Adjustment to Opening Balance	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable	Closing balance 31 March 2016
	R'000	R'000	R'000	R'000	R'000	R'000
NATURE OF LIABILITY						
Lease rental claim	1 516	-	-	-	-	1 516
Liquidator issued summons against commission matter is opposed breach contract	15 252	-	-	-	-	15 252
Matter for payment of interest	106	-	-	-	-	106
Mr Vermaas, claims compensation he received was not just & equitable	67 989	-	-	-	-	67 989
Restitution claim, for purchase price and interest of 15,5% and costs.	1 025 354	-	-	(18 927)	-	1 006 427
Summons issued for Interest on failure to honour legal agreement	147	-	-	-	-	147
The claim is for alleged under compensation	9 036	-	-	-	-	9 036
This is a direct access case for under compensation	5 377	-	-	-	-	5 377
Application to compel payment of purchase price and interest thereon.	403 114	-	-	-	-	403 114
Breach of agreement	363	-	77	-	-	440
Claim damages due to failure to comply with contractual obligations in the form of more interest on the amount of R15 750 000.00	6 522	-	-	-	-	6 522
Claim for compensation	137 400	-	36 175	-	-	173 575
Claim for losses incurred as result of fire	41 681	899	-	(41 308)	-	1 272
Claim for repair of boundary fence	16	-	-	-	-	16
Claim for services rendered	189	(189)	-	-	-	-
Claims for damages	-	-	37 500	-	-	37 500
Commission is disputing validity of the contract with applicant	3 491	-	-	-	-	3 491
Contractual claim	82 675	1 509	95 180	(3 436)	-	175 928
Damage motor vehicle	1 000	-	3 550	-	-	4 550
Fire losses claim	-	22 425	17 982	-	-	40 407
Grants claim	1 000	-	-	-	-	1 000
Indemnification of estate agent fees	-	1 509	-	-	-	1 509

NATURE OF LIABILITY	Opening balance 1 April 2015 R'000	Adjustment to Opening Balance R'000	Liabilities incurred during the year R'000	Liabilities paid/ cancelled/ reduced during the year R'000	Liabilities recoverable R'000	Closing balance 31 March 2016 R'000
Installation and erection of a structure	109	-	-	(109)	-	-
Labour dispute	653	-	-	-	-	653
Malicious prosecution and defamation	590	85 000	-	-	-	85 590
Monetary Claim	16 263	-	-	-	-	16 263
Negligence	1 158	-	-	-	-	1 158
Offer to purchase	11 413	-	-	-	-	11 413
OSD	428	25 377	39 272	(428)	-	64,649
Other	2 290	-	-	-	-	2,290
Punitive Costs	-	-	229	-	-	229
Reimbursement for maintenance and upkeep of a farm	-	3 720	502	-	-	4,222
Relocation of Labour Tenants	550	-	-	-	-	550
Restitution Land Claims	108	-	-	-	-	108
Sale of Property	18 891	875	-	-	-	19,766
The claim is for alleged under compensation	-	6 980	-	-	-	6,980
Third party claim for damage vehicle	42	-	-	-	-	42
Subtotal	2 112 061	140 056	230 467	(64 208)	-	2 418 377
Other						
Subtotal						
TOTAL	2 112 061		230 467	(64 208)		2 418 377

ANNEXURE 4

CLAIMS RECOVERABLE

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2015/16 *	
	31/03/2016 R'000	31/03/2015 R'000	31/03/2016 R'000	31/03/2015 R'000	31/03/2016 R'000	31/03/2015 R'000	Receipt date up to six (6) working days after year end	Amount R'000
Department								
Gauteng: Treasury	-	-	-	33	-	33	-	-
KZN Public Works	-	89	-	19	-	19	-	-
Justice	2	29			2			
SAPS: Civilian Secretariat	45				45			
KZN: Premier	42				42			
MP: Health	9				9			
NW: PSSC	98	118	-	52	98	52	-	-
Other Government Entities								
Agricultural Land Holding Account	62	-	-	-	64	-	-	-
Deeds Trading Entity	284	3 205	-	-	284	3 205	-	-
	348	3 205	-	-	348	3 205	-	-
TOTAL	446	3 323	-	52	446	3 257	-	-

ANNEXURE 5
INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY DEPARTMENTS	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2014/15*	
	31/03/2016 R'000	31/03/2015 R'000	31/03/2016 R'000	31/03/2015 R'000	31/03/2016 R'000	31/03/2015 R'000	Payment date up to six (6) working days before year end	Amount R'000
Current								
Rural, Envir, Agri, Develop NW	-	-	-	-	-	-	-	-
Public Service and Administration	-	-	79	-	-	79	-	-
Environment Affairs/Agriculture forestry and fisheries	-	-	-	-	-	-	-	-
Statistics/NPA	-	-	-	-	-	-	-	-
Economic Development and Tourism	-	-	95	-	-	95	-	-
Co-Operative, Governance & Traditional Affairs	-	-	-	-	-	-	-	-
Justice and Constitutional Development	-	-	959	-	-	959	-	-
Social Development	-	-	9	-	-	9	-	-
Sport and Recreation	-	-	140	-	-	140	-	-
Agriculture and Rural Development	-	-	148	-	-	148	-	-
Home Affairs	-	-	10	-	-	10	-	-
KZN Health	-	-	25	-	-	25	-	-
Subtotal	-	-	1 465	-	-	1 465	-	-
Non-current								
Subtotal	-	-	-	-	-	-	-	-
Total departments	-	-	1 465	-	-	1 465	-	-
Other Government Entity								
Current								
Chief registry deeds/Registrar of Deeds	7 721	-	-	-	7 721	-	-	-
Dept of Public Works (Rates and Taxes)	-	-	344 269	-	344 269	-	-	-
Agricultural Land Holding	120	-	-	-	120	-	-	-
Subtotal	7 841	-	344 269	-	352 110	-	-	-

ANNEXURE 7

MOVEMENT IN CAPITAL WORK IN PROGRESS

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2016

	Opening balance R'000	Current Year Capital WIP R'000	Completed Assets R'000	Closing balance R'000
HERITAGE ASSETS	-	-	-	-
Heritage assets	-	-	-	-
MACHINERY AND EQUIPMENT	9 011	8 312	(9 011)	8 312
Transport assets	-	-	-	-
Computer equipment	-	-	-	-
Furniture and office equipment	-	-	-	-
Other machinery and equipment	9 011	8 312	(9 011)	8 312
SPECIALISED MILITARY ASSETS	-	-	-	-
Specialised military assets	-	-	-	-
BIOLOGICAL ASSETS	-	-	-	-
Biological assets	-	-	-	-
BUILDINGS AND OTHER FIXED STRUCTURES	395 309	482 401	(374 856)	502 854
Dwellings	-	-	-	-
Non-residential buildings	-	-	-	-
Other fixed structures	395 309	482 401	(374 856)	502 854
LAND AND SUBSOIL ASSETS	49 238	11 783	(49 238)	11 783
Land	49 238	11 783	(49 238)	11 783
Mineral and similar non-regenerative resources	-	-	-	-
TOTAL	453 558	502 496	(433 105)	522 949

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2016

	Opening balance R'000	Current Year Capital WIP R'000	Completed Assets R'000	Closing balance R'000
HERITAGE ASSETS	-	-	-	-
Heritage assets	-	-	-	-
MACHINERY AND EQUIPMENT	(15 994)	9 011	15 994	9 011
Transport assets	-	-	-	-
Computer equipment	(130)	-	130	-
Furniture and office equipment	-	-	-	-
Other machinery and equipment	(15 864)	9 011	15 864	9 011
SPECIALISED MILITARY ASSETS	-	-	-	-
Specialised military assets	-	-	-	-
BIOLOGICAL ASSETS	-	-	-	-
Biological assets	-	-	-	-
BUILDINGS AND OTHER FIXED STRUCTURES	(154 782)	387 212	162 879	395 309
Dwellings	-	-	-	-
Non-residential buildings	-	-	-	-
Other fixed structures	(154 782)	387 212	162 879	395 309
LAND AND SUBSOIL ASSETS	(14 297)	49 238	14 297	49 238
Land	(14 297)	49 238	14 297	49 238
Mineral and similar non-regenerative resources	-	-	-	-
TOTAL	(185 073)	445 461	193 170	453 558

ANNEXURE 8A

INTER-ENTITY ADVANCES PAID (note 14)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2016 R'000	31/03/2015 R'000	31/03/2016 R'000	31/03/2015 R'000	31/03/2016 R'000	31/03/2015 R'000
NATIONAL DEPARTMENTS						
Department of Communication	-	-	8 349	20 989		20 989
Public Entities						
Cheadle Thompson inc	1 183	28 213			1 183	28 213
Subtotal	-	-	8 349	20 989	1 183	49 202
Total	-	-	8 349	20 989	1 183	49 202

INTER-ENTITY ADVANCES RECEIVED (note 21 AND note 22)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2016 R'000	31/03/2015 R'000	31/03/2016 R'000	31/03/2015 R'000	31/03/2016 R'000	31/03/2015 R'000
NATIONAL DEPARTMENTS						
Current	41 184	16 706	-	-	41 184	16 706
National Higher Education and Training	41 184	16 706	-	-	41 184	16 706
Subtotal	-	-	-	-	-	-
Non-Current	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-
Current	-	-	-	-	-	-
Non-current	-	-	-	-	-	-

Report of the auditor-general to Parliament on Agricultural Land Holding Account

Report on the financial statements

Introduction

1. I have audited the financial statements of the Agricultural Land Holding Account (ALHA) set out on pages 258 to 287 which comprise the statement of financial position as at 31 March 2016, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer, is responsible for the preparation and fair presentation of these financial statements in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's

preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Agricultural Land Holding Account as at 31 March 2016 and its financial performance and cash flows for the year then ended, in accordance with the SA Standards of GRAP and the requirements of the PFMA.

Emphasis of matters

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

Restatement of corresponding figures

8. As disclosed in note 25 to the financial statements, the corresponding figures for 31 March 2016 have been restated as a result of an error discovered during 2016 in the financial statements of the ALHA at, and for the year ended, 31 March 2015.

Impairment of trade receivables

9. As disclosed in note 7 to the financial statements, the trading entity had receivables from exchange transactions amounting to R323 614 000 (2015 – R301 991 000), with an allowance for impairment of R 316 432 000 (2015 – R259 698 000) at 31 March 2016. The extent of the recoverability of these amounts is uncertain.

Impairment of receivables from non-exchange transactions

10. As disclosed in note 8 to the financial statements, the trading entity had receivables from non-exchange transactions amounting to R638 564 000 (2015: R293 598 000) with an allowance for impairment of R306 825 000 (2015: R171 177 000) which have not been recovered from the farmers.

Report on other legal and regulatory requirements

11. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for selected objectives presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

12. The strategic objectives, programme outputs, indicators and targets of the ALHA are incorporated in the reported programme performance of the Department of Rural Development and Land Reform, and are reported under programme 5: Land Reform. Findings relating to the audit of the performance information of the ALHA are therefore reported as part of the audit report on the department.

Compliance with legislation

13. I performed procedures to obtain evidence that the entity had complied with applicable legislation regarding financial matters, financial management and other related matters. I did not identify any instances of material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA.

Internal control

14. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. I did not identify any significant deficiencies in internal control.

Other reports

15. I draw attention to the following engagements that could potentially have an impact on the entity's financial and compliance related matters. My opinion is not modified in respect of these engagements that are in progress or have been completed.

Investigations

16. As at 31 March 2016, seven cases were under investigation by the internal audit function. These investigations related mainly to allegations of mismanagement of projects at the entity. The investigations were still in progress at year-end and are expected to be finalised during the 2016-17 financial year.
17. As at 31 March 2016, five cases under investigation by the internal audit function had been finalised. These investigations related mainly to allegations of mismanagement of projects at the entity. The outcome of these cases did not affect my audit opinion.

Auditor-General

Pretoria
31 July 2016



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

AGRICULTURAL LAND HOLDING ACCOUNT

Annual Financial Statements for the year ended 31 March 2016

General Information

Country of incorporation and domicile:

South Africa

Nature of business and principal activities:

Land Acquisition and Management

Business address:

No 184 Jeff Masemola Street
Pretoria
0001

Postal address:

Private Bag X 833
Pretoria
0001

Bankers:

ABSA

Auditors:

Auditor General of South Africa

AGRICULTURAL LAND HOLDING ACCOUNT

Annual Financial Statements for the year ended 31 March 2016

Index

The reports and statements set out below comprise the annual financial statements presented to the parliament:

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Notes to the Annual Financial Statements	274

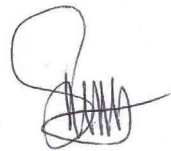
The annual financial statements set out on page 258 - 287 which have been prepared on the going concern basis, were approved by the accounting officer on 31 March 2016 and were signed on its behalf by:



OC Nyamandi
(A) Chief Director: PLAS Trading Account



PM Shabane
Director-General



R Sadiki
Chief Financial Officer

AGRICULTURAL LAND HOLDING ACCOUNT

Annual Financial Statements for the year ended 31 March 2016

Audit committee members

Mrs Z N Qunta (Chairperson)

Ms M A F Moja - term ended 31 December 2015

Mr H G Hlomane

Mr A N Mhlongo

Audit committee responsibility

The audit committee reports that it has complied with its responsibilities arising from section 38(10)(1) of the PFMA and Treasury Regulation 3.1.

The audit committee also reports that it has adopted appropriate formal terms of reference as its audit committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

AGRICULTURAL LAND HOLDING ACCOUNT

Annual Financial Statements for the year ended 31 March 2016

Statement of Financial Position

	Note(s)	2016 R '000	2015 Restated* R '000
ASSETS			
Current Assets			
Cash and cash equivalents	6	181 248	279 048
Trade and other receivables from exchange transactions	7	7 511	42 428
Trade and other receivables from non-exchange transactions	8	332 043	122 527
		520 802	444 003
Non-Current Assets			
Property, plant and equipment	3	11 217 108	10 298 360
Intangible assets	4	1 481	1 907
Other financial assets	5	265 424	250 178
		11 484 013	10 550 445
TOTAL ASSETS		12 004 815	10 994 448
LIABILITIES			
Current Liabilities			
Trade and other payables from exchange transactions	9	107 184	46 314
Trade and other payables from non-exchange transactions	10	64	31 407
		107 248	77 721
TOTAL LIABILITIES		107 248	77 721
NET ASSETS		11 897 567	10 916 727
Accumulated surplus		11 897 567	10 916 727

AGRICULTURAL LAND HOLDING ACCOUNT

Annual Financial Statements for the year ended 31 March 2016

Statement of Financial Performance

	Note(s)	2016 R '000	2015 Restated* R '000
REVENUE			
Revenue from exchange transactions			
Interest received on lease receivables	11	23 415	20 447
Rental income on servitude	11	150	435
Rental income on lease receivables	11	380	126
Interest on servitude	11	36	26
Interest received	12	39 974	43 285
Other income	13	363	5 023
Total revenue from exchange transactions		64 318	69 342
Revenue from non-exchange transactions			
Transfer revenue			
Grant income - non exchange	11	1 342 027	1 613 529
Donation received	11	18 103	1 627
Total revenue from non-exchange transactions		1 360 130	1 615 156
TOTAL REVENUE	11	1 424 448	1 684 498
EXPENDITURE			
Operating expenditure farmers & Other operating expenditure	14	(178 632)	(250 716)
Impairment	15	(210 434)	(29 314)
Depreciation and amortisation		(42 797)	(38 098)
Interest expense		(542)	(849)
TOTAL EXPENDITURE		(432 405)	(318 977)
Operating surplus		992 043	1 365 521
Loss on disposal of assets		(11 203)	(10 920)
Surplus for the year		980 840	1 354 601

AGRICULTURAL LAND HOLDING ACCOUNT

Annual Financial Statements for the year ended 31 March 2016

Statement of Changes in Net Assets

	Accumulated surplus R '000	Total net assets R '000
Opening balance as previously reported	9 692 290	9 692 290
Adjustments		
Prior year adjustments - Note 25	(130 164)	(130 164)
Balance at 01 April 2014 as restated*	9 562 126	9 562 126
Changes in net assets		
Surplus for the year	1 354 601	1 354 601
Total changes	1 354 601	1 354 601
Restated* Balance at 01 April 2015	10 916 727	10 916 727
Changes in net assets		
Surplus for the year	980 840	980 840
Total changes	980 840	980 840
Balance at 31 March 2016	11 897 567	11 897 567

AGRICULTURAL LAND HOLDING ACCOUNT

Annual Financial Statements for the year ended 31 March 2016

Cash Flow Statement

	Note(s)	2016 R '000	2015 Restated* R '000
Cash flows from operating activities			
Cash receipts			
Sale of goods and services		3 601	2 548
Grant income		1 342 027	1 613 529
Interest income		39 974	43 285
Other operating revenue		2 836	(9 600)
		<u>1 388 438</u>	<u>1 649 762</u>
Cash paid to suppliers and employees			
Suppliers other payables		<u>(496 165)</u>	<u>(264 199)</u>
Net cash flows from operating activities	16	<u>892 273</u>	<u>1 385 563</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(990 072)	(1 203 021)
Proceeds from sale of assets		-	5 682
Purchase of other intangible assets	4	-	(1 025)
Net cash flows from investing activities		<u>(990 072)</u>	<u>(1 198 364)</u>
Net increase/(decrease) in cash and cash equivalents		(97 799)	187 199
Cash and cash equivalents at the beginning of the year		<u>279 048</u>	<u>91 849</u>
Cash and cash equivalents at the end of the year	6	<u>181 249</u>	<u>279 048</u>

AGRICULTURAL LAND HOLDING ACCOUNT

Annual Financial Statements for the year ended 31 March 2016

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget R '000	Adjustment R '000	Final budget R '000	Actual amounts on comparable basis R '000	Differences between final budget and actual R '000	Reference
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Rental income on lease receivable	84 608	(66 556)	18 052	530	(17 522)	(97%)
Interest received (outstanding debtors)	10 274	6 000	16 274	23 415	7 141	44%
Interest on servitude	-	-	-	36	36	0%
Other income	-	281	281	363	82	29%
Interest received	35 185	6 199	41 384	39 974	(1 410)	(3%)
Total revenue from exchange transactions	130 067	(54 076)	75 991	64 318	(11 673)	
Revenue from non-exchange transactions						
Government grants & subsidies	1 542 027	(200 000)	1 342 027	1 342 027	-	0%
Donation received	-	119 889	119 889	18 103	(101 786)	(85%)
Total revenue from non-exchange transactions	1 542 027	(80 111)	1 461 916	1 360 130	(101 786)	-
Total revenue	1 672 094	(134 187)	1 537 907	1 424 448	(113 459)	
Expenditure						
Depreciation and amortisation	-	(47 072)	(47 072)	(42 797)	4 275	9%
Impairment	-	(81 412)	(81 412)	(210 434)	(129 022)	(158%)
Interest Expense	-	-	-	(542)	(542)	0%
Operating expenditure farmers & other operating expenditure	(283 946)	(462 703)	(746 649)	(178 632)	568 017	76%
Total expenditure	(283 946)	(591 187)	(875 133)	(432 405)	442 728	
Operating surplus	1 388 148	(725 374)	662 774	992 043	329 269	
Loss on disposal of assets	-	(14 974)	(14 974)	(11 203)	3 771	25%
Surplus before taxation	1 388 148	(740 348)	647 800	980 840	333 040	

AGRICULTURAL LAND HOLDING ACCOUNT

Annual Financial Statements for the year ended 31 March 2016

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

1. In preparation of the expenditure framework for 2016 the department conducted reprioritisation with the purpose of funding other programmes. For this purpose, reprioritisation of programmes within the baseline allocation was considered. As a result, an amount of R200 000 million was reprioritised which decreased the grant from R1 542 027 billion to R1 342 027 billion.
2. **Rental Income on lease receivable** - No billing was done on agricultural leases during the current financial year for lease agreements that did not qualify for billing as per State land lease and disposal policy. The balance of lease agreements has not been received due to the process of compiling new business plans that is still underway. An approval has been granted suspending billing until lease agreements have been signed and granted.
3. **Interest received (outstanding debt)** - 44% variance on interest received on outstanding debt is as a result of debt management process that was not completed by year end.
4. **Other income** - Other income relates to refunds from attorneys on acquisition of properties during the current financial year.
5. **Donation** - The variance is as a result of not finalising assets that are to be transferred from AFU to the Department of Rural Development and Land Reform and then to ALHA before year end.
6. **Impairment** - (158%) variance is as a result of change in the methodology when calculating impairment for lease debtors and re-allocation of deferred expenditure to previous financial years.
7. **Operating expenditure farmers and other operating expenditure** - During the current financial year spending by farmers decreased due to slow submission of invoices. Farmers' debt has been handed over to the debt collectors.

AGRICULTURAL LAND HOLDING ACCOUNT

Annual Financial Statements for the year ended 31 March 2016

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget R '000	Adjustments R '000	Final Budget R '000	Actual amounts on comparable basis R '000	Difference between final budget and actual R '000	Reference
Statement of Financial Position						
Assets						
Current Assets						
Trade and other receivables from exchange transactions	53 662	(15 299)	38 323	7 511	(30 812)	(80%)
Trade and other receivables from non-exchange transactions	200 030	367 033	567 063	332 043	(235 020)	(41%)
Cash and cash equivalents	56 020	235 567	291 587	181 248	(110 339)	(38%)
	309 672	587 301	896 973	520 802	(376 171)	
Non-Current Assets						
Property, plant and equipment	12 054 997	(898 557)	11 156 440	11 217 108	60 668	1%
Intangible assets	2 006	(348)	1 658	1 481	(177)	(10%)
Other financial assets	263 905	1 431	265 336	265 424	88	0%
	12 320 908	(897 474)	11 423 434	11 484 013	60 579	
Total Assets	12 630 580	(310 173)	12 320 407	12 004 815	(315 592)	
Liabilities						
Current Liabilities						
Trade and other payables from exchange transactions	20 738	40 963	61 701	107 184	45 483	74%
Trade and other payables non-exchange	29 855	(29 855)	-	64	64	0%
	50 593	11 108	61 701	107 248	45 547	
Total Liabilities	50 593	11 108	61 701	107 248	45 547	
Net Assets	12 579 987	(321 281)	12 258 706	11 897 567	(361 139)	
Net Assets Attributable to Owners of Controlling Entity						
Reserves						
Accumulated surplus	12 579 987	(321 281)	12 258 706	11 897 567	(361 139)	

AGRICULTURAL LAND HOLDING ACCOUNT

Annual Financial Statements for the year ended 31 March 2016

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

8. **Trade and other receivables from exchange transactions** - 80% variance is as a result of a change in accounting estimates on lease impairment as a result of receiving new information at reporting date on the assessment of farmers. Impairment loss increased significantly as a result of the change.
9. **Trade and other receivables from non-exchange transactions.** The (38%) decrease is due variance being shifted for land acquisition.
10. **Cash and cash equivalent** - R181 248 million is cash at the bank against the budget of R291 587 million which is as a result of high spending on RADP projects and land acquisition not anticipated in the 4th quarter.
11. **Trade and other payables from exchange transactions** – The increase is due to delays as a result of rates and taxes reconciliations and late submission of statements from municipalities for the purpose of reconciliations before payments are done.

The variance is also due to land acquisition payments that could not be paid on 31 March 2016.

AGRICULTURAL LAND HOLDING ACCOUNT

Annual Financial Statements for the year ended 31 March 2016

Accounting Policies

1. Presentation of Annual Financial Statements

Public Sector Practices and Policies: Inter-relationship with national government

The Agricultural Land Holding Account operates as a trading entity under the administration of the Department: Rural Development and Land Reform. Policies and procedures applicable to the Department: Rural Development and Land Reform are applicable except where accounting policies of the trading entity states otherwise.

Basis of preparation

The annual financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practices (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board ("ASB") in accordance with section 91(1) of the Public Finance Management Act, (Act 1 of 1999).

The annual financial statements were prepared on an accrual basis of accounting and incorporate the historical cost conventions as the basis of measurement, except where specified otherwise.

In the absence of an issued and effective Standard of GRAP, accounting policies for material transactions, events or conditions were developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 as read with Directive 5.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

The principal accounting policies applied in the preparation of annual financial statements are set out below. These accounting policies are consistent with those applied in the preparation of the prior year financial statements, unless specified otherwise.

1.1 Presentation currency

The annual financial statements are presented in South African Rand, which is the functional currency of the Trading Entity.

1.2 Rounding

Unless otherwise stated all financial figures have been rounded off to the nearest one thousand rand (R'000).

1.3 Prior year comparatives

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are also reclassified and restated, unless such comparative reclassification is not required by a Standard of GRAP. The nature and reasons for such reclassification and restatement are also disclosed.

Where material accounting errors, which relate to prior periods, have been identified in the current year, the correction is made retrospectively as far as practicable and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly.

Presentation and classification of items in the current year are consistent with prior periods.

1.4 Budget

Budget information has been provided in a separate disclosure note in accordance with GRAP 1 and 24. GRAP 24 is applicable to all entities preparing their financial statements on accrual basis of accounting and is also applicable to all entities that are required or elect to make their approved budget publicly available.

ALHA budget does not meet the scope of GRAP 24 because its budget is not approved by council. The trading account has elected to make their approved budget publicly available. ALHA has presented separate statement of comparison of budget and actual amount that is not on the same accounting basis as the rest of the financial statements. The annual financial statements were presented using accrual basis of accounting while the budget information is presented using cash basis of accounting.

1.5 Significant judgements and estimates

In preparing the annual financial statements, management is required to make estimates and

assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Trade receivables

The entity assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the surplus makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

There has been a change in government policies regarding the determination of rental revenue and lease terms on existing lease agreements. The impact of the policy will result into new lease agreements with new lease terms and rental amounts being concluded, therefore all receivable arising from the old agreements have been written off. The lease agreements will be calculated prospectively upon signing by both parties. Billing on the lease has been suspended until lease agreements are signed by both parties.

Impairment of non-financial assets

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the entity is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The entity uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the end of the reporting period.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate

that is available to the entity for similar financial instruments.

In testing for impairment, the Trading entity performs assessment on current condition of the assets and makes use of the estimates to impair the carrying amount of the assets.

A percentage of carrying amounts is impaired based on the following categories:

Fair condition - 5%
Poor condition – 20%
Very poor/Scrap status - 100%

Provision on farmers – Recapitalisation

The Trading Entity provides for Recapitalisation expenditure as a result of an uncertainty on the timing of receiving invoices at the end of the financial year. The estimate on provision was calculated based on implementation plans and past events in determining the amount that might have been spent by farmers, thus recognising farmers' expense.

Value in use of non-cash generating assets

The Trading Entity reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. If there are indicators that impairment may have occurred, the remaining service potential of the asset is determined. This estimate is based on the availability of information to determine the remaining service potential of the asset.

Remaining useful lives of property, plant and equipment

The Trading Entity's management determines the estimated remaining useful lives and related depreciation charges for property, plant and equipment. This estimate is based on management's judgement, farming activities and operational factors. These estimates are based on the pattern in which an asset's future economic benefits or service potential is expected to be consumed by the Trading Entity.

Biological Assets

The Trading entity recognises expenditure on biological assets (living animals and plants) as an expense in the statement of financial performance. Management has applied judgment and concluded that it is not probable that future economic benefits or service potential associated with Biological Assets will flow to the Trading entity. This is because it is difficult for the trading entity to demonstrate on going control of these assets after they have been placed in the custody of the farmers.

Depreciation

Depreciation is recognised on property, plant and equipment and is determined with reference to the useful lives of the underlying items. The useful lives of the assets are based on management's estimation of the asset's condition at the end of the period of use, its current use and expected future use.

Recapitalisation and Development funding

The Trading entity provides funding to farmers for recapitalisation and development of farms. The transactions between the trading entity and the farmers are classified as non-exchange transaction because the entity does not receive equal value in the form of goods and services directly.

1.6 Property, plant and equipment

Initial recognition and measurement

Property, plant and equipment are tangible non-current assets that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and are expected to be used during more than one period.

Items of property, plant and equipment are recognised as assets when it is probable that future economic benefits or service potential associated with the item will flow to the entity and the cost or fair value of the item can be measured reliably.

Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost where acquired through exchange transactions. However, when items of property, plant and equipment are acquired through non-exchange transactions, those items are initially measured at their fair values as at the date of acquisition. This fair value is recognised as deemed cost of the asset.

The cost of an item of property, plant and equipment is the purchase price and other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the entity. Trade discounts and rebates are deducted in arriving at the cost at which the asset is recognised. The cost also includes the estimated costs of dismantling and removing the asset and restoring the site on which it is operated.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. These major components are

depreciated separately over their useful lives.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value is not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

Major spare parts and servicing equipment qualify as property, plant and equipment when the entity expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

Subsequent measurement

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

Where the entity replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component.

Subsequent expenditure including major spare parts and servicing equipment qualify as property, plant and equipment if the recognition criteria are met.

Depreciation

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The entity maintains and acquires assets to provide a social service to the community, with no intention dispose of the assets for any economic gain, and thus no residual values are applicable other than for motor vehicles.

The asset's residual values, useful lives and depreciation methods are reviewed at each financial year-end and adjusted prospectively, if appropriate.

The annual depreciation rates are based on the following estimated asset useful lives:

Details	Average useful life – Years
LAND	
• Agricultural Land	Unlimited
INFRASTRUCTURE	
• Production facility	40 - 50
• Production infrastructure	30 – 50
BUILDINGS	
• Farm dwellings	40 - 50
• Farm buildings	40 – 50
AGRICULTURAL EQUIPMENT	
• No moving parts e.g. Ploughs	20 -30
• High intensity moving parts e.g. Chain Saws	5 - 7
• Low intensity moving parts e.g. Planters	7 - 12
• Mechanical e.g. Tractors	10
• Water low intensity e.g. Irrigation pipes	30
• Water low intensity e.g. Movable irrigation pumps	15 -20
• Electrical e.g. Butchery equipment	15
• Office Equipment	5
MOTOR VEHICLES	
• Motor vehicles	5

Impairment

The Entity tests for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

Where items of Property, plant and equipment have been impaired, the carrying value is adjusted by the impairment loss which is recognised as an expense in the Statement of Financial Performance in the period identified.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of the impairment is recognised in the Statement of Financial Performance.

ALHA assesses at each reporting date whether there is an indication that an impairment loss is recognised in prior periods may no longer exist or may be decreased. If any such indication exists the recoverable amount of those assets are estimated.

A reversal of impairment loss of an asset carried at cost less accumulated depreciation or amortisation is recognised immediately in surplus or deficit.

Derecognition

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.7 Intangible assets

Initial recognition and measurement

An intangible asset is an identifiable non-monetary asset without physical substance. The Trading entity recognises intangible assets in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the assets will flow to the entity and the cost or fair value of the item can be measured reliably. Internally generated intangible assets are subject to strict recognition criteria before they are capitalised. Intangibles are initially recognised at cost.

Where intangible assets are acquired by the Trading entity for no or non-monetary consideration, the cost is deemed to be equal to the fair value of the assets on date acquired.

Where items of intangibles are acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

Subsequent to initial recognition, intangible assets are measured at cost less accumulated amortisation and impairments. The cost of an intangible asset is amortised over the useful life where that useful life is finite. Where the useful life is indefinite, the asset is not amortised but is subject to an annual impairment test. The useful life of the packaging and service rights is reviewed annually.

Details	Average useful life
Shares on packaging houses	5

Impairments

An intangible asset with finite life is tested for impairment annually when there is an indication

that an asset may be impaired. An assessment of whether there is an indication of a possible impairment is done at each reporting date. Where the carrying amount of an item of an intangible asset is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

Derecognition

Intangible assets are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.8 Revenue

Revenue from non-exchange transactions:

Revenue from non-exchange transactions refers to transactions where the trading entity received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Revenue from non-exchange transactions is measured at the amount of the increase in net assets recognised by the entity.

Revenue from exchange transactions:

Revenue from exchange transactions is measured at the fair value of the consideration received or receivable taking into account the amount of any discounts allowed by the entity, for goods and services provided in the normal course of business.

Revenue from the sale of farms is recognised when all the following conditions have been satisfied:

- The entity has transferred to the purchaser the significant risks and rewards of ownership of the property.
- The entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the property sold.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits or service potential associated with the

transaction will flow to the entity.

- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Rental revenue arising from operating leases is accounted for on a straight line basis over the lease terms.

1.9 Government Grants

The transfer from the Department of Rural Development and Land Reform is recognised when it is appropriated and probable that future economic benefits will flow to the entity and the amount can be measured reliably. A transfer is recognised as revenue to the extent that there is no corresponding liability arising from the receipt of the transfer payment.

Where conditions are attached to the transfer that gives rise to a corresponding liability, the corresponding amount is recognised as non-exchange revenue as and when the related liability is discharged.

1.10 Leases

The Trading entity as a lessor.

Classification

A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. An operating lease is a lease other than a finance lease.

The Trading entity classifies its leases as operating leases. The classification of the leases is based on the extent that the entity does not transfer substantially all the risks and rewards incidental to ownership of the assets to the lessee.

Measurement

- Lease income from operating leases is recognised in income on a straight-line basis over the lease term.
- Lease income is disclosed in the Statement of Financial Performance.
- Any contingent rental income is recognised as surplus or deficit in the period in which it is receivable.

1.11 Financial instruments

Classification

The trading entity classifies its financial instruments at amortised cost i.e. non-derivative financial assets or non-derivative financial liabilities that have a fixed or determinable payments, excluding instruments that:

- The Trading entity designates at fair value at initial recognition, or
- Are held for trading.

The classification depends on the purpose for which the financial instruments were obtained or incurred and takes place at initial recognition. Classification is reassessed on an annual basis.

Initial recognition

Financial instruments are recognised initially when the trading entity becomes a party to the contractual provisions of the instruments.

The trading entity classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and to the extent that the instrument satisfies the definition of a financial liability, a financial assets or a residual interest.

Initial measurement

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost.

For financial instruments which are not at fair value, transaction costs are included in the initial measurement of the instrument.

Subsequent measurement

Financial assets at amortised cost are subsequently measured at amortised cost, using the effective interest rate method, less accumulated impairment losses.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest rate method.

Impairment of financial assets

At each reporting date the Trading entity assesses all financial assets, other than those at fair value to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the Trading entity, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

If there is objective evidence that an impairment loss on financial assets measured at amortised costs have been incurred, the amount of the loss is measured at as the difference between the asset's carrying amount and the present value of the future cash flows discounted at the financial asset's original effective interest rate.

The carrying amount of the loss is reduced through the use of an allowance amount. The amount of the loss is recognised in surplus or deficit.

Impairment deficits are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Where financial assets are impaired through use of an allowance account, the amount of the deficit is recognised in surplus or deficit within operating expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Trade and other receivables

The Trade receivables are initially recognised at fair value and are subsequently stated at amortised costs less provision for impairment.

Allowance and impairment

Appropriate allowances for estimated irrecoverable amounts are recognised in surplus or deficit when there is objective evidence that the asset is impaired.

Debtors are assessed on an individual basis; however groups of debtors could be affected by the same evident circumstances which warrant a specific sub-grouping to be justifiable. Those debtors are classified according to those underlying circumstances considered for the purpose of compilation of an allowance for doubtful debts.

The following are some of the factors that should be considered, but the list is not exhaustive.

Category	Current	1 to 90 days	91 to 180 days	181 to 365 days	Over 365 days
Handed over to debt collectors	90%	90%	90%	90%	90%
Not handed over to debt collectors (Recap farms, farms not operational and where there's no potential to settle the debt)	100%	100%	100%	100%	100%
Credit balances (these are re classified creditors)	0%	0%	0%	0%	0%
Inactive or terminated accounts	100%	100%	100%	100%	100%
Approved indigents	100%	100%	100%	100%	100%
Debtors ageing to more than 180 days	100%	100%	100%	100%	100%
Debt ageing less than 180 days	100%	100%	100%	100%	100%

These categories are implemented based on circumstances of the debt and the debtor. Only one category

is applicable to each debtor at a time hence a proper analysis must be conducted to determine a category.

The impairment loss is calculated based on the ageing carrying value at reporting date less the percentages.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and are subject to an insignificant risk of changes in value. These are classified as financial assets at amortised cost.

Other financial assets

Other financial assets represent financial guarantees to land bank and are classified as financial assets at amortised cost.

1.12 Services in kind

The trading entity does not recognise services in kind as revenue. Services in kind are disclosed under related parties.

1.13 Commitments

No provision is made for projects approved for recapitalisation at year-end, unless the service in terms of the contract has been delivered or the contract is of an onerous nature. Where a project has been approved and contracted, but no expenditure has accrued it is disclosed

as commitments in the notes to the financial statements.

1.14 Irregular, fruitless and wasteful expenditure

Irregular expenditure means expenditure, other than unauthorised expenditure, incurred in contravention of, or that is not in accordance with a requirement of the department's approved policies or any applicable legislation, including:

- The PFMA, or
- The State Tender Board Act, 1968 (Act No.88 of 1986), or any regulations made in terms of that Act; or
- Any national legislation providing for procurement in the National Government.

Fruitless and wasteful expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

Any irregular, fruitless and wasteful expenditure is charged against surplus or deficit in the period in which it is incurred.

1.15 Unauthorised Expenditure

Unauthorised expenditure is expenditure that has not been budgeted for, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, trading entity or organ of State and expenditure in the form of a grant that is not permitted in terms of the Public Finance Management Act (No.1 of 1999 as amended by Act 29 of 1999). Unauthorised expenditure is accounted for as surplus or deficit in the Statement of Financial Performance and where recovered, it is subsequently accounted

for as revenue in the Statement of Financial Performance.

1.16 Other non-exchange receivables

Recognition and measurement

Trade and other receivables are categorised as financial assets and are initially recognised at fair value and subsequently carried at amortised cost. Amortised cost refers to initial carrying amount plus interest less repayments and impairments. Other non-exchange receivables consist of funds transferred to farmers for recapitalisation and development of farms and is recognised as deferred expenses. Expenditure is recognised by the Trading entity upon receiving of spending reports from farmers.

Allowance and impairment

Considering the nature of the deferred expenditure, the Trading entity provides for an allowance of the estimated non-submission of spending reports by farmers at year end and the debt that has been handed over to the debt collectors at the sum of 25% of deferred expenditure outstanding for 3 - 4 months, 50% of deferred expenditure outstanding between 5 - 9 months, 75% of deferred expenditure outstanding between 10 - 11 months and 100% of deferred expenditure outstanding for more than 12 months that has been handed over.

1.17 Contingent Asset

A contingent asset is disclosed by the trading entity where there is a possible asset that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

1.18 Contingent Liability

A contingent liability is disclosed by the trading entity where there is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of ALHA; or where there is a present obligation arising from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

1.19 Events after the reporting date

Adjusting events

The entity will adjust the amounts recognised in the financial statements to reflect events that provided evidence of conditions that existed at the reporting date once the event has occurred.

Non-Adjusting events

The entity will disclose the nature of the events and estimates in its financial statements for non-adjusting events, where non-disclosure could influence the economic decisions of the users.

1.20 Related parties

The entity has controls in place to aid in the identification of related parties. The entity provides information on transactions with related parties in its financial statements. Disclosure of transactions with other government entities is only provided to the extent that the transaction was not on normal terms (not at arm's length).

AGRICULTURAL LAND HOLDING ACCOUNT

Annual Financial Statements for the year ended 31 March 2016

Notes to the Annual Financial Statements

2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

The following Standards of GRAP have been issued by the Accounting Standards Board. The Trading entity has not early adopted any of these new Standards but has referred to them for guidance in the development of accounting policies in accordance with GRAP 3 as read with Directive 5.

Standard/ Interpretation:	Effective date: Years beginning On or after:
• GRAP 18: Segment Reporting	No effective date
• GRAP 105: Transfers of functions between entities under common control	No effective date
• GRAP 106: Transfers of functions between entities not under common control	No effective date
• GRAP 20: Related parties	No effective date
• GRAP32: Service Concession Arrangements: Grantor	No effective date
• GRAP108: Statutory Receivables	No effective date
• IGRAP17: Service Concession Arrangements where a Grantor Controls a Significant Residual Interest in an Asset	No effective date

AGRICULTURAL LAND HOLDING ACCOUNT

Note 39: Annual Financial Statements for the year ended 31 March 2016

Notes to the Annual Financial Statements

3. Property, plant and equipment

	2016 R '000		2015 R '000			
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Agricultural land	9 778 742	-	9 778 742	8 981 455	-	8 981 455
Buildings	929 438	(85 348)	844 090	802 324	(58 020)	744 304
Motor vehicles	15 213	(8 959)	6 254	14 617	(6 271)	8 346
Infrastructure	531 069	(55 888)	475 181	500 465	(39 847)	460 618
Agricultural equipment	156 163	(43 322)	112 841	132 598	(28 961)	103 637
Total	11 410 625	193 517	11 217 108	10 431 459	(133 099)	10 298 360

Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Additions through donations	Disposals	De preciation	Impairment loss	Total
Agricultural land	8 981 455	808 478	-	(11 191)	-	-	9 778 742
Buildings	744 304	127 115	-	-	(16 519)	(10 809)	844 090
Motor vehicles	8 346	563	42	(3)	(2 533)	(161)	6 254
Infrastructure	460 618	30 604	-	-	(10 930)	(5 111)	475 181
Agricultural equipment	103 637	23 312	264	(9)	(12 390)	(1 972)	112 841
Total	10 298 360	990 072	306	(11 203)	(42 372)	(18 053)	11 217 108

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2015

	Opening balance	Additions	Additions through donations	Disposals	Depreciation	Impairment loss	Total
Agricultural land	7 974 260	1 018 727		(11 532)	-	-	8 981 455
Buildings	634 052	136 475		(1 538)	(13 781)	(10 905)	744 304
Motor vehicles	9 824	1 546		-	(2 671)	(353)	8 346
Infrastructure	453 354	27 743	4	(1 695)	(10 338)	(8 450)	460 618
Agricultural equipment	99 218	18 530	1 333	(367)	(11 088)	(3 989)	103 637
	9 170 708	1 203 021	1 337	(15 132)	(37 878)	(23 697)	10 298 360

Additional information

Property, Plant and Equipment is carried at cost less accumulated depreciation and impairment losses. The net carrying amount of Property, Plant and Equipment is R11 217 108 billion (2015: R10 298 360 billion) after depreciation and impairment losses of R42 372 million and R18 053 million.

Prior period error relates to:

During the previous financial years, assets that were donated to ALHA by former land owners and these assets were recognised at zero values. Fair values were conducted to determine the carrying value of these assets. The error resulted in an understatement on PPE for the previous financial years. The error has been corrected with an increase of R7 871 million on cost and an increase on accumulated depreciation amounting to R410 thousand from the beginning of 2013/14 financial year.

During the previous financial years values on Property, plant and equipment relating to land acquisition was allocated to one within the acquired project. During the year under review values were proportionated to all acquired properties within the project. There is no financial impact relating to the proportioning.

4. Intangible assets

	2016 R '000			2015 R '000		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Accumulated Amortisation and Impairment	-	(646)	(646)	-	(220)	(220)
Intangible assets	2 127	-	2 127	2 127	-	2 127
Total	2 127	(646)	1 481	2 127	(220)	1 907

Reconciliation of intangible assets – 2016

	Opening balance	Amortisation	Total
Amortisation	(220)	(426)	(646)
Share on packaging houses	2 127	-	2 127
	1 907	(426)	1 481

Reconciliation of intangible assets – 2015

	Opening balance	Additions	Amortisation	Total
Amortisation	-	-	(220)	(220)
Share on packaging houses	1 102	1 025	-	2 127
	1 102	1 025	(220)	1 907

5. Other financial assets

	Financial assistance R'000	Total
Opening balance at 01 April 2015	250 178	250 178
Interest earned for the year	15 246	15 246
	265 424	265 424

Other financial assets comprise of financial assistance to Land Bank as guarantees for farms in distress. No assets were held as collaterals. No portion of the financial assistant has passed the due date therefore there were no impairment indications.

6. Cash and cash equivalents

Cash and cash equivalents consist of:

	2016 R '000	2015 R '000
Cash at bank	181 248	279 048

Cash and deposits are held with a registered banking institution which is subjected to insignificant credit risk. The maximum exposure to credit risk at reporting date is the fair value of cash and cash equivalents mentioned above.

7. Trade and other receivables from exchange transactions

	2016 R '000	2015 R '000
Operating lease receivables	7 182	42 067
Accrued interest	225	361
Operating lease receivables: servitude	104	-
	7 511	42 428

Credit quality of trade and other receivables

The carrying value of the operating lease receivables of R7 182 million (2015: R42 067 million) after restatement as per note 25, is stated after an allowance for impairment of R316 432 million (2015: R259 698 million). An allowance for impairment of operating leases is assessed at the end of the reporting date. The gross operating lease receivables value is R323 614 million (2015: R301 991million).

	2016 R '000	2015 R '000
Reconciliation of the allowance		
Balance at the beginning of the year	259 698	237 964
Contribution to provisions	56 734	21 734
	316 432	259 698

Trade and other receivables past due but not impaired

Trade and other receivables less than three months are not impaired unless individual debtor impairment is identified. Total trade and other receivables of R7 182 million (2015: R42 067 million) were not impaired.

The ageing of amounts past due but not impaired is as follows:

	2016 R '000	2015 R '000
Less than 3 months	150	7 472
3 to 6 months	141	2 222
6 to 12 months	289	5 630
Over 12 months	6 602	26 743
	7 182	42 067

Trade and other receivables impaired

Trade and other receivables of R316 432 million (2015: R259 698 million) were impaired.

The ageing of the impairment loss is as follows:

	2016 R '000	2015 R '000
3 to 6 months	11 701	1 368
6 to 12 months	11 061	9 753
Over 12 months	293 670	248 577
	316 432	259 698

8. Trade and other receivables from non-exchange transactions

	2016 R '000	2015 R '000
Deferred expenses	331 739	122 421
Other debtors	184	106
Interdepartmental debtors	120	-
	332 043	122 527

Deferred expenses relates to recapitalisation and development funds transferred to farmers. The carrying value of the deferred expenses is R331 739 million (2015: R122 421 million) after providing for an impairment loss R306 825 million (2015: R171 177 million).

An allowance for impairment of deferred expenses is assessed at the end of the reporting date. The gross deferred expense value is R638 564 million (2015: R293 598 million)

9. Trade and other payables from exchange transactions

	2016 R '000	2015 R '000
Trade payables	102 778	43 479
Rental payments received in advanced - contract in process	4 406	2 835
	107 184	46 314

Trade payables relate to rates and taxes invoices from municipalities, farmers expenditure and acquisition of land.

10. Trade and other payables from non exchange transactions

	2016 R '000	2015 R '000
Inter-departmental creditors	64	31 407

Subsequent to the balance of R31,407 million that was due to the Department of Rural Development and Land Reform in the previous financial year payments were made from ALHA to the Department of Rural Development and Land Reform. Approval for donation was granted for ALHA to retain the balance of R17 797million. The total amount of R64 thousand relates to rates and taxes that was paid by the department on behalf of ALHA. The opening balance of interdepartmental creditors has been restated as per note 25.

11. Revenue

	2016 R '000	2015 R '000
Rental income on lease receivable	380	126
Rental income on servitude	150	435
Interest on lease receivable	23 415	20 447
Interest on servitude	36	26
Other income	363	5 023
Interest received	39 974	43 285
Grant income - non exchange	1 342 027	1 613 529
Donation received	18 103	1 627
	1 424 448	1 684 498

The grant received from the Department of Rural Development and Land Reform is an allocation from voted funds for the purposes of executing the Pro-Active Land Acquisition Strategy.

The Trading Entity has during the current financial year received a donation amounting to R17,797 million from the Department of Rural Development and Land Reform and movable assets with a total value of R306 thousand and from the previous farm owners on acquisition of property.

Contracts that were received during the current financial year did not qualify for billing as they are under the category of farmers that are assisted by the Trading Entity through the Recapitalisation and Development programme. These farmers are exempted from paying rental for a period of less than 5 years while being assisted. The remaining balance of the farmers is in a process of finalising contracts that must be aligned to the policy, suspension approval has been granted until the finalisation of lease agreements.

12. Interest income

	2016 R '000	2015 R '000
Interest receive	39 974	43 285

The interest for the current financial year relates to interest earned from bank amounting to R24 728 million and interest earned from land bank R15 246 million.

The total amount of R43 285 million for 2014/15 financial year relates to interest bank amounting to R29 796 million and Interest from Land Bank amounting to R13 489 million that has been re-classified during the current financial year from other income to interest income hence an adjustment for the interest that was disclosed in the previous financial year.

13. Other income

	2016 R '000	2015 R '000
Other income	363	5 023

The total amount for other income relates to refunds from attorneys on the acquisition of property during the current financial year.

In the current financial year interest land bank earned during 2014/15 financial year amounting to R13,489 million has been re classified from other income to interest income.

14. Operating expenses/goods and services

	2016 R '000	2015 R '000
Bank charges	30	28
Repairs and maintenance – farmers	129	285
Consultants, contracts and agency costs	17 909	11 380
Consumables - farmers	118	332
Recapitalisation and development expenditure – farmers	100 208	184 793
Seeds – farmers	-	6
Animal feeds – farmers	-	763
Levies	137	-
Fuel and diesel expenses – farmers	-	40
Security expenses – farmers	1 670	1 984
Transport – farmers	6	-
Training and skills development – farmers	-	200
Water and electricity – farmers	2 584	905
Rates and taxes	6 014	14 444
Fertilizer – farmers	211	39
Machinery and equipment – farmers	4	551
Biological assets – farmers	32 539	29 371
Road grading and other repair – farmers	328	-
Other expenses	16 745	5 595
	178 632	250 716

The total amount of R16 745 million (2015: R5 595 million) for other expenses relates to business planning, legal fees, and management fees.

Operating expenditure 2015/16: Total amount of R178 632 million relates to operating expenditure farmers amounting to R137 797 million and other operating expenditure amounting to R40 835 million.

Operating expenditure 2014/15: Total amount of R250 716 million relates to operating expenditure farmers amounting to R219 269 million and other operating expenditure amounting to R31 447 million.

15. Impairment

	2016 R '000	2015 R '000
Property, plant and equipment	18 053	23 697
Lease debtors	56 734	21 734
Deferred expenditure	135 647	(16 117)
	210 434	29 314

16. Cash generated from operations

	2016 R '000	2015 R '000
Surplus	980 840	1 354 601
Adjustments for:		
Depreciation and amortisation	42 797	38 098
Interest - land bank	(15 246)	(13 489)
Profit on disposal of asset	-	(1 470)
Loss on disposal of asset	11 203	10 920
Adjust for Donations received	(306)	(1 337)
Impairment of assets	18 053	23 697
Other non-cash items	-	321
Changes in working capital:		
Trade and other receivables from exchange transactions	34 917	(6 518)
Other receivables from non-exchange transactions	(209 511)	(48 354)
Trade and other payables from exchange transactions	60 869	24 456
Trade and other payables from non-exchange	(31 343)	4 638
	892 273	1 385 563

17. Financial instruments disclosure

Categories of financial instruments

2016

Financial asset by category

	At amortised cost	Total
Other financial assets	265 424	265 424
Trade and other receivables from exchange transactions	7 182	7 182
Cash and cash equivalents	181 248	181 248
	453 854	453 854

Financial liability by category

	At amortised cost	Total
Trade and other payables from exchange transactions	102 778	102 778

2015

Financial asset by category

	At amortised cost	Total
Other financial assets	250 178	250 178
Trade and other receivables from exchange transactions	42 067	42 067
Cash and cash equivalents	279 048	279 048
	571 293	571 293

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	43 479	43 479

18. Related parties

The trading entity is a related party to other state departments and other state owned entities in the national sphere of government. The trading entity does not separately disclose transactions with government entities related parties unless there are transactions or balances between the trading entity and the related parties and, in accordance with IPSAS 20: Related Parties, those transactions were not on normal terms and practice for the sector.

Related party balances

	2016 R '000	2015 R '000
Inter-departmental payables		
Department: Rural Development and Land reform: Payables	64	31 407
Inter-departmental receivables		
Department: Rural Development and Land reform: Receivables	120	-

Related party transactions

Department: Rural Development and Land Reform - Grant received	1 342 027	1 613 529
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No executive emoluments are paid by the entity, as they are remunerated by the Department of Rural Development and Land Reform.

The Department: Rural Development and Land Reform also provides administrative services to the trading entity at no cost. These are not accounted for but disclosed as services in kind. Refer to note 20.

19. Risk management

Financial risk management

The trading entity's activities expose it to a variety of financial risks including credit risk and liquidity risk.

The trading entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the trading entity's financial performance. Risk management is carried out by a management committee of the department under the risk management framework approved by the Audit Committee.

Liquidity risk

The table below analyses the trading entity's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 3 months R'000	Between 3 and 6 months R'000	Between 6 months and 1 year R'000	Total R'000
At 31 March 2016				
Trade and other receivables from exchange transactions	150	141	6 891	7 182
Trade and other payables from exchange transactions	100 588	84	2 106	102 778

At 31 March 2015

Trade and other receivables from exchange transactions	7 472	2 222	32 373	42 067
Trade and other payables from exchange transactions	36 167	35	7 277	43 479

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, trade receivables and other financial assets. The trading entity only deposits cash with major banks and service providers with high quality credit standing and limits exposure to any one counter party.

Financial assets exposed to credit risk at year end were as follows:

	2016 R '000	2015 R '000
Financial instrument		
Cash and cash equivalents	181 248	279 048
Trade and other receivables from exchange transactions	7 182	42 067
Other financial assets	265 424	250 178

Interest rate risk

As the trading entity has no significant interest-bearing assets, the trading entity's income and operating cash flows are substantially independent of changes in market interest rates.

20. Services in kind

The Trading entity falls under the administration of the Department of Rural Development and Land Reform. The executives of the department spend some of their time on the affairs of the trading entity. Furthermore, the department provides the services of internal audit function, information technology and staff training. There is no cost charged by the department in this regard.

21. Fruitless and wasteful expenditure

	2016 R '000	2015 R '000
Fruitless and wasteful expenditure	1 017	73

The R1 017 million relates to an over payment to a farmer interest paid with regard to investment costs that was reported in the previous financial year but not yet condoned and the interest paid on late payment on rates and taxes.

22. Future minimum lease receivable

The trading entity leases farms to farmers for a long term period which is mostly over 30 years. The total lease payment is based on 5% of the projected net income calculated using the approved farmers business plan.

Farmers that are assisted by the Trading Entity through recapitalisation and development are exempted from paying rental for a period lesser than 5 years in which they are being assisted. All old lease contracts are not billable due to the implementation of the State land and lease disposal policy.

The future minimum lease has not been calculated and will not be disclosed due to the process of implementing the State land lease disposal policy which allows for the lessee not to pay rental while they are being financially assisted .

Lease revenue - contingent rent

Within 1 year	59 212
Between 2 and 5 years	32 168
	<u>91 380</u>

Included in revenue from exchange transactions is the amount of R380 thousand (rental income on lease receivable – non-agricultural leases) that were recognised as a portion of contingent rent because the lease payments are not fixed and are based on CPI that changes other than with the passage of time. The entire amount has been recognised as revenue in the statement of financial performance.

23. Commitments

	2016 R '000	2015 R '000
Contracted recapitalization projects	258 680	320 291
Guarantees Land acquisition	99 397	25 451
Open orders	28 759	5 048
Project Management	9 084	13 634
	<u>395 920</u>	<u>346 424</u>

24. Contingent asset

During the previous financial year, the Trading Entity determined that a farmer had unlawfully removed movable assets to the value of R1 596 million from the farm. As a result the Trading Entity took legal action against the farmer to recover the loss of assets. The matter is still in the court of law.

Contingent liabilities

Subsequent to the rates and taxes assessment and the communication with municipalities, the Trading Entity has at the end of the current financial year not received invoices for some of the accounts. The extent of the liability is unknown as municipalities are required to submit invoices together with statements for proper reconciliation, therefore the amount and the timing is uncertain but it is probable that the proceedings will result in cash outflows to the municipalities. The trading entity has also received summons amounting to R521 thousand from the irrigation board for unpaid invoices relating to water levies. These summonses were not validated at the reporting date as some documentation was not provided.

25. Disclosure of prior period errors

The Trading Entity identified the following prior period errors during the 2015/16 financial year and all the corrections from the beginning of 2012/2013 financial year have been done accordingly:

Property, Plant and Equipment (PPE)

In 2015/16 an error was identified relating to the original useful lives that were allocated to some assets during migration from inventory to PPE in 2012/13 financial year. Assets were reclassified from Inventory to Property, plant and equipment which resulted in original useful lives not to be recorded in line with the approved policy. The correction of the error resulted in accumulated depreciation decrease of R9 218 million and an increase amounting to R9 218 million in the carrying value of assets. The impairment cost increased by R4 523 million as a result of the increase in carrying value of assets. The error has been corrected from the beginning of 2012/13 financial year.

During the 2014/15 financial year assets that were not verified for the past three financial years were

written off. In the current financial year some of the assets were subsequently found and verified, therefore the write off has been reversed and the reversal has an impact on the cost with an amount of R2 221 million, an increase in accumulated depreciation and accumulated impairment of R135 thousand and R52 thousand respectively.

A farm in Gauteng province was acquired in March 2015 however some of the movable assets were not valued at the time of acquisition and the entire acquisition amount was allocated to land. During the 2015/16 financial year, these assets were fair valued by means of comparison of prices in order to determine carrying values. Amounts were therefore proportionated against the agreed price as per sale agreement. The correction has an effect on cost of land amounting to R8 131 million which was then reclassified to other PPE categories resulting in an increase of accumulated depreciation amounting to R9 thousand and the correction was adjusted accordingly from the 2014/15 financial year.

During the previous financial years, assets were donated to ALHA by former land owners. These assets were recognised at zero values. During the current financial year fair values were conducted to determine the carrying value of these assets. The error resulted in an understatement on PPE for the previous financial years. The error has been corrected with an increase of R7 871 million on cost (R81 thousand relates to a donation for 2014/15 financial year and R7 790 million relates to donations from the beginning of 2012/13 financial year that was adjusted against surplus) and an increase on accumulated depreciation amounting to R410 thousand from the beginning of 2013/14 financial year.

The Trading entity also identified land that was disposed in 2013/14 and 2014/15. The disposal has been corrected in both financial years resulting in a decrease on PPE amounting to R15 138 and R8 248 million respectively.

Intangible assets - packaging rights

During the current financial year it has been realised that packaging rights were transferred to a farmer in the 2013/14 financial year. The transfer was previously not recognised and an adjustment of R903 thousand was corrected.

During the current financial it was also identified that intangible assets that were acquired during the 2014/15 financial were not amortised and as a result R1 thousand was an impact on the amortisation.

Rental Receivable - Operating lease receivable

During the current financial year the Trading Entity identified an error on lease debtors that have been incorrectly recognised in ALHA's books. These lease debtors belong to the Department of Rural Development and Land reform. The error has been corrected retrospectively from the beginning of 2014, with an adjustment against the opening Accumulated surplus.

The error resulted into an over statement on rental revenue receivable amounting to R5 338 million, provision for doubtful debts was also overstated by R4 400 million and the error has been corrected accordingly. Interest receivable and impairment amounts to R376 thousand and R437 thousand respectively was also adjusted accordingly and the comparative figures were restated accordingly.

Interdepartmental creditors

Total amount of R60 thousand that relates to rental payments for lease debtors that belongs to DRDLR was incorrectly recognised by ALHA and the transaction has been corrected retrospectively from the beginning of 2014 against the accumulated surplus.

Other debtors

A case affecting ALHA was opened against a former employee of the department and was finalised during the 2014/15 financial year. This transaction was never recognised by ALHA in the previous financial year. A debt amounting to R46 thousand was raised with an increase in other income. The error has been corrected accordingly during the 2014/15 financial year.

Operating expenditure - Farmers

During the current financial year it has been realised that expenditure for farmers was recognised incorrectly in previous financial years and the error has been corrected retrospectively with an impact of R82 675 million adjusted against deferred expenditure and as a result affecting provision by R54 307 million.

Trade payables exchange - Rates and Taxes

During the current financial year it has been identified that some of the municipality rates and taxes were not accrued which has an impact on the accrual and expenditure that was understated. A total amount of R13 212 million was adjusted retrospectively against rates and taxes (R12 351 million), interest paid (R733 thousand), water and electricity (R39 thousand) and water rights and legal fees (R50 thousand) when the error occurred.

Interest received - Land Bank

Interest earned from Land Bank in the 2014/15 financial year was re-classified within the income statement (from Other income to Interest bank) and the re-classification had no financial impact.

	2016 R '000	2015 R '000
Statement of Financial Position		
Property, plant and equipment - Cost	-	14 694 735
Property, plant and equipment - Accumulated depreciation	-	(8 816 786)
Property, plant and equipment - Accumulated impairment	-	(4 524 723)
Receivables non-exchange - Deferred expenses/transfers	-	82 675 454
Receivable non-exchange - Provision for doubtful debts: def exp/transfer	-	(54 621 592)
Receivable non exchange - Other debtors	-	(45 943)
Receivable exchange - Revenue receivable	-	5 337 552
Receivable exchange - Provision for doubtful debts	-	(4 399 788)
Trade payables non exchange - Interdepartmental creditors	-	59 790
Trade payables exchange - Rates and taxes	-	13 212 514
Intangible assets - Accumulated amortisation	-	1 123
Accumulated surplus	-	(130 164 379)
	-	(86 592 043)
Statement of Financial Performance		
Expenditure – Depreciation – PPE	-	3 055 083
Expenditure – Impairment – PPE	-	4 808 659
Expenditure – Operating expenditure farmers	-	39 191 323
Expenditure – Impairment – Deterred expenses / transfers	-	54 621 592
Other income	-	(13 443 888)
Expenditure – Impairment – lease debtors	-	437 937
Revenue – Interest received rental	-	(375 613)
Expenditure – Loss on disposal of asset	-	(9 483 933)
Revenue – Donation received	-	81 697
Expenditure – Rates and taxes	-	(5 416 925)
Expenditure – Farmers (Water and electricity)	-	(27 873)
Finance cost – Interest expense	-	(344 724)
Expenditure – Intangible assets – amortisation	-	(1 123)
Interest bank – Land Bank	-	13 489 831
	-	86 592 043

From the beginning of the 2012/13 financial year the effect on return earnings has been restated by R130 164 million.

26. Change in Accounting Estimates

Management changed the accounting estimates on impairment of lease debtors from assessing consolidated debt to individual assessment of debtors. Lease debtors are now classified according to the underlying circumstances that are considered for the purpose of calculating an allowance for provision for doubtful debts.

The effect of the change in accounting estimate has resulted in a net change amounting to R36 445 million.

The total effect of the change in estimates in future periods is not disclosed because estimating impairment is impractical.

Management reviewed the remaining useful life of assets. The effect of the change in estimate has resulted in net amounting to R441 thousand and the total amount will remain the same in the following financial years.

Report of the auditor-general to Parliament on the Deeds Registration Trading Account

Report on the financial statements

Introduction

1. I have audited the financial statements of the Deeds Registration Trading Account (Deeds) set out on pages 291 to 324 which comprise the statement of financial position as at 31 March 2016, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In

making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of Deeds as at 31 March 2016 and its financial performance and cash flows for the year then ended, in accordance with SA Standards of GRAP and the requirements of the PFMA.

Emphasis of matters

7. The following emphasis of matter paragraphs will be included in our auditor's report to draw the users' attention to matters presented or disclosed in the financial statements:

Restatement of corresponding figures

8. As disclosed in note 22 to the financial statements, the corresponding figures for 31 March 2015 have been restated as a result of an error discovered during 2016 in the financial statements of the Deeds Registration Trading Account at, and for the year ended, 31 March 2015.

Significant uncertainties

9. With reference to note 20 to the financial statement, a contingent asset has been disclosed in the notes to the annual financial statements. The entity has a pending case with a service provider relating to a contractual obligation. The ultimate outcome of the matter cannot be determined at this stage.

Report on other legal and regulatory requirements

10. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives of selected objectives presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading, but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion thereon.

Predetermined objectives

11. The strategic objectives, programme outputs, indicators and targets of Deeds are incorporated in the reported programme performance of the Department of Rural Development and Land Reform, and are reported under programme 2: Geospatial and cadastral services. As a result, findings relating to the audit of performance information are reported as part of the audit report on the Department of Rural Development and Land Reform.

Compliance with legislation

12. I performed procedures to obtain evidence that the trading entity had complied with applicable legislation regarding financial matters, financial management and other related matters. My material findings on compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:

Annual financial statements

13. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework, as

required by section 40(1)(b) of the PFMA. Material misstatements of the cash flow statement, unspent conditional grants, and property plant and equipment identified by the auditors in the submitted financial statements were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

Internal control

14. I considered internal control relevant to my audit of the financial statements and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the finding on compliance with legislation included in this report.

Leadership

15. Management did not exercise effective oversight of financial reporting and related internal controls regarding the financial statements. This is evident from the fact that the implemented internal monitoring controls currently failed to ensure accurate financial reporting. These deficiencies resulted in the material misstatements identified by the auditors.

Financial and performance management

16. Management did not adequately review the financial statements, resulting in the financial statements not being prepared in accordance with the SA Standards of GRAP. This is evident from the material corrections made to the financial statements submitted, resulting in material instances of non-compliance. Furthermore, management did not pay full attention to the information system control environment as several matters have been identified relating to the information systems general controls.

Other reports

17. I draw attention to the following engagement that could potentially have an impact on the trading entity's financial and compliance-related matters. My opinion is not modified in respect of this engagement which was still in progress at the audit report date.

Investigations

18. As at 31 March 2016, five cases were under investigation by internal audit. These investigations relate mainly to allegations of financial irregularities at the entity. The investigation was still in progress at year-end and is expected to be finalised during the 2016-17 financial year.

Auditor - General.

Pretoria
31 July 2016



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

DEEDS REGISTRATION TRADING ACCOUNT

Annual Financial Statements for the year ended 31 March 2016

General Information

Country of incorporation and domicile:

South Africa

Nature of business and principal activities:

Office of the Chief Registrar of Deeds / Branch
Deeds Registration

Business address:

Corner Bosman and Pretorius
Rentmeester Building Pretoria
0001

Bankers:

Standard Bank

Auditors:

Auditor General of South Africa

DEEDS REGISTRATION TRADING ACCOUNT

Annual Financial Statements for the year ended 31 March 2016

Index

The reports and statements set out below comprise the annual financial statements presented to the parliament:

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The audited annual financial statements set out on pages 291 to 324, which have been prepared on the going concern basis, were approved by the accounting authority on 31 July 2016 and were signed on its behalf by:



Director: Financial Management and Accounting



Senior Financial Officer



R Sadiki
Chief Financial Officer



PM Shabane
Director-General

DEEDS REGISTRATION TRADING ACCOUNT

Annual Financial Statements for the year ended 31 March 2016

Statement of Financial Position as at 31 March 2016

	Note(s)	2016 R '000	2015 Restated* R '000
Assets			
Current Assets			
Inventories	2	3 971	3 283
Prepayments	3	1 149	5 770
Receivables from exchange transactions	4	53 778	53 227
Cash and cash equivalents	5	33 3183	289 819
		392 081	352 099
Non-Current Assets			
Property, plant and equipment	6	168 445	171 426
Intangible assets	7	141 966	140 050
Prepayments	3	325	-
		310 736	311 476
Total Assets		702 817	663 575
Liabilities			
Current Liabilities			
Finance lease obligation	8	867	1 007
Payables from exchange transactions	9	79 571	71 669
Unspent conditional grants and receipts	10	63 027	91 922
Provisions	11	4 931	-
		148 396	164 598
Non-Current Liabilities			
Finance lease obligation	8	454	903
Provisions	11	13 048	14 735
		13 502	15 638
Total Liabilities		161 898	180 236
Net Assets		540 919	483 339
Accumulated surplus		540 917	483 341

* See Note 22

DEEDS REGISTRATION TRADING ACCOUNT

Annual Financial Statements for the year ended 31 March 2016

Statement of Financial Performance

	2016 R '000	2015 Restated* R '000
Revenue		
Revenue from exchange transactions		
Registration of deeds and sale of information	586 020	521 549
Other income	4 503	2 793
Interest received - investment	14 288	12 386
	<u>604 811</u>	<u>536 728</u>
Revenue from non-exchange transactions		
Transfer revenue		
Government grants	50 308	185 272
Public contributions and donations	281	-
	<u>50 589</u>	<u>185 272</u>
Total revenue	<u>655 400</u>	<u>722 000</u>
Expenditure		
Employee costs	(428 800)	(411 717)
Depreciation and amortisation	(29 902)	(20 364)
Impairment loss	(447)	(26 235)
Finance costs	(138)	(177)
Bad debts	(6)	(586)
Repairs and maintenance	(20 326)	(44 730)
General expenses	(117 910)	(110 054)
	<u>(597 529)</u>	<u>(613 863)</u>
Operating surplus	<u>57 871</u>	<u>108 137</u>
Loss on disposal of assets	(294)	(549)
Surplus for the year	<u>57 577</u>	<u>107 588</u>

* See Note 22

DEEDS REGISTRATION TRADING ACCOUNT

Annual Financial Statements for the year ended 31 March 2016

Statement of Changes in Net Assets

	Accumulated surplus R '000	Total net assets R '000
Balance at 01 April 2014	375 752	375 752
Changes in net assets		
Surplus for the year	107 589	107 589
Total changes	<u>107 589</u>	<u>107 589</u>
Restated* Balance at 01 April 2015	483 341	483 341
Changes in net assets		
Surplus for the year	57 576	57 576
Total changes	<u>57 576</u>	<u>57 576</u>
Balance at 31 March 2016	540 917	540 917

* See Note 22

DEEDS REGISTRATION TRADING ACCOUNT

Annual Financial Statements for the year ended 31 March 2016

Cash Flow Statement

		2016	2015
		R '000	Restated*
	<i>Note(s)</i>		R '000
Cash flows from operating activities			
Receipts			
Registration of Deeds and sale of information		588 143	537 295
Grants		21 413	113 194
Interest income		13 633	12 386
Other income		148	-
		<u>623 337</u>	<u>662 875</u>
Payments			
Employee costs		(409 681)	(411 717)
Suppliers		(149 759)	(116 946)
		<u>(559 440)</u>	<u>(528 663)</u>
Net cash flows from operating activities	19	<u>63 897</u>	<u>134 212</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(18 992)	(124 889)
Proceeds from sale of property, plant and equipment	6	13	43
Net cash flows from investing activities		<u>(18 979)</u>	<u>(124 846)</u>
Cash flows from financing activities			
Finance lease payments		(1 554)	288
Net increase/(decrease) in cash and cash equivalents		<u>43 364</u>	<u>9 654</u>
Cash and cash equivalents at the beginning of the year		289 819	280 165
Cash and cash equivalents at the end of the year	5	<u>333 183</u>	<u>289 819</u>

* See Note 22

DEEDS REGISTRATION TRADING ACCOUNT

Annual Financial Statements for the year ended 31 March 2016

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget R '000	Adjustments R '000	Final Budget R '000	Actual amounts on comparable basis R '000	Difference between final budget and actual R '000	Ref- erence
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Registration of Deeds and sale of information	707 204	(15 716)	691 488	586 020	(105 468)	1
Other income	49	101	150	4 503	4 353	2
Interest received - investment	12 420	(101)	12 319	14 288	1 969	3
Total revenue from exchange transactions	719 673	(15 716)	703 957	604 811	(99 146)	
Revenue from non-exchange transactions						
Transfer revenue						
Government grants & subsidies	119 537	(103 608)	15 929	50 308	34 379	4
Public contributions and donations	-	-	-	281	281	
Total revenue from non-exchange transactions	119 537	(103 608)	15 929	50 589	34 660	
Total revenue	839 210	(119 324)	719 886	655 400	(64 486)	
Expenditure						
Personnel	(496 912)	(2 584)	(499 496)	(428 800)	70 696	5
Depreciation and amortisation	(19 500)	-	(19 500)	(29 902)	(10 402)	6
Impairment loss/ Reversal of impairments	-	-	-	(447)	(447)	7
Finance costs	-	-	-	(138)	(138)	8
Bad debts written off	-	-	-	(6)	(6)	9
Repairs and maintenance	(59 338)	13 820	(45 518)	(20 326)	25 192	10
General Expenses	(263 117)	114 127	(148 990)	(117 910)	31 080	11
Total expenditure	(838 867)	125 363	(713 504)	(597 529)	115 975	
Operating surplus	343	6 039	6 382	57 871	51 489	
Loss on disposal of assets	-	-	-	(294)	(294)	12
(Deficit)/Surplus before taxation	343	6 039	6 382	57 577	51 195	
Actual Amount on Comparable	343	6 039	6 382	57 577	51 195	
Basis as Presented in the Budget and Actual Comparative Statement						
Reconciliation						

Statement of Financial Position

Assets

Current Assets

Inventories	2 271	1 329	3 600	3 971	371	13
Receivables from exchange transactions	85 737	(25 017)	60 720	53 778	(6 942)	14
Prepayments	-	-	-	1 149	1 149	15
Cash and cash equivalents	289 844	5	289 849	333 183	43 334	3
	377 852	(23 683)	354 169	392 081	37 912	

Non-Current Assets

Property, plant and equipment	40 281	(476)	39 805	168 443	128 638	16
Intangible assets	-	-	-	141 966	141 966	17
Prepayments	-	-	-	325	325	
	40 281	(476)	39 805	310 734	270 929	
Total Assets	418 133	(24 159)	393 974	702 815	308 841	

Liabilities

Current Liabilities

Finance lease obligation	-	700	700	867	167	18
Payables from exchange transactions	25 314	-	25 314	79 571	54 257	19
Unspent conditional grants and receipts	115 859	(34 331)	81 528	63 027	(18 501)	20
Provisions	-	-	-	4 931	4 931	
	141 173	(33 631)	107 542	148 396	40 854	

Non-Current Liabilities

Finance lease obligation	1 657	(1 002)	655	454	(201)	18
Provisions	14 015	-	14 015	13 048	(967)	21
	15 672	(1 002)	14 670	13 502	(1 168)	

Total Liabilities

	156 845	(34 633)	122 212	161 898	39 686	
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Net Assets

	261 288	10 474	271 762	540 917	269 155	
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Net Assets

Net Assets Attributable to Owners of Controlling Entity

Reserves

Accumulated surplus	261 288	10 474	271 762	540 917	269 155	
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1. The variance is due to the fact that 7 out of 10 Deeds Registries are not generating revenue to sustain operations. Only 3 out of 10 offices are generating sufficient revenue to sustain the entire entity and its operations. The economy also has a direct effect on property registration therefore this budget is only an estimate.
2. This item is not budgeted for as it is mostly made up of the following sources of income: Bad debts recovered and staff debts recovered e.g. private telephone usage.
3. The favourable bank interest received was due to the high bank balance carried throughout the year. The high carrying amount was due to the retention of surplus for the 2014/15 financial year. The increased interest rates also played a role on the value of interest received in the current year.
4. The actual amount represents the spent portion of grants received. The allocation for 2015/16 was R119 537 million of which R103 608 was not received due to funding priorities at the department, R15 929 was utilised for salary increment. During 2015/16 R5,484 million was transferred from the Department of Rural Development and Land Reform for the Office of the Valuer-General established in 15/16 financial year and the remaining amount of the variance

was released from deferred revenue for the eCadastra project.

5. The variance of R70 696 was attributable to the fact that during budgeting it was anticipated that posts will be filled, however due to the fact that Deeds Registries did not collect sufficient revenue to sustain their operations, they could not fill some of the posts in their structure. The filling of SMS posts was also affected by a Directive issued on the 25th November 2014 by DPSSA on the qualifications where by NQF 7 is required versus the previous NQF 6 (National Deeds Registration Diploma Graded at NQF 6). This posed a difficulty in filling these posts in the current year. Due to the nature of the of the Deeds Registration environment, internal staff movement play a vital role in the budget being more than the actual expenditure due to the fact that rotation and promotions are mostly internal where if one post is filled another becomes vacant and this was particularly true in the current year.
6. The infrastructure assets amounting to R112 million which were not yet functional during 2014/15 have in the current financial year been commissioned and are available for use hence the increased depreciation values in the current year.
7. The expenditure was not budgeted for. The impairment of debtors reduces the carrying value of debtors to reflect a realistic value.
8. The expenditure relates to finance lease and was not budgeted for. Finance leases are for photocopy machines.
9. Bad debts written off are not budgeted for due to the fact that recovery can occur at any point.
10. An amount of R25.5 million budgeted for e-cadastre project was not utilized due to cost cutting measures and this result in the majority of the variance between budgeted and actual expenditure.
11. Due to the inability of Deeds Registries being able to collect revenue cost cutting measures had to be implemented which resulted in less money being spent on general expenses.
12. The item is not budgeted for.
13. The expense is only recognized when store items are issued. The items are budgeted for separately under the specific expenditure items.
14. The variance is attributable to the trends observed in the last six months of the financial period resulting in less revenue being collected as opposed to the first six months of the year. This effect is evident in the revenue trends which have a direct impact on Debtors hence factors such as the state of the economy and revenue generation by Deeds Registries also influences the debtors account. Debtor collection efforts have also improved as a result there is a reduction in the Debtors balance.
15. The item is not budgeted for.
16. E-cadastre infrastructure was commissioned during the financial period which results in increased value of additions.
17. The item is not budgeted for.
18. The number of machine leases expiring in the current year outweighs the number of machine leases that have been procured in the current year. It was expected that more machines which will expire would be replaced with renewed leases however due to cost cutting measures in the second half of the year this was not the case and hence the current finance lease liability is increasing and non-current lease liability is decreasing.
19. The variance of R54 257 is due to unbudgeted figures of R12,6 million relating to SIU investigation, R12,3 million relating to SITA, R5 million of debtors awaiting refunds where by the entity is awaiting the correct banking details to do the refunds. A further R5,4 million which relates to SIU, Dataintellect, security services and R9,6 million relating to Stortech. The remainder is due to price inflation which is for services rendered by our service providers like travel and courier services etc.
20. Unspent conditional grant was not fully utilized during the financial year due to ongoing investigation by the SIU and a portion of the office of the Valuer-General grant that has not been used.
21. Provisions relate to the reduction in the Capped Leave which is attributable to either retirements or death which cannot be budgeted for.

DEEDS REGISTRATION TRADING ACCOUNT

Annual Financial Statements for the year ended 31 March 2016

Accounting Policies

1. Presentation of Annual Financial Statements

The Annual Financial Statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practices (GRAP) including any interpretations, guidelines and directives issued by Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act, (Act No 1 of 1999).

The annual financial statements have been prepared on the accrual basis of accounting and incorporate the historical cost conventions as the basis of measurement, except where specified otherwise. All amounts have been presented in the currency of the South African Rand (R), which is also the functional currency of the entity. Unless otherwise stated all financial figures have been rounded to the nearest One Thousand Rand (R'000). Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

1.1 Going concern assumption

These audited annual financial statements have been prepared based on the expectation that the entity will continue to operate as a going concern for at least the next 12 months.

1.2 Comparative figures

Where material accounting errors, which relate to prior periods, have been identified in the current year, the correction is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly.

The nature and reasons for the reclassification and restatement are disclosed in Note 22 (Prior period error) to the Financial Statements.

1.3 Significant judgements and sources of estimation uncertainty

In preparing the audited annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the audited annual

financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the audited annual financial statements. Significant judgements include:

Trade receivables

The entity assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the entity makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables is calculated on amounts that are 90 days or more overdue. Assessment for the impairment has been made on individual debtors based on specific probability of recovery. Consideration is also given with regard to payment received from long outstanding debtors after year end, as well as information obtained from any debt collector used by the Trading Entity. The fair value includes the initial recognition of the debts. Interest is levied on dates when debt is due and payable but outstanding.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in note 11 - Provisions.

Depreciation and amortisation

Depreciation recognised on property, plant and equipment is determined with reference to the useful lives and residual values of the underlying items. The useful lives and residual values of assets are based on management's estimation of the asset's condition, expected condition at the end of the period of use, its current use, expected future use and the entity's expectations about the availability of finance to replace the asset at the end of its useful life. In evaluating the how the condition and use of the asset informs the useful life and residual value management considers the impact of technology and minimum service requirements of the assets.

Management determines fair value using available information to determine fair value of PPE acquired through non-exchange transactions for these assets we measure cost as FV of similar assets.

Impairment of non-financial assets

In testing for, and determining the value-in-use of non-financial assets, management is required to rely on the use of estimates about the asset's ability to continue to generate cash flows (in the case of cash-generating assets).

1.4 Property, plant and equipment

Property, plant and equipment are tangible non-current assets that are held for use in the supply of goods or services, or for administrative purposes and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when: it is probable that future economic benefits or service potential associated with the item will flow to the entity; and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition, which is recognised as the deemed cost thereof.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value. If the acquired item's fair value was not determinable.

Subsequent to initial recognition, items of property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Depreciation is calculated on the depreciable amount using the straight-line method over the estimated useful life of the asset. Components of assets that are significant in relation to the whole asset and that have different useful lives are

depreciated separately. The depreciable amount is determined after taking into account an asset residual value, where applicable.

The asset residual values, useful life and depreciation methods are reviewed at each financial year-end and adjusted prospectively, in accordance with GRAP3 if appropriate.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Furniture and fixtures	15 - 30 years
Office equipment	3 - 10 years
IT equipment	3 - 10 years
Leasehold improvements	5 - 13 years
Photographic equipment	13 years
State owned capital works	25 years

Expenditure on improvement on leasehold building shall be depreciated over the remaining period of the underlying lease for such period if ownership does not transfer at the end of the lease.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of financial performance in the period that the disposal occurs.

1.5 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity; and
- the cost or fair value of the asset can be measured reliably.

The entity assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

1.6 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest in another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the

effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectability.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

A financial asset is:

- cash;
- a residual interest of another entity; or
- a contractual right to:
 - receive cash or another financial asset from another entity; or
 - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.
- A financial liability is any liability that is a contractual obligation to:
 - deliver cash or another financial asset to another entity; or
 - exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Initial recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

The entity recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

The entity measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The entity first assesses whether the substance of a concessionary loan is in fact a loan. On initial recognition, the entity analyses a concessionary loan into its component parts and accounts for each component separately. The entity accounts for that part of a concessionary loan that is:

- a social benefit in accordance with the Framework for the Preparation and Presentation of Financial Statements, where it is the issuer of the loan; or
- non-exchange revenue, in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers), where it is the recipient of the loan.

Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at amortised cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Impairment and uncollectability of financial assets

The entity assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced directly. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly OR by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Derecognition

Financial assets

The entity derecognises financial assets using trade date accounting.

The entity derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or

- the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity :
 - o derecognise the asset; and
 - o recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

Financial liabilities

The entity removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability. The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

Presentation

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit. Losses and gains relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

1.7 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments.

The discount rate used in calculating the present value of the minimum lease payments is interest rate implicit in the lease. Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of return on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.8 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Inventories consisting of consumable stores are subsequently measured at the lower of cost and net realisable value. The basis of determining cost is the weighted-average method.

Differences arising on the valuation of inventory are recognised in the statement of financial performance in the year in which they arose. The amount of any reversal of any write-off of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction of inventories recognised as an expense in the period in which the reversal occurs.

If there is no related revenue, the expenses are recognised when the goods are distributed, or

related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs.

1.9 Impairment of cash-generating assets

Cash-generating assets are those assets held by the entity with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Useful life is either:

- (a) the period of time over which an asset is expected to be used by the entity; or
- (b) the number of production or similar units expected to be obtained from the asset by the entity.

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The entity assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the entity estimates the recoverable amount of the asset.

Reversal of impairment loss

The entity assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has

been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

1.10 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees.

Termination benefits are employee benefits payable as a result of either:

- an entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

Post-employment benefits: Defined contribution plans

Defined contribution plans are post-employment

benefit plans under which an entity pays fixed or determinable contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to the entity during a reporting period, the entity recognise the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, an entity recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

1.11 Provisions and contingencies

Provisions are recognised when:

- the entity has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating deficits.

1.12 Impairment of non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets.

Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The entity assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the entity estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the entity also test a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

1.13 Revenue from exchange transactions

Revenue consists of fees charged for property registration and for provision of registration data to customers in accordance with the tariffs provided for in the Schedule of Fees prescribed by Regulation 84 of the Deeds Registries Act, 1937 (Act 47 of 1937), and approved by the Minister of Rural Development and Land Reform. Revenue is recognised on Registration of Deeds applications as well as on sale of the data that has been requested.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the entity has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable. Revenue from deeds registration is recognised once the property has been registered.

Interest income

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

Revenue arising from the use by others of entity assets yielding interest or similar distributions is

recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the entity, and
- The amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

1.14 Revenue from non-exchange transactions

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the entity has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the entity.

When, as a result of a non-exchange transaction, the entity recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Services in-kind

Services received in kind from other organs of state have not been recognised in the financial statements. The disclosure of their nature and type has however been disclosed by way of note to the financial statements in line with GRAP 23. These services may include:

- Administration Services
- Accommodation
- Information Technology
- Staff Training

All other services that are provided on behalf of the entity and are charged to the entity have been classified normally as expenses in terms of the approved Standard Chart of Accounts (SCOA).

1.15 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.16 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.17 Irregular expenditure

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including -

- (a) The PFMA; or
- (b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act;
- (c) or any provincial legislation providing for procurement procedures in that provincial government.

National Treasury practice note no. 4 of 2008/2009 which was issued in terms of sections 76(1) to 76(4) of the PFMA requires the following (effective from 1 April 2008):

Irregular expenditure that was incurred and identified during the current financial year and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

1.18 Prepaid expenses

Prepaid expenses are cash paid amounts that represent costs incurred from which a service or benefit is expected to be derived in the future.

The future write-off period of the incurred cost will normally be determined by the period of benefit covered by the prepayment. When the period arrives to which a prepaid cost relates the costs will be treated as a period cost for the period in question. Normally such prepaid costs will be written off based on the lapse of time and receipt of services rendered/goods received.

Prepaid expenses should be classified as current assets unless a portion of the prepayment covers a period longer than 12 months. If they are prepayment costs with a benefit beyond 12 months, they should be classified as deferred charges in the Statement of Financial Position.

Prepaid expenses will be measured at the value of services or goods to be received/receivable in the future.

1.19 Cash and cash equivalents

Cash for reporting purposes will include cash in the bank and any petty cash.

Cash equivalents - to be included on the cash line in the financial statements - will consist primarily of term deposits, and all other highly liquid investments with a maturity of twelve months or less. Cash equivalents are stated at cost.

The following should be excluded from the cash and cash equivalents line in the financial statements reported in current assets:

- (a) Cash subject to restrictions that prevent its use within the next year; and
- (b) Cash appropriated for other than its current purposes unless such cash offsets a current liability.

Cash is measured at fair value.

1.20 Conditional grants and receipts

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the entity has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

1.21 Expense recognition

The entity reports its expenses on the accrual basis, meaning when the expenses are incurred, not when they are paid. Expenses are incurred when goods are received and services are rendered, whether or not an invoice has been received or payment has been made.

The policy exists to ensure adherence with GRAP, to promote consistent accounting treatment across the entity, and to ensure the operating results of the entity are not misstated as a result of expenses unrecorded or recorded improperly.

1.22 Related parties

The entity operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the national sphere of government are considered to be related parties.

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

Management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. All employees on level 13 and above (SMS) are regarded as management as a result of authority and responsibilities assigned as per Deeds Registry Act and SMS hand book.

1.23 Prior period error

Prior period errors are omissions from, and misstatements in, the entity's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that;

- was available when financial statements for those periods were authorised for issue; and
- could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.

Such errors may include the effects of mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretation of facts, and fraud.

Material prior period errors are retrospectively corrected by:

- restating the comparative amounts for the prior period presented in which the error occurred; or
- If the error occurred before the earliest prior

period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented.

1.24 Contingent liabilities

Contingent liability 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 wholly in the control of the entity; or

A present obligation that arises from past events that is not recognised because;

- It is not probable that an out flow of resources and embodying economic benefits will be required to settle the obligation; or
- The amount of the obligation cannot be measured with sufficient reliability.
- The contingent liability is recognised awaiting the outcome of legal action or dispute between the two parties.

1.25 Reporting segments

A segment is an activity of an entity:

- (a) That generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities in the same entity);
- (b) Whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- (c) For which separate financial information is available

If the above criteria are all met for a specific activity, the activity is classified as a segment and is reported in the financial statements.

Aggregation Criteria

Segments are combined if the segments have similar economic characteristics and share a majority of the aggregation criteria or are individually insignificant.

Two or more segments may be aggregated into a single segment if the segments have similar economic characteristics, and the segments share a majority of the following:

- (a) the nature of the goods and/or services delivered;
- (b) the type or class of customer or consumer to which goods and services are delivered;
- (c) the method used to distribute the goods or provide the service; or
- (d) if applicable, the nature of the regulatory environment that applies to the segment.

Measurement

The amount of each segment item reported shall be the measure reported management for the purposes of making decisions about allocating resources to the segment and assessing its performance.

1.26 Payables from exchange transactions

A liability is a present obligation of the entity arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits or service potential.

Liabilities from exchange transactions will be recognised if:

- it is probable that any future economic benefit or service potential associated with the item will flow from the entity; and
- The item has a cost or value that can be measured reliably

As part of the process of maintaining the accounting records in conformity with Generally Recognised Accounting Practice, once a transaction or obligating event has taken place, the liability shall be recorded in the accounting records. This will normally occur upon the earlier of receipt of the invoice or delivery of services/goods.

1.27 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.28 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

Qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.29 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The entity will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The entity will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.30 Research and development expenditure

Expenditure on research is recognised as an expense when it is incurred.

An asset arising from development is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

1.31 Budget information

Entity are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by entity shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on a accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 01/04/2015 to 31/03/2016.

The budget for the economic entity includes all the entities approved budgets under its control.

The audited annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

DEEDS REGISTRATION TRADING ACCOUNT

Annual Financial Statements for the year ended 31 March 2016

Notes to the Annual Financial Statements

2. Inventories

	2016 R '000	2015 R '000
Consumable material on hand	3 971	3 283

None of the entity's inventory was measured at net realisable value. Accordingly, the balance as presented represents the cost of inventories at hand. Inventories consist mainly of stationary and consumable material.

Inventory to the value of R5,835 million (2015: R6,817 million) was recognised as an expense during the year. The inventories are recognised as an expense as and when consumed within the entity and the related expense is included in the printing and stationary expense line item.

The basis of determining cost is the weighted-average method.

3. Prepayments

	2016 R '000	2015 R '000
Opening balance	5 770	49 292
Add: during financial year	1 474	2 326
Less: prepaid expense worked back	(6 165)	(22 222)
Less: prepaid recognised previous financial year	(2,326)	(2 144)
Add: impairment amount recovered	2,721	(23 937)
Add/(Less): discounting of prepaid expenditure	-	2 455
	1 474	5 770

The prepayment relates to payments to Gijima amounting to R50,112 million for the scanning of microfilm images at the average price of R0.48 per image, this average price was agreed between the parties. Subsequent to an internal audit by DRDLR during July 2012, Gijima was informed to return to the original cost differentiation for the scanning of paper and microfilm as per the Gijima tender response. As a result of the re-calculation this resulted in a prepayment, Gijima therefore agreed to work back the prepayment. During 2013/14 financial year R509 038 was worked back by Gijima. During financial year 2014/15 an amount of R22,222 million was worked back by Gijima. The outstanding balance is R30,354 million. In 2014/15 financial year R23,937 million was impaired to fairly represent the recoverable amount. During 2015/16 an amount of R6,165 million was worked back. An amount of R2,721 million was recovered from the impairment loss.

An amount of R679 229 is prepaid to Firstcoast for repair and maintenance for scanners/digitisers (period April 2016 to March 2017).

Prepaid expenditure non-current of R324 849 is prepaid to Firstcoast for repair and maintenance for scanners/digitisers (period April 2017 to Feb 2018).

An amount of R323 735 is prepaid to Acctech System for software license (period April 2016 to December 2016).

An amount of R50 431 is prepaid to CQS Technology for software license (period April 2016 to January 2017).

An amount of R410 307 is prepaid to Stortech for maintenance, support and rental (period April 2016 to May 2016).

An amount of R1 104 is prepaid to SABC for television licenses for all Deeds Registries.

An amount of R9 315 is prepaid to Post Office for post box renewals for all Deeds Registries.

4. Receivables from exchange transactions

	2016 R '000	2015 R '000
Trade receivables	50 311	50 069
Other receivables	1 947	2 114
Interest receivables	1 520	1 044
	53 778	53 227

The carrying value of trade receivables of R53,366 million is stated after a provision for Impairment of trade receivables of R3,055 million (2015: R3,556 million on gross trade receivables value of R53,625 million). The provision for impairment of trade receivables is determined from the age analysis of trade receivables that are overdue for 90 days and more. The prospects of recovery are however assessed per individual account.

Trade and other receivables impaired

The ageing of these receivables is as follows:

	2016 R '000	2015 R '000
3 to 6 months	3 055	3 556

Reconciliation of doubtful debts provision

	2016 R '000	2015 R '000
Opening balance	3 556	5 122
Provision for impairment	147	253
Bad debts written off in the current year	(35)	(1 884)
Bad debts provided for but recovered in the current year	(1 222)	(1 979)
Contributions to provision	609	2 044
	3 055	3 556

Trade receivables age analysis

	2016 R '000	2015 R '000
Current	47 493	47 737
30 days	2 780	2 411
60 days	126	81
90 days	59	155
over 90 days	2 908	3 241
	53 366	53 625

The current provision for impairment of Trade and Other Receivables has been included in operating expenses in the statement of financial performance, under account "Depreciation, Amortisation and Impairments". Amounts charged to Impairment of Receivables are generally written off when there is no expectation of recovery. The maximum exposure to credit risk at reporting date is the carrying value of each class of receivables recognised above. Deeds Registration does not hold any collateral as security.

5. Cash and cash equivalents

	2016 R '000	2015 R '000
Cash on hand (Petty Cash)	26	24
Bank	333 157	289 796
	333 183	289 820

Cash and deposits are held with a registered banking institution which is subjected to insignificant credit risk. The maximum exposure to credit risk at reporting date is R333,183 million (2015: R289,820 million). None of the cash and cash equivalents of the entity are subject to restricted availability as these balances are not encumbered.

6. Property, plant and equipment

	2016			2015		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Furniture and fixtures	37 772	(18 410)	19 362	32 590	(16 192)	16 398
Office equipment	3 466	(2 223)	1 243	4 016	(2 192)	1 824
IT equipment	218 283	(99 137)	119 146	110 247	(75 006)	35 241
Leasehold improvements	20 842	(14 730)	6 112	15 713	(13 977)	1 736
Infrastructure	16 720	-	16 720	112 742	-	112 742
Photographic equipment	8 982	(3 120)	5 862	6 022	(2 537)	3 485
Total	306 065	(137 620)	168 445	281 330	(109 904)	171 426

Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Disposals	Transfers Received	Transfers	Depreciation	Total
Furniture and fixtures	16 398	5 277	(34)	-	-	(2 280)	19 361
Office equipment	1 825	447	-	-	-	(1029)	1 243
IT equipment	35 242	7 289	(305)	102 174	-	25 255	119 145
Leasehold improvements	1 736	-	-	5 129	-	(754)	6 111
Infrastructure	112 742	15 556	-	-	(111 578)	-	16 720
Photographic equipment	3 485	2 601	-	360	-	(584)	5 862
	171 428	31 170	(339)	107 663	(111 578)	(29 902)	168 442

Reconciliation of property, plant and equipment - 2015

	Opening balance	Additions	Disposals	Revaluations	Depreciation	Total
Furniture and fixtures	16 954	2 457	(164)	48	(2 897)	16 398
Office equipment	1 383	1 463	-	-	(1 021)	1 825
IT equipment	43 822	6 175	(373)	544	(14 926)	35 242
Leasehold improvements	2 983	-	-	(19)	(1 228)	1 736
Infrastructure	-	112 742	-	-	-	112 742
Photographic equipment	1 726	2 052	-	(1)	(292)	3 485
	66 868	124 889	(537)	572	(20 364)	171 428

The Department of Public Works provides office accommodation for all the Deeds Registries. The category of Leasehold Improvements represents costs incurred by the Deeds Registration Trading Account to improve the buildings that are owned / leased on behalf of Deeds Registries by the Department of Public Works. The lease improvements are amortised over the lease period or useful life, whichever is regarded as shorter period.

Office equipment comprises of photocopy machines which are leased in term of finance lease agreement. The period of the lease agreements are three years and the carrying value is R1,243 million (financial year 2014/15 R1,825 million). Refer to note.8 where finance lease obligation is disclosed.

The entity performed a re-assessment of assets during February and March 2016. The useful life of the assets was extended by two years and will affect the current and future financial year.

7. Intangible assets

	2016			2015		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Intangible assets	141 966	-	141 966	140 050	-	140,050

Reconciliation of intangible assets - 2016

	Opening balance	Additions	Total
Intangible assets	140 050	1 916	141 966

Reconciliation of intangible assets - 2015

	Opening balance	Total
Intangible assets	140 050	140,050

The entity is required to test an intangible asset with an indefinite useful life or an intangible asset not yet available for use for impairment by comparing its recoverable amount and recoverable service amount, as appropriate, with the carrying amount annually.

The entity has tested the intangible asset disclosed in note.7 for impairment. An indicator of pending litigation with the service provider that developed the intangible asset is underway and due to the level of maturity of the pending litigation management has assessed that the litigation cannot be determined to have or not to have an impact on the value of the disclosed intangible and or the recoverability of the carrying amount of the said intangible asset. The details of the pending litigation have been disclosed in note.19 of the annual financial statements.

8. Finance lease obligation

Minimum lease payment due

	2016 R '000	2015 R '000
within one year	954	1 136
in second to fifth year inclusive	487	958
	1 441	2 094
less: future finance charges	(120)	(184)
Present value of minimum lease payments	1 321	1 910

Present value of minimum lease payments due

	2016 R '000	2015 R '000
within one year	867	1 007
in second to fifth year inclusive	454	903
	1 321	1 910
Non-current liabilities	454	903

Present value of minimum lease payments due

Current liabilities

	2016 R '000	2015 R '000
	867	1 007
	1 321	1 910

The average lease term ranges between two and five years for office equipment, with an average interest rate of 9% applied to the leases. The finance leases are secured by the assets leased in terms of the agreement. Please refer to note 6 where the assets held under the finance leases are disclosed as part of office equipment.

Contingent rent recognised as an expense in the period amounted to R436 300 (financial year 2014/15 R396 536). The contingent rent relates to copy charges per copy machine.

9. Payables from exchange transactions

	2016 R '000	2015 R '000
Trade payables	38 532	7 685
Unallocated cash	21	12
Accrued leave pay	13 440	14 109
Accrued bonus	13 029	12 048
Sundry accruals	12 510	36 052
Other payables	2 039	1 763
	79 571	71 669

Unallocated cash represents money deposited at the bank but not yet identified and allocated to Trade Receivables at the end of the financial year.

10. Unspent conditional grants and receipts

Deferred revenue closing balance for 2015/16 refers to an unspent portion of a grant received from Department of Rural Development and Land Reform. The grant was provided for E-Cadastre project and salary inflation (R113,194 million) in 2014/15 and grant received for Office of Valuer-General and salary inflation (R21,413 million) for 2015/16 financial year.

Unspent conditional grants comprises of:

Unspent conditional grants and receipts

Unspent grants DRDLR

	2016 R '000	2015 R '000
	63 027	91 922
	91 922	164 000
	21 413	113 194
	(50 308)	(185 272)
	63 027	91 922

Reconciliation of unspent conditional grants

Balance at the beginning of the year

Additions during the year

Income recognition during the year

Closing balance

These amounts are invested in a ring-fenced investment until utilised.

11. Provisions

Reconciliation of provisions - 2016

	Opening Balance	Additions	Utilised during the year	Total
Provision	-	4 931	-	4 931
Leave provision	14 735	-	(1 687)	13 048
	14 735	4 931	(1 687)	17 979

Reconciliation of provisions - 2015

	Opening Balance	Additions	Total
Leave provision	14 525	210	14 735
Non-current liabilities		13 048	14 735
Current liabilities		4 931	-
		17 979	14 735

The leave pay provision relates to long term / capped leave that accrued to employees. It is not possible to anticipate the timing of the utilisation or the timing of the cash-out of this balance. Accordingly the uncertainty related to the balance is limited to the timing of realisation. A review of the utilisation trends has however evidenced that it is unlikely that the full balance will be realised within the short term. Accordingly the balance is classified as non-current.

The value of the provision is determined with reference to the capped leave days that have accrued to employees and the basic salaries of the employees. This represents the weighted average probable economic outflow that may be required to settle the capped leave balance.

A provision of R621 583 was created for work done by service provider however management is disputing the invoice.

An amount of R4,309 million was provided for work done by Special Investigative Unit.

12. Financial instruments disclosure

Categories of financial instruments 2016

Financial assets

	At amortised cost	Total
Trade and other receivables from exchange transactions	53 778	53 778
Cash and cash equivalents	333 183	333 183
	386 961	386 961

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	84 502	84 502
	84 502	84 502

2015

Financial assets

	At amortised cost	Total
Trade and other receivables from exchange transactions	53 227	53 227
Cash and cash equivalents	289 819	289 819
	343 046	343 046

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	71 668	71 668
	71 668	71 668

13. Revenue

The amount included in revenue arising from exchanges of goods or services are as follows:

	2016 R '000	2015 R '000
Registration of deeds and sale of information	586 020	521 549
Other income	4 503	2 793
Interest received	14 288	12 386
	604 811	536 728

The amount included in revenue arising from non-exchange transactions is as follows:

Transfer revenue

	2016 R '000	2015 R '000
Government grants	50 308	185 272
Public contributions and donations	281	-
	50 589	185 272
Total revenue	655 400	722 000

14. Investment revenue

	2016 R '000	2015 R '000
Interest revenue		
Interest received - bank	14 109	12 036
Interest received - trade receivables	142	316
Interest received - staff debtors	37	34
	14 288	12 386

15. Finance costs

	2016 R '000	2015 R '000
Finance leases	138	177

16. Auditors' remuneration

	2016 R '000	2015 R '000
Audit fees	2 694	3 637

External audit fees (Auditor General) amounted to R2,694 million (2014/15 R3,637 million).

17. Operating lease

The following amounts are due in future financial years due to contractual obligations. Operating leases relate to service level agreements.

Minimum lease payments due:

	2016 R '000	2015 R '000
Payable within 1 year	1 089	797
	1 089	797

18. Commitments

Commitments relate to operating contracts (service level agreements) due in future years for example: cleaning contracts, security contracts, hygiene contracts and licence contracts. The total future commitments have been detailed below: Operational commitments due within 1 year: R4,546 million and due within 2-5 years R806 026 (R54,937 million for financial year 2014/15).

The total capital commitments: Amount due within one year R15,799 million.

The following has been approved and not yet contracted: Amount due within one year R146 632.

19. Cash generated from operations

	2016 R '000	2015 R '000
Surplus	57 576	107 589
Adjustments for:		
Depreciation and amortisation	29 902	20 364
Loss/(Gain) on sale of assets	294	549
Finance costs - finance leases	138	177
Impairment deficit	447	26 235
Movements in provisions	3 243	211
Interest non-cash item	(1 520)	-
Other non-cash items	(8 252)	-
Changes in working capital:		
Inventories	(687)	(278)
Receivables from exchange transactions	(551)	(5 962)
Prepayments	4 296	19 584
Payables from exchange transactions	7 906	37 821
Unspent conditional grants and receipts	(28 895)	(72 078)
	63 897	134 212

20. Contingent Liabilities

Deeds Trading Account has established that it has a contingent liability in respect of a dispute with DataIntellect regarding services rendered. Deeds disputes DataIntellect's claim that services were rendered for December 2014, January 2015, February 2015 and March 2015. Deeds declines to settle the outstanding invoices and DataIntellect intends to take legal action. The total value of the outstanding invoices is R2,486 million.

Litigation is in the process against the Deeds Trading Account relating to a dispute with Tennis Business Enterprise CC and is seeking damages of R1,2 million.

Contingent assets

The Deeds Trading Account has a pending litigation case with Gijima Technology related to termination of a contractual obligation. The total amount which Deeds is claiming from Gijima in accordance with the combined summons is R237,389 million.

21. Related parties

Relationships

National Department and controlled entities

The trading entity is a related party to other state departments and other state owned entities in the national sphere of government. The trading entity does not separately disclose transactions with government entities related parties unless there are transactions or balances between the trading entity and the related parties and in accordance with IPSAS 20: Related Parties those transactions were not on normal terms and practice for the sector.

Related party balances

	2016 R '000	2015 R '000
Rendering of services to related parties		
Department of Rural Development and Land Reform	275 783	(171 093)
Salary claim	-	247
IT related services	-	246

	2016 R '000	2015 R '000
Grant received from DRDLR		
Procurement of hardware/eCadastre project	-	98 300
Office of Valuer-General	5 484	-
Salary inflation funds	15 929	14 894

Related party transactions

	2016 R '000	2015 R '000
Rent paid to (received from) related parties		
Office accommodation - DRDLR	57 444	49 274
SITA payment on behalf of DRDLR	7 632	-

	2016 R '000	2015 R '000
Security Services		
Total amount paid to DRDLR		6 199

	2016 R '000	2015 R '000
Building maintenance office accommodation		
Outstanding payment KZN upgrade		2 921

	2016 R '000	2015 R '000
Salary Claims		
DRDLR	-	90

Management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. All employees on level 13 and above (SMS) are regarded as management as a result of authority and responsibilities assigned as per Deeds Registry Act and SMS hand book.

Management remuneration

Levels	2016 No. of officials	2015 No. of officials	2016 Remuneration	2015 Remuneration
CRD-13	23	26	20 292	19 813
CRD-14	13	12	13 381	11 767
CRD-15	1	1	1 268	1 202
OVG-13	3	-	2 746	-
OVG-16	1	-	1 099	-
	41	39	38 786	32 782

22. Prior period errors

In 2015/16 financial year assets were identified on the fixed asset register at R1 value. The assets did not have a historical cost as a result cost was allocated to these assets using similar assets cost found on fixed asset register.

The useful life was corrected retrospectively and comparative amounts for 2014/15 financial year have been restated R19,088 million for property, plant and equipment.

Prepaid expenditure valued at R2,973 million worked back in January 2015 was incorrectly allocated in 2015/16 financial year.

The correction of the error results in adjustments as follows:

	2016 R '000	2015 R '000
Statement of financial position		
Property, plant and equipment	-	19 100
Prepaid expenditure	-	(2 973)
Statement of change in net assets		
Retained income – accumulated depreciation	-	(19 100)
Retained income – prepaid expenditure	-	2 973

23. Risk management

The Trading Account activity exposes it to currency risk, fair value interest rate risk, cash flow interest rate risk, credit risk and liquidity risk.

Liquidity risk

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The entity only deposits cash with major banks with high quality credit standing.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis.

Financial assets exposed to credit risk at year end were as follows:

	2016 R '000	2015 R '000
Financial instrument		
Deposit with bank	333 157	289 796
Trade receivables	50 311	50 069

Interest rate risk

As the entity has no significant interest-bearing assets, the entity's income and operating cash flows are substantially independent of changes in market interest rates.

Deposits attract interest at rates that vary with prime. The Trading Account policy is to manage interest rate risk such that fluctuations in rate do not have a material impact on surplus or deficit. At year end, the financial instruments exposed to interest rate risk were balances with the bank.

24. Irregular expenditure

	2016 R '000	2015 R '000
Opening balance	31 810	39 750
Less: Irregular expenditure recovered	-	(1 050)
Add: Irregular Expenditure - current year	1	-
Less: Irregular expenditure prior period error	-	-
Less: Amount condoned 2011/12	-	(1 987)
Less: Amounts condoned 2012/13	-	(4 076)
Less: Amounts condoned 2013/14	-	(827)
Irregular expenditure awaiting write off	31 811	31 810

Analysis of expenditure to be condoned per age classification

Prior years	-	31 810
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Details of irregular expenditure

Irregular expenditure 2015/16

Disciplinary steps taken/criminal proceedings case before the Financial Compliance Committee to determine liability.

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25. Fruitless and wasteful expenditure

Reconciliation of fruitless and wasteful expenditure

	2016 R '000	2015 R '000
Opening balance	7	20
Add: Fruitless and wasteful expenditure	9	7
Less: Amount condoned	-	(20)
	16	7

The fruitless and wasteful expenditure relates to late cancellation of travel and accommodation R6 316 and interest for late payment R2 847. All cases of fruitless and wasteful expenditure are before the Financial Compliance Committee to determine liability.

Analysis of expenditure to be condoned per age classification

	2016 R '000	2015 R '000
Current year	-	7

26. Services in kind

Administrative services in kind

Deeds trading Account falls under the administration of the Department of Rural Development and Land Reform. The executive of the department spend some of their time on the affairs of the Trading Account. Furthermore, the department provides the services of information technology, office accommodation and staff training. There is no cost charged by the department in this regard.

Other services in kind

The Department of Public Works provides office accommodation for some of the Deeds Registries.

27. General expenses

	2016	2015
	R '000	R '000
Advertising	859	172
Auditors remuneration	2 694	3 637
Bank charges	249	230
Cleaning	7 519	6 304
Consulting and professional fees	27 427	30 663
Consumables	670	262
Entertainment	368	242
IT expenses	40 132	33 800
Printing and stationery	5 835	6 817
Security	5 734	5 723
Staff welfare	9	45
Subscriptions	1 324	1 338
Telephone and fax	3 901	3 602
Transport and freight	8 059	6 311
Training	2 674	1 040
Travel - local	8 202	7 020
Other expenses	110	319
Wasteful and Fruitless Expenditure	9	7
Operating leases	2 134	2 521
	<u>117 909</u>	<u>110 053</u>

28. Alignment of Deeds Registries areas of jurisdictions to provincial boundaries

The business case for the alignment of deeds registries areas of jurisdictions to provincial boundaries was approved in the 2015/16 financial year. The purpose of the realignment of deeds registries areas of jurisdictions to provincial boundaries, (Alignment Programme) arises from the need to address the problem regarding how the Deeds Offices are currently positioned which is an impediment to Constitutional and institutional reforms.

The programme is therefore aimed at aligning the deeds registries areas of jurisdiction to provincial demarcations as articulated in Section 103 of the Constitution and to ensure that each Deeds Registry services the province in which it is located, making it accessible to clients. It further aims to establish a Deeds Registry in Limpopo province, thereby increasing the organisational foot print resulting in enhanced accessibility to services provided to current and potential clients.

The alignment programme contains four projects:

- i. Identification, separation and transfer of records (from transferring Deeds office and receiving Deeds office).
- ii. Establishment of the Limpopo Deeds Registry.
- iii. Relocation of the Vryburg Deeds Registry to Mahikeng.
- iv. The establishment of Deeds information centres.

The anticipated benefits of this programme are two-fold: Firstly, it will serve in the interest of the promotion of better and accessible services that is centrally situated to the broader citizenry of the respective provinces. Secondly, there will be improved turn-around times and in the registration and delivery of deeds and related documents. Both benefits will result in improved service delivery that is client-centric.

29. Reporting segment

Every Deeds Registry performs similar registration functions as the next and there is no difference in the nature of goods or services delivered the type of customer being services, the method to deliver goods and services and there is also no difference in the regulatory environment. The socio economic characteristics of the provinces in which the Deeds Registries are situated are affected by the same economic impacts of the larger South African economy and are generally similar from province to province.

The Deeds Registries however do generate revenue from registration of deeds and documents and sale of information, their financial results are not disclosed separately from the results of the entity as a whole as no province reports for financial reporting purposes individually and this information is not readily available as required by the definition.

Due to the nature of operations at the Deeds Registries and the fact that financial information is not available outside of the financial information produced at the Office of the Chief Registrar of Deeds, separate segment reporting is therefore not disclosed.

30. Change in estimate

Property, plant and equipment

The useful life of certain property, plant and equipment was estimated in 2013 to be three years. In the current period management have revised their estimate to five years. The impact in 2015/16 financial year on current depreciation is R3,066 million and that the depreciation for 2016/17 financial year R3,066 million.





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