



**OFFICE OF THE
VALUER-GENERAL
SOUTH AFRICA**

ANNUAL PERFORMANCE PLAN 2022–2023



**DATE OF TABLING:
10 March 2022**



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Executive Authority Statement



The Office of the Valuer-General (OVG) will continue to play a critical role in the finalisation of land reform programme in alignment with the targets as set out in the annual performance plan of the Department of Agriculture, Land Reform and Rural Development for the 2022/23 financial year.

The need to continuously assess and strengthen the strategic impact of the OVG was discharged through a Property Valuation Act 17 of 2014 (PVA) review exercise, which was undertaken through the Ministerial Advisory Panel (MAP) constituted of various experts in the property valuation and related sectors. The MAP has concluded its work and submitted a final report to the Minister. This report is being considered and processed and its recommendations may result in changes to the nature, role and mandate of the OVG.

As a result of increased capacity within the OVG during 2021/22 financial year, the Entity has been able to successfully eradicate

the legacy valuations backlog inherited at the time of formally inaugurating the OVG as an active entity. To further improve performance, the entity will in this financial year continue to grow its capacity in terms of systems and human capital.

I am confident that with the implementation of this plan, the OVG will continue to make a meaningful contribution towards the attainment of land restitution, land redistribution and land tenure performance targets. It thus gives me great pleasure to endorse the 2022/23 Annual Performance Plan for the Office of the Valuer-General. I would like to further extend well wishes to the acting Valuer-General and her team in the execution of this pertinent mandate.



Mrs AT DIDIZA, MP

Minister: Agriculture, Land Reform and Rural Development



Accounting Authority Statement



It gives me great pleasure to present the fifth Annual Performance Plan (APP) of the Office of the Valuer-General (OVG) which derives its mandate from the Property Valuation Act (Act No. 17 of 2014) (PVA) and is a National Public Entity listed as a Schedule 3A of the Public Finance Management Act.

The OVG having worked on a transition plan to achieve its

operational independence will in the financial year period of 2022/23 be officially unveiling all the systems and structures of good governance meant to accelerate the efficient execution of the set mandate through the delivery of high quality and impartial property valuations for the ultimate purpose of land reform. While the financial period of 2021/22 continued to present unexpected challenges and consequences relating to the Covid-19 pandemic, mitigating strategies implemented have successfully borne strides of good progress in achieving the defined strategic outcomes.

This plan sets out the manner in which the strategic imperatives of the OVG, as articulated in the entity's Strategic Plan 2020-2025, will be implemented and measured for the ensuing financial year

2022/23. This APP has been developed in accordance with the guidance provided in the Revised Framework for Strategic Plans and Annual Performance Plans.

The impact of the PVA on land reform remains an important area to track and assess. This is clearly demonstrated through a PVA review process initiated by the Minister of Agriculture, Land Reform and Rural Development, who appointed a Ministerial Advisory Panel to review the PVA. The PVA MAP has completed its work and the Minister is considering its report. The OVG stands ready to implement the recommendations of the PVA MAP that will be accepted and adopted as policy positions.

I would like to take this opportunity to thank the Director-General of the Department of Agriculture, Land Reform and Rural Development for the engagement and support I continue to receive on a frequent basis. May I further take this opportunity to extend a token of appreciation to the clients of the OVG for the continued confidence and support.

It is therefore with great humility that I, on behalf of the OVG's management and staff present the 2022/23 Annual Performance Plan.

Ms Motlatso Maloka
Valuer-General (Acting)



Official Sign-Off

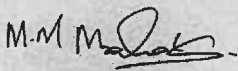


It is hereby certified that this Annual Performance Plan:

- ▶ Was developed by the management of the Office of the Valuer-General under the guidance of Mrs AT Didiza (MP).
- ▶ Considers all the relevant policies, legislation and other mandates for which the Office of the Valuer-General is responsible
- ▶ Accurately reflects the Impact, Outcomes and Outputs that the Office of the Valuer-General will endeavour to achieve over 2022-2023.

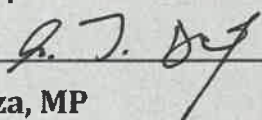
Signature: 

Mr Thapelo Motsoeneng
Acting Chief Operating Officer

Signature:  M.M. Maloka

Ms Motlatso Maloka
Accounting Authority (Acting)

Approved by:

Signature: 
Mrs AT Didiza, MP



Abbreviations

AGSA: Auditor-General South Africa

APP: Annual Performance Plan

COO: Chief Operating Officer

DALRRD: Department of Agriculture, Land Reform and Rural Development

DPME: Department of Planning, Monitoring and Evaluation

ENE: Estimates of National Expenditure

ERP: Enterprise Resource Planning

MAP: Ministerial Advisory Panel

MTEF: Medium-Term Expenditure Framework

MTSF: Medium-Term Strategic Framework

NDP: National Development Plan

NRF: National Revenue Fund

OVG: Office of the Valuer-General

PESTLE: Political, Economic, Social, Technological, Environmental and Legal

PFMA: Public Finance Management Act

PVA: Property Valuation Act

SACPVP: South African Council for the Property Valuers Profession

SP: Strategic Plan

SWOT: Strengths, Weaknesses, Opportunities, and Threats

TID: Technical Indicator Descriptions

TOC: Theory of Change

VG: Valuer-General



An aerial photograph of a rural landscape with green fields, a small settlement, and distant hills. The image is overlaid with several geometric shapes: a large white triangle in the top left, a dark green horizontal band across the middle, and several diagonal bands in shades of grey and orange at the bottom right.

PART A



**OFFICE OF THE
VALUER-GENERAL
SOUTH AFRICA**

PART A: OUR MANDATE



1. Constitutional Mandate

The constitutional mandate of the Office of the Valuer-General is derived from section 25 of the Constitution of the Republic of South Africa, 1996 (the property clause), which provides for (a) the protection of property; (b) expropriation for a public purpose or in the public interest, subject to the payment of compensation; (c) the nation's commitment to land reform and the provision of equitable access to South Africa's natural resources, with further and specific reference to the three land reform programmes (redistribution, tenure reform and restitution); and (d) the taking by the state of legislative and other measures to achieve land and other natural resources reform.

2. Legislative and Policy Mandates

The Office of the Valuer-General discharges its legislative mandate by implementing its foundational Act, the Property Valuation Act 17 of 2014, which determines that the Office of the Valuer-General must be impartial, exercise its powers and perform its functions, and is accountable to the Minister of Agriculture, Land Reform and Rural Development. The Act states that the Office of the Valuer-General must value all land to be acquired for land reform purposes in accordance with a prescribed set of criteria based on section 25(3) of the Constitution. In addition, the Office of the Valuer-General may, in its discretion, when requested to do so by a national or provincial government department, determine the market value of property to be acquired or disposed of. The Valuer-General may make recommendations to the Minister of Agriculture, Land Reform and Rural Development relating to criteria, procedures and guidelines, and compliance monitoring. Such recommendations, and any other matters the Office of the Valuer-General is required or permitted to determine in terms of the Act, may be published as regulations by the Minister of Agriculture, Land Reform and Rural Development.

The Valuers appointed as staff members of the Office of the Valuer-General and external Valuers contracted to perform valuations in accordance with the Property Valuation Act, 2014 (Act 17 of 2014) must comply with the following Acts to the extent that they provide for matters pertaining to valuation and Valuers:

- ▶ Expropriation Act, 1975 (Act 63 of 1975)
- ▶ Property Valuers Profession Act, 2000 (Act 47 of 2000)



(administered by the Department of Public Works)

- ▶ Council for the Built Environment Act, 2000 (Act 43 of 2000) (administered by the Department of Public Works)
- ▶ Local Government: Municipal Property Rights, 2004 (Act 6 of 2004) (administered by the Department of Cooperative Governance).

The Office of the Valuer-General must also comply with the provisions relating to land reform and the acquisition, management and disposal of land by national and provincial government departments, as contained in the following Acts:

- ▶ Abolition of Certain Title Conditions Act, 1999 (Act 43 of 1999)
- ▶ Communal Property Associations Act, 1996 (Act 28 of 1996)
- ▶ Conversion of Certain Rights into Leasehold Act, 1988 (Act 81 of 1988)
- ▶ Deeds Registries Act, 1937 (Act 47 of 1937)
- ▶ Distribution and Transfer of Certain State Land Act, 1993 (Act 119 of 1993)
- ▶ Extension of Security of Tenure Act, 1997 (Act 62 of 1997)
- ▶ Geomatics Profession Act, 2013 (Act 19 of 2013)
- ▶ Government Immovable Asset Management Act, 2007 (Act 19 of 2007)
- ▶ Interim Protection of Informal Land Rights Act, 1996 (Act 31 of 1996)
- ▶ Kimberley Leasehold Conversion to Freehold Act, 1961 (Act 40 of 1961)
- ▶ KwaZulu-Natal Ingonyama Trust Act, 1994 (Act 3 of 1994)
- ▶ Land Reform (Labour Tenants) Act, 1996 (Act 3 of 1996)
- ▶ Land Administration Act, 1995 (Act 2 of 1995)
- ▶ Land Survey Act, 1997 (Act 8 of 1997)

- ▶ Land Reform: Provision of Land and Assistance Act, 1993 (Act 126 of 1993)
- ▶ Land Titles Adjustment Act, 1993 (Act 111 of 1993)
- ▶ Planning Profession Act, 2002 (Act 36 of 2002)
- ▶ Provincial State Land Acquisition, Management and Disposal legislation
- ▶ Restitution of Land Rights Act, 1994 (Act 22 of 1994)
- ▶ Sectional Titles Act, 1986 (Act 95 of 1986)
- ▶ Spatial Data Infrastructure Act, 2003 (Act 54 of 2003)
- ▶ Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013)
- ▶ State Land Disposal Act, 1961 (Act 48 of 1961)
- ▶ Town and Regional Planners Act, 1984 (Act 19 of 1984)
- ▶ Transformation of Certain Rural Areas Act, 1998 (Act 94 of 1998)
- ▶ Upgrading of Land Tenure Rights Act, 1991 (Act 112 of 1991)

The Office of the Valuer-General must also comply with all relevant provisions of the key transversal national Acts such as the -

- ▶ Public Finance Management Act, 1999 (Act 1 of 1999)
- ▶ Public Service Act, 1994 (Proclamation 103 published in Government Gazette 15791 of 3 June 1994)

(Certain administrative legislation is included in this list as it is deemed to have strategic relevance during the start-up phase of the organisation)

3. Institutional Policies and Strategies over the-five-year planning period

The Office of the Valuer-General's policy mandates derive largely from the following key policies:

- ▶ National Development Plan (2011): Chapter 6¹ (an Integrated and Inclusive Rural Economy) provides, in respect of land reform, amongst others, for a model that will enable the more rapid transfer of agricultural land to black beneficiaries and the establishment of an institution that must monitor land markets against instances of corruption, speculation and undue opportunism;
- ▶ White Paper on South African Land Policy (1997): the land reform programme consists of three components: restitution, redistribution and tenure reform. A fourth component, land development, was subsequently added by Government;
- ▶ Green Paper on Land Reform (2011): In order to attain the long-term goal of development, defined as shared growth and prosperity, relative income equality, full employment and cultural progress, provision is made for the establishment and operationalisation of the statutory office of the Land Valuer-General that would be responsible for the determination of fair and consistent land values for land reform purposes;
- ▶ Policy Framework for Land Acquisition and Land Valuation in a Land Reform Context and for the Establishment of the Office of the Valuer-General (2012): The protection of the public interest in land acquisition and property transactions is the overarching rationale for the establishment of the Office of the Valuer-General, whose broad mandate includes both land reform valuations as well as valuation and property advisory services

¹NPC (2012) National Development Plan: Our future – make it work. National Planning Commission, The Presidency, Pretoria

across the entire government system;

- ▶ The Office of the Valuer-General must comply with all national and provincial policies that provide in one way or another for matters that impact on the operationalisation of, and the exercise of powers, the performance of functions and the execution of responsibilities, by the Office of the Valuer-General. These include, but are not limited to, policies that are administered by the Department of Agriculture, Land Reform and Rural Development and the Department of Public Works.
- ▶ Furthermore, the Office of the Valuer-General has assessed the alignment of its plans with national planning instruments including the National Development Plan (NDP) and its five-year implementation plan, the ²Medium-Term Strategic Framework (MTSF), which articulates plans to give effect to National Government's seven strategic priorities. The OVG's 2020 – 2025 Strategic Plan is informed, guided by and aligned with the 2019–2024 MTSF, which reflects government's priorities during the medium-term towards the realisation of the NDP's goals; more especially, those priorities and outcomes relating to rural development and land reform, as contained in the DALRRD's strategic plan. It also takes into consideration policy priorities that are in line with the Rural Development and Land reform trajectory, as articulated in the MTSF, specifically a capable, ethical and developmental state (Priority 1), Economic transformation and job creation (Priority 2), Education, skills and health (Priority 3), Spatial integration, human settlements and local government (Priority 5).
- ▶ In addition, the OVG's 2020 – 2025 Strategic Plan has identified and adopted four outcomes that are aligned to the outcomes of DALRRD and MTSF priorities.

²DPME (2020) Medium Term Strategic Framework 2019 – 2024. Department of Planning, Monitoring and Evaluation, Presidency.

4. Relevant Court Rulings

Moloto Community Restitution Claim: Case No LCC 204/2010

The Court was called upon to determine the amount of just and equitable compensation that the Minister must pay various landowners to acquire their properties in terms of the Restitution of Land Rights Act, 1994 (Act No. 22 of 1994) and section 25(3) of the Constitution.

Whereas the landowners sought compensation based on the market value of their properties, the Minister, on the advice of the Valuer-General, sought compensation to be determined in accordance with the “formula” that adds together the market value and the current use value and dividing the sum by two. The formula gives the two, market value and current use value equal weight.

Findings

The Court findings were as follows:

- ▶ Proper interpretation of section 25(3)(a) requires a contextual analysis of the current use value of property. The Courts (Constitutional Court and the Supreme Court of Appeal) have, in the past cases interpreted the section contextually, and that means taking into consideration factors such as the evidence about the state of the property in question and the use that the affected family had put to the land, and in some cases, the determination of current use value resulted in an upward adjustment in the amount of compensation payable;
- ▶ The Court also held that quantifying current use value may be of assistance in determining the difference between the potential of a property (for which the market is willing to pay) and its actual

use (or lack of), provided that one does not forego a contextual consideration of current use. However, that does not preclude a Court from attaching a numerical value to current use value. Therefore, “current use value” can be considered when determining just and equitable compensation. The determination of whether the value can be sensibly attached was left to the evidence presented before the Court; and

- ▶ The parties also agreed on the market value of the properties and there was no longer a dispute. The Court did not have to make a determination in this regard.

Conclusion

- ▶ The court did not hold that the current use value formula is unlawful or that it cannot be used in other matters. The Court just made a choice that there was no sufficient information before it to apply the formula practically in the current matter.
- ▶ Further, the Court affirmed that market value is not necessarily just and equitable compensation. The Court, however, leaned towards market value and accepted agreed market value in the case as just and equitable compensation. That appeared to have been an easy route to follow because there was already agreement on the market value and the Court did not have to be innovative about a new solution.





PART B



**OFFICE OF THE
VALUER-GENERAL
SOUTH AFRICA**

PART B: OUR STRATEGIC FOCUS



5. Vision

To be recognised in the market as the centre of excellence and innovation in respect of all property valuations with a primary focus on land reform.

6. Mission

- ▶ Support land reform by providing impartial, efficient, just and equitable valuation services for all land-reform related matters in the country.
- ▶ Promote accurate professional valuations by informing, communicating and monitoring adherence to the criteria and guidelines applicable to land reform valuations; and
- ▶ Enhance efficiency and accuracy of valuations through the development of innovative tools and processes, including a database of property valuation data accessible to the valuation profession.
- ▶ Provide impartial, efficient, equitable and accurate general valuation services to/on behalf of government departments.

7. Values

- ▶ Professionalism and accountability
- ▶ Respect and integrity (ethics and honesty)
- ▶ Courtesy and compassion
- ▶ People-centred service standards
- ▶ Effective communication and transparency
- ▶ Efficiency
- ▶ Delivery focus

8. Updated Situation Analysis

8.1 External Environment Analysis



Political Factors	Technological Factors
<ul style="list-style-type: none">▶ The political uncertainty that would result in changes to the OVG mandate and functions;▶ Land reform is a politically charged and sensitive issue in South Africa, particularly given the slow pace and costs incurred by the government to date. In line with Section 25 (3) of the SA constitution.▶ Land ownership patterns continue to be racially skewed, and a greater sense of urgency is building around the issue of land reform. Restitution Act, Land Tenure Act, Extension of Security of Tenure Act;▶ A bill was tabled before Parliament to amend Section 25 of the Constitution to address expropriation of land without compensation. However, the bill was not passed by Parliament due to failure to obtain a two-thirds majority. It is currently unclear how this development will affect the OVG as the matter progresses; and▶ Legislation already provides certain key interpretations and definitions (for example, the definition of “value” in the context of the PVA) that need to be factored into all valuations, some of which may be poorly understood by the public.	<ul style="list-style-type: none">▶ There is currently a lack of an integrated, reliable and collated hub of property-related data;▶ Availability of appropriate technology platform for data administration, storage, backup, disaster recovery for future use needs to be considered as this will be critical to creating an enabling and supportive business environment for the OVG;▶ The availability, relevance, adaptability and cost of a comprehensive valuation management system/software is a factor in the OVG; and▶ Cyber security threats.

Economic Factors	Transformational, Governance and Legislative Environment
<ul style="list-style-type: none"> ▶ The OVG will necessarily be reliant on appropriations from NRF for funding of operations (administration) and the execution of its mandatory valuations (this is a direct consequence of the PVA provisions); ▶ Slower SA economic growth as a result of factors such as the COVID pandemic has resulted in pressure on the fiscus, which is the source of the funds to be appropriated to the OVG. The OVG will therefore be sensitive to the levels of funding available from the government, ultimately impacting on the extent to which the OVG mandate is achievable; and ▶ The property market is currently volatile, and this may increase the risk that the OVG will be called upon to defend a valuation in the context of fluctuating and unpredictable economic circumstances. 	<ul style="list-style-type: none"> ▶ As an entity established and funded by the government, the OVG is subject to the provisions of the Public Finance Management Act (PFMA); ▶ The Auditor-General will conduct the annual regulatory audit of the OVG; ▶ The legal interpretation of the Property Valuation Act may result in different views/opinions with respect to the specific role and mandate of the OVG, potentially leading to exposure to court challenges. Currently, the OVG is awaiting judgement that is expected to provide guidance in respect of the current valuation methodology; ▶ A Ministerial Advisory Panel has been set up to review the Property Valuation Act which may impact the mandate of the OVG; and ▶ The profession is regulated by the South African Council for the Property Valuers Profession (SACPVP).

Social Factors	Environmental Factors
<ul style="list-style-type: none"> ▶ In line with the political issues already mentioned above, the issue of land ownership is a social problem in that it affects the citizens' perceived social status and rights. Although the OVG is not the main driver of land reform (this is the domain of the Department of Agriculture, Land Reform and Rural Development). It is worthwhile considering the social context in which the OVG will need to operate and how this might impact the defined business strategy; ▶ Land reform typically targets rural land and, if well-executed, has the potential to create many new jobs and improve the lives of communities previously excluded from land ownership. However, agricultural land reform, if executed poorly, can create new social problems such as food scarcity and increased food prices. Farming enterprises may undergo economic pressures, with a resulting knock-on social effect of job losses in the country; and ▶ There is a general perception from the public that the government is slow in executing the issue of land reform, 	<ul style="list-style-type: none"> ▶ Marginal land which forms part of land reform may come under increased pressure. Valuation of agricultural land will need to consider the complexity of accelerating climate change, food security and water scarcity.

8.2. Internal Environment Analysis

Strengths	Weakness
<ul style="list-style-type: none"> ▶ Existing market; ▶ Budget allocation/appropriation from NRF; ▶ Professional nature of services will support autonomy/impartiality; and ▶ Skilled, knowledgeable, qualified Human Resources; 	<ul style="list-style-type: none"> ▶ Operating on an interim organisational structure; ▶ New information systems currently under implementation, ensure adequate internal control in the meantime; ▶ Inadequate collaboration among the state entities with the similar mandate; ▶ Weak contract management in respect of outsourced valuation projects; ▶ The OVG is currently not reducing its carbon footprint by using less paper, thus having a negative impact on the environment ▶ Lack of clarity in terms of fair and equitable compensation could call for the OVG to lead processes for the development of the Compensation Policy collaboration among the state entities with a similar mandate.
Opportunities	Threats
<ul style="list-style-type: none"> ▶ Amendment to various pieces of legislation on land and related matters such as Section 25 of the Constitution, Property Valuation Act, Expropriation Act, State Land Disposal Act, and others which could potentially lead to the expansion of OVG's mandate; ▶ Discretionary valuations, e.g. market OVG services to the rest of the state (currently limited to departments by the PVA); ▶ To influence national and international policy and standards for valuations; ▶ Newly developed policies and systems can be tailored to best fit the new institution without the burden of legacy systems and processes; ▶ Opportunity to profile the OVG as an enabler of equitable land reform; ▶ The current review process of the PVA provides an opportunity to make improvements; and ▶ The Potential partnership with other government departments particularly on property acquisition and disposal, as well as property rates and taxes. 	<ul style="list-style-type: none"> ▶ Reliance on government funding could impact perceptions about the OVG's impartiality; ▶ The land reform process could be severely compromised if a valuation bottleneck arises, thus potentially damaging the reputation of the OVG; ▶ Risk of reputational damage arising from rejected offers, visibility, and association of poor implementation of land reform, and negative media coverage; and ▶ Lack of cooperation from landowners.

PART C

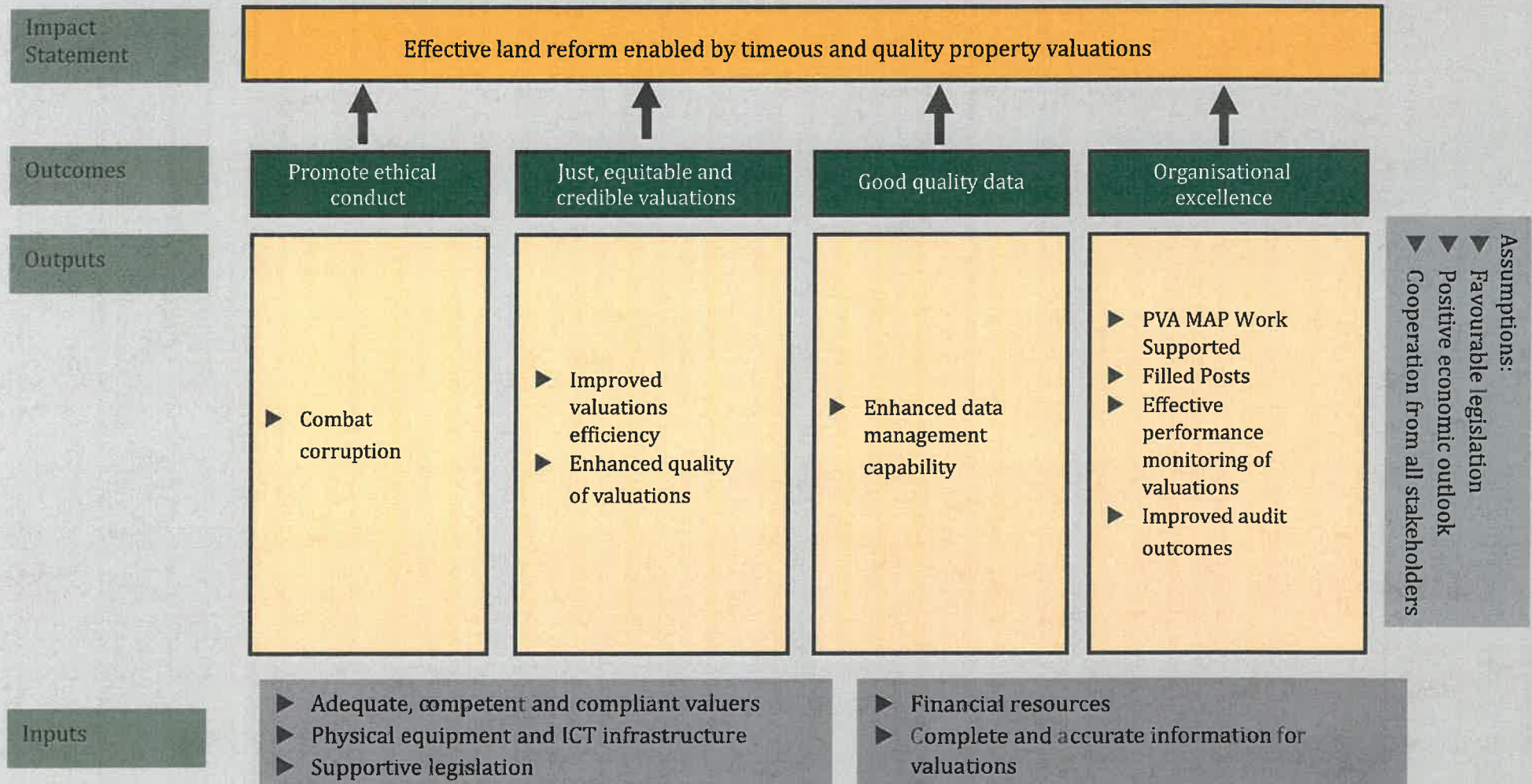


**OFFICE OF THE
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PART C: MEASURING OUR PERFORMANCE

9. Institutional Programme Performance

The results that OVG should deliver in 2022/23 are summarised in the Theory of Change (ToC) shown below – Figure 1.



9.1. Programme: Administration

9.2. Purpose

To provide governance services for the optimal operational performance of the OVG

9.2.1. Sub-Programme:

9.2.1.1. Governance, Risk and Compliance

Purpose:

To ensure optimal management of risks and good corporate governance of the entity and provide comprehensive legal advisory services that will enable the entity to execute its mandate within the rule of law effectively.

9.2.1.2 Internal Audit

Purpose:

To provide independent and objective assurance over governance, risk management and internal control systems.

9.2.2. Outcomes, Outputs, Performance Indicators and Targets

Outcome	Outputs	Output indicators	Audited Performance			Estimated Performance	MTEF Targets		
			2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Promote Ethical conduct	Combat corruption and Fraud	Corruption and fraud prevention mechanisms implemented	-	-	Corruption and fraud prevention mechanisms implemented	Corruption and fraud prevention mechanisms implemented	Corruption and fraud prevention mechanisms implemented	Corruption and fraud prevention mechanisms implemented	Corruption and fraud prevention mechanisms implemented

9.2.3. Output Indicators: Annual and Quarterly Targets

Output indicators	Annual Target	Q1	Q2	Q3	Q4
Corruption and fraud prevention mechanisms implemented	Corruption and fraud prevention mechanisms implemented	Approved Fraud Prevention Plan undergoing implementation	Approved Fraud Prevention Plan undergoing implementation	Approved Fraud Prevention Plan undergoing implementation	Fraud Prevention Policy and Plan reviewed

9.2.4. Explanation of Planned Performance Over the Medium-Term Period

The issue of land reform is increasing in urgency. There is, therefore, a need for the Office of the Valuer-General to capacitate with urgency and to ensure that the staff is performing at the highest level. There is also a need to ensure that clients are informed about changes in processes and requirements. Data management forms a significant part of the office issuing quality reports and maintaining the highest ethical standards. This will also ensure that the Office of the Valuer-General completes all the received valuation instructions within the set turnaround times and efficiency. Consequently, land reform will be fast-tracked thus positively contributing to the achievement of the priorities of the South African society at large.

The planned performance will ensure service delivery and ethical standards are improved over the MTEF period. This will also ensure that the entity delivers on the planned outputs. The planned indicators put more emphasis on capacitating the entity, implementing effective change management techniques, ensuring that staff morale is at the highest, thus ensuring a sufficient and effective data management process and promotion of ethical standards which will contribute to the outcomes as set out in the Strategic Plan.

9.2.5. Programme Resource Considerations – Programme 1

9.2.5.1 Expenditure Estimates

Programme	Outcome R' 000			Main appropriation R'000	Medium-term expenditure estimate R'000		
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
					R'000	R'000	R'000
MTEF Allocation	35 258	41 099	100 000	12 093	11 148	13 572	20 914
Total	35 258	41 099	100 000	12 093	11 148	13 572	20 914

9.2.5.2 Expenditure Estimates per Economic Classification

Programme	Outcome			Main appropriation	Medium-term expenditure estimate		
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
		R'000	R'000	R'000	R'000	R'000	R'000
Compensation of Employees	13 543	14 954	49 053	7 743	7 682	7 990	8 309
Goods and Services	21 715	26 145	50 947	4 350	3 466	5 582	12 605
Total	35 258	41 099	100 000	12 093	11 148	13 572	20 914

9.2.6. Performance and Expenditure Trends

The annual appropriation from the fiscus received as a transfer payment from the Department of Agriculture, Land Reform and Rural Development, is earmarked to, inter-alia, cover the cost of land reform valuations to be executed by the OVG in accordance with service level agreements. The number of valuations that can be performed during the period will thus be limited by the available funding. Proper upfront planning and estimation of costs should mitigate the risk of significant underperformance due to insufficient funding available to cover the cost of the planned valuations. However, it should be noted that standard-costing in respect of valuations is not possible due to the variability in size, complexity, and other factors. Therefore, the risk always remains that there may be a mismatch between budgeted cost and agreed outputs. This risk will be continuously managed.

9.2.7. Key Risks

Outcome	Risk Description	Risk Mitigation
Promote Ethical Conduct	Lack of guarantees on the change management impact	Implement continuous and proactive change management initiatives as part of a permanent and functional structure and appoint change agents
	Fraud and corruption in the acquisition of goods and services	Implementation of the fraud prevention strategy

9.3. Programme: Valuations

9.3.1. Purpose: To determine credible values in line with the PVA.

9.3.2 Sub- Programme(s): Property Valuations

9.3.3 Programme Outcomes, Outputs, Performance Indicators and Targets

Outcome	Outputs	Output indicators	Annual Targets						
			Audited / Actual Performance			Estimated Performance	MTEF Period		
			2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Just, equitable and credible valuations	Improved valuations efficiency	Average number (#) of working days taken to issue a valuation certificate	-	167	53	50	50	50	50
		% completion of valuation requests submitted by clients within specified times	-	-	93%	95%	100%	100%	100%
		Average number (#) of working days taken to resolve queries after issuing the final valuation certificate	-	-	-	New Indicator	10	10	10
Good Quality Data	Enhanced Data Management Capability	Enhanced data management Capability Implemented	-	-	Data Management System not Implemented	Enhanced data management Capability	Enhanced data management Capability	Enhanced data management Capability	Enhanced data management Capability

9.3.4 Programme Output Indicators, Annual and Quarterly Targets

Output Indicators	Annual Target	Quarterly Targets			
		Q1	Q2	Q3	Q4
Average number (#) of working days taken to issue a valuation certificate	50	50	50	50	50
% Completion of valuation requests submitted by clients within specified times	100%	100%	100%	100%	100%
Average number (#) of working days taken to resolve queries after issuing the final valuation certificate	10	10	10	10	10
Enhanced Data Management Capability implemented	Enhanced data management Capability	Planning and Design of the Enterprise Architecture Plan and Roadmap	Approved Enterprise Architecture Plan and Roadmap	Approved Enterprise Architecture Plan and Roadmap undergoing implementation	Approved Enterprise Architecture Plan and Roadmap undergoing implementation

9.3.5. Explanation of Planned Performance over the Medium-Term

This outcome - Just, equitable and credible valuations contributes to MTSF priority: Economic transformation and is linked to NDP: Chapter 6 (an Integrated and Inclusive Rural Economy). The Office of the Valuer-General is therefore in line with its mandate, tasked to ensure that the valuation process for Land reform is standardised and that valuations are delivered with efficiency. This will ensure that the Office of the Valuer-General completes all received valuations within the set turnaround times. Consequently, Land reform will be fast-tracked thus ensuring a positive contribution to the achievement of priorities meant to empower women, children and people with disabilities and South Africa in general.

The Enterprise Resource Planning (ERP) implementation has commenced in the OVG and its full roll-out will continue this financial year. The purpose of the ERP system is to improve organisational efficiency and will also help to fast-track standardisation and tracking of valuations.

The planned performance will ensure that valuations are completed in the first year of the MTEF period, that all accepted valuations are completed within the turnaround times and that all valuations are standardised and produced at an acceptable quality.

9.3.6. Programme Resource Considerations – Programme 2

9.3.6.1 Expenditure Estimates

Programme	Outcome R'000			Main Appropriation	Medium-Term Expenditure Estimate		
	2018/19	2019/20	2020/21	2021/22 R'000	2022/23 R'000	2023/24 R'000	2024/25 R'000
MTEF Allocation	0	0	0	48 269	43 065	80 485	79 006
Total	0	0	0	48 269	43 065	80 485	79 006

9.3.6.2 Expenditure Estimates per Economic Classification

Programme	Outcome			Main Appropriation	Medium-Term Expenditure Estimate		
	2018/19	2019/20 R'000	2020/21 R'000	2021/22 R'000	2022/23 R'000	2023/24 R'000	2024/25 R'000
Compensation of Employees	0	0	0	43 660	21 095	21 939	22 817
Goods and Services	0	0	0	4 609	21 970	58 546	56 189
Total	0	0	0	48 269	43 065	80 485	79 006

9.3.7 Performance and Expenditure Trends

This programme is strategic due to the continued capacitation of the entity. It focuses on enhancing the quality of valuations, establishing operational and governance processes, and achieving operational sustainability. In the initial years of establishment, this will be wholly funded out of the National Revenue Fund appropriation.

9.3.8 Key Risks

Outcomes	Risk Description	Risk Mitigation
Just, equitable and credible valuations	<ul style="list-style-type: none"> ▶ Failure to complete all due valuation instructions from OVG clients 	<ul style="list-style-type: none"> ▶ The Service Level Agreement with each client will specify the maximum number of Valuations instructions per quarter. This will be informed by the OVG's capacity to deliver on all instructions ▶ Improve contract management by enforcing project plans and timelines
	<ul style="list-style-type: none"> ▶ Possible collusion between the external valuers and landowners 	<ul style="list-style-type: none"> ▶ Enforce declaration to be signed by valuers

9.4. Programme: Operations

9.4.1. Purpose: To provide business function services to the entire organisation.

9.4.2. Sub-programme

9.4.2.1. Project Management Office (PMO)

Purpose: To provide project management, business analysis and management reporting functions.

9.4.2.2. Human Capital Services

Purpose: To provide transformational Human Resources functional support enabling the entity to attract, develop and retain skilled people across the organisation.

9.4.2.3 Strategy & ICT Services

Purpose: To coordinate the translation of policy priorities agreed upon by the OVG management into actionable strategic plans with clear outcomes, outputs, indicators and resource commitments; provide long term planning and day to day support in respect of ICT needs, services and systems, and ensure that the OVG delivers on its impact statement and improves and sustains its performance and reporting thereof.

9.4.2.4 Financial Management Services

Purpose: To provide prudent financial management services.

9.4.2.5 Supply Chain Management

Purpose: To ensure that goods and services are procured and disposed of in line with the procurement legislation and the principles of good corporate governance.

9.4.3 Programme Outcomes, Outputs, Performance Indicators and Targets

Outcome	Outputs	Output indicators	Audited Performance			Estimated Performance	MTEF Targets		
			2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Organisational excellence	Property Valuations Act PVA), Ministerial Advisory Panel (MAP) work supported	PVA MAP work supported by the OVG	-	-	PVA Implementation Progress Report approved by the VG	-	Approved Implementation Plan for the MAP Recommendations	Approved implementation of the PVA Review Plan reviewed and implemented	Approved implementation of the PVA Review Plan reviewed and implemented
	Filled posts	Number (#) of funded posts filled in line with the approved interim structure	-	20	41	67	70	75	75
	Effective performance monitoring of valuations	Number (#) of valuation performance reports	-	-	12	12	12	12	12
	Improved audit outcomes	Unqualified audit opinion	-	-	Unqualified audit opinion	Unqualified audit opinion	Unqualified audit opinion	Unqualified audit opinion	Unqualified audit opinion

9.4.4 Programme Output Indicator, Annual and Targets

Output indicators	Annual Target	Q1	Q2	Q3	Q4
PVA MAP work supported by the OVG	1	Implementation Plan of the PVA Review Report by MAP developed and approved	Progress Report against the Implementation Plan of the PVA Review Report	Progress Report Implementation Plan of the PVA Review Report	Progress Report Implementation Plan of the PVA Review Report
Number (#) of funded posts filled in line with the approved interim structure	70	67	67	69	70
Number (#) of valuation performance reports	12	3	3	3	3
Unqualified audit opinion	1	-	Unqualified audit opinion	-	-

9.4.5 Explanation of Planned Performance over the Medium-Term Period

The issue of land reform is increasing in urgency. There is a need therefore for the Office of the Valuer-General to capacitate with urgency and to ensure that the staff is performing at the highest level. There is also a need to ensure that clients are informed about changes in processes and requirements. Data management forms a significant part of the office issuing quality reports and maintaining the highest ethical standards. This will also ensure that the Office of the Valuer-General completes all the received valuation instructions within the set turnaround times and efficiency. Consequently, land reform will be fast-tracked thus positively contributing to the achievement of the priorities of the South African society at large.

The planned performance will ensure service delivery and ethical standards are improved over the MTEF period. This will also ensure that the entity delivers on the planned outputs. The planned indicators put more emphasis on capacitating the entity, implementing effective change management techniques, ensuring that staff morale is at the highest, thus ensuring a sufficient and effective data management process and promotion of ethical standards which will contribute to the outcomes as set out in the Strategic Plan.

9.4.6 Programme Resource Considerations – Programme 3

9.4.6.1 Expenditure Estimates

Programme	Outcome R'000			Main Appropriation R'000	Medium-Term Expenditure Estimate R'000		
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
MTEF Allocation	0	0	0	71 482	52 958	61 214	62 324
Total	0	0	0	71 482	52 958	61 214	62 324

9.4.6.2. Expenditure estimates per economic classification

Programme	Outcome R'000			Main Appropriation R'000	Medium-Term Expenditure Estimate R'000		
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Compensation of Employees	0	0	0	23 362	29 797	30 989	32 228
Goods and Services	0	0	0	48 120	23 161	30 225	30 096
Total	0	0	0	71 482	52 958	61 214	62 324



9.4.7 Performance and Expenditure Trends

The annual appropriation from the fiscus received as a transfer payment from the Department of Agriculture, Land Reform and Rural Development, is earmarked to, inter-alia, cover the cost of land reform valuations to be executed by the OVG in accordance with service level agreements. The number of valuations that can be performed during the period will thus be limited by the available funding. Proper upfront planning and estimation of costs should mitigate the risk of significant underperformance due to insufficient funding available to cover the cost of the planned valuations. However, it should be noted that standard-costing in respect of valuations is not possible due to the variability in size, complexity, and other factors. Therefore, the risk always remains that there may be a mismatch between budgeted cost and agreed outputs. This risk will be continuously managed.

9.4.8 Key Risks

Outcome	Key Description	Risk Mitigation
Organisational excellence	Lack of staff buy-in	▶ Change management interventions and training
	Delayed approval for implementation of projects	▶ Change management interventions and training



PART D



**OFFICE OF THE
VALUER-GENERAL
SOUTH AFRICA**

PART D: TECHNICAL INDICATOR DESCRIPTIONS



10. Administration Indicators

Indicator Title	Corruption and fraud prevention mechanism implemented
Definition	This refers to the implementation of the various mechanisms meant to combat fraud and corruption as outlined in the fraud prevention plan
Source of data	Approved fraud prevention policy, attendance registers & minutes of the sessions
Method of Calculation/Assessment	Review of the minutes of the meetings, attendance registers, and progress reports
Means of verification	Q1, Q2, Q3 - Approved Fraud Prevention Plan undergoing implementation in terms of the committed activities as approved by the Valuer-General. Q4 – Reviewed Fraud Prevention Policy and Plan signed-off by the Valuer-General
Assumptions	- Stakeholder availability and participation - Approved corruption and fraud prevention policy
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	Improve the delivery of land reform programmes in South Africa
Calculation type	Non-Cumulative
Reporting Cycle	Quarterly
Desired Performance	Corruption and fraud prevention mechanisms implemented
Indicator Responsibility	Valuer-General

11. Valuations Indicators

Indicator Title	Average number (#) of working days to issue a valuation certificate
Definition	To measure the average number of working days taken to complete valuations performed in respect of new valuation referrals received from the time OVG's clients within every new reporting period during the applicable financial year.
Source of Data	Valuations Tracking Register, information, and technology systems.
Method of calculation/Assessment	<p>Average number (#) of days calculated as follows: (total number of working days per the listing/total number of valuations as per the listing.</p> <p>The listing will calculate the number of working days from acceptance date of a valuation instruction to the date of valuation completion. Date of completion being the date on which the final valuation certificate is signed.</p> <p>Exception rule – valuations that are found to be lacking critical information after being accepted by the Project Management Office will be flagged by changing the valuations status to be withdrawn or rejected and counting days of those valuations will start from when all information is received.</p> <p>Valuations that are submitted with incorrect instructions (e.g. market value, instead of historical value) will be considered as new valuations and the date of submission will be as of the day when instruction has been corrected.</p>
Means of verification	<p>Valuation certificates (a count of each property valued in the certificate). Valuation listings. Average number of days calculated as follows: total number of workings days per the listing/total number of valuations as per the listing.</p> <p>The listing will calculate the number of working days from acceptance of a valuation report to date of completion. Date of completion being the date on which the final valuation certificate is signed</p>
Assumptions	<p>Valuers are able to access property.</p> <p>All the information required for valuation is available.</p>
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative (Year End)
Reporting Cycle	Quarterly
Desired Performance	50 working days on average
Indicator Responsibility	Valuer-General

Indicator Title	% Completion of valuation requests submitted by clients within specified times										
Definition	To measure the percentage of valuations performed in relation to valuation requests received from Restitution and LRTR submitted to the OVG within the agreed timelines (see table below with submission timeframes).										
Source of data	The OVG's records, Valuations Tracking Register ,Information and Technology systems.										
Method of Calculation/Assessment	<p>Number of completed valuations in the period/ (Divided by) number of valuations requested within the agreed timelines x100</p> <p>In the event of exceptional circumstances where a completed valuation as of 31 March 2023 relates to valuation requests received between 17 January 2023 to 31 March 2023, a variation procedure in the form of a calculation will have to be applied as follows:</p> <p>Number of completed valuations in the period plus number of variations in the varying period/ Total number of valuations requested within the agreed timelines plus total number variations in the varying period x100</p> <p>Number of completed valuations per the listing.</p> <p>Valuations intended for completion by 2022/23 Q1 (30 June 2022) must be submitted by Restitution and LRTR to the OVG by 31 March 2022.</p> <p>See the table below for illustration:</p> <table border="1"> <thead> <tr> <th>Submission Period</th> <th>Reporting Period</th> </tr> </thead> <tbody> <tr> <td>17 January 2022 – 31 March 2022</td> <td>Quarter 1</td> </tr> <tr> <td>01 April 2022 – 29 July 2022</td> <td>Quarter 2</td> </tr> <tr> <td>01 August 2022 – 04 November 2022</td> <td>Quarter 3</td> </tr> <tr> <td>07 November 2022 – 16 January 2023</td> <td>Quarter 4</td> </tr> </tbody> </table>	Submission Period	Reporting Period	17 January 2022 – 31 March 2022	Quarter 1	01 April 2022 – 29 July 2022	Quarter 2	01 August 2022 – 04 November 2022	Quarter 3	07 November 2022 – 16 January 2023	Quarter 4
Submission Period	Reporting Period										
17 January 2022 – 31 March 2022	Quarter 1										
01 April 2022 – 29 July 2022	Quarter 2										
01 August 2022 – 04 November 2022	Quarter 3										
07 November 2022 – 16 January 2023	Quarter 4										

Indicator Title	% Completion of valuation requests submitted by clients within specified times
Means of verification	Valuation certificates (a count of each property valued in the certificate). The date on which the valuation certificates are signed is the date on which the valuation is completed. A listing of all valuations received within the agreed times. Total listings will be based on the numbers as agreed on the SLAs and consequently received by the OVG
Assumptions	N/A
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	Improve the delivery of land reform programmes in South Africa
Calculation type	Cumulative (Year End)
Reporting Cycle	Quarterly
Desired Performance	100%
Indicator Responsibility	Valuer-General

Indicator	Average number (#) of working days taken to resolve a query after issuing the final valuation certificate
Definition	To measure the average number of working days taken to resolve a query received pursuant to the issuing of a final valuation certificate.
Source of Data	Valuations Tracking Register, information and technology systems.
Method of calculation/Assessment	Average number of days calculated as follows: (total number of working days per logged queries / the total number of queries as per the listing. Calculation from the day the query is logged to the day it is resolved.
Means of verification	Resolution Register (proof of resolution)
Assumptions	The queries involve matters that are within the control of the OVG
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative (Year End)
Reporting Cycle	Quarterly
Desired Performance	Queries resolved within ten (10) days.
Indicator Responsibility	Senior Manager: Valuations

Indicator Title	Enhanced Data Management Capability Implemented
Definition	This indicator refers to the development and implementation of technological solutions meant to enhance data management and reporting
Source of data	Approved Enterprise Architecture, Data management System development and implementation report
Method of Calculation/Assessment	N/A
Means of verification	<p>Q1 – Planning and Design of the Enterprise Architecture Plan and Roadmap</p> <p>Q2 –Enterprise Architectural Plan and Roadmap presented to the ICT Steering Committee and Valuer-General for approval. Planning and implementation phase through development and approval of the Business Case for the recommended solution deliverables</p> <p>Q3 & Q4 - Enterprise Architecture Plan and Roadmap undergoing implementation through the implementation of the defined deliverables of the recommended technological solution prioritised for the financial period 2022/23</p>
Assumptions	Key stakeholder availability and participation
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	Improve the delivery of Land Reform programmes in South Africa
Calculation type	Non-Cumulative
Reporting Cycle	Quarterly
Desired Performance	Enhanced Data Management Capability through the implementation of the recommended technological solution
Indicator Responsibility	Valuer-General

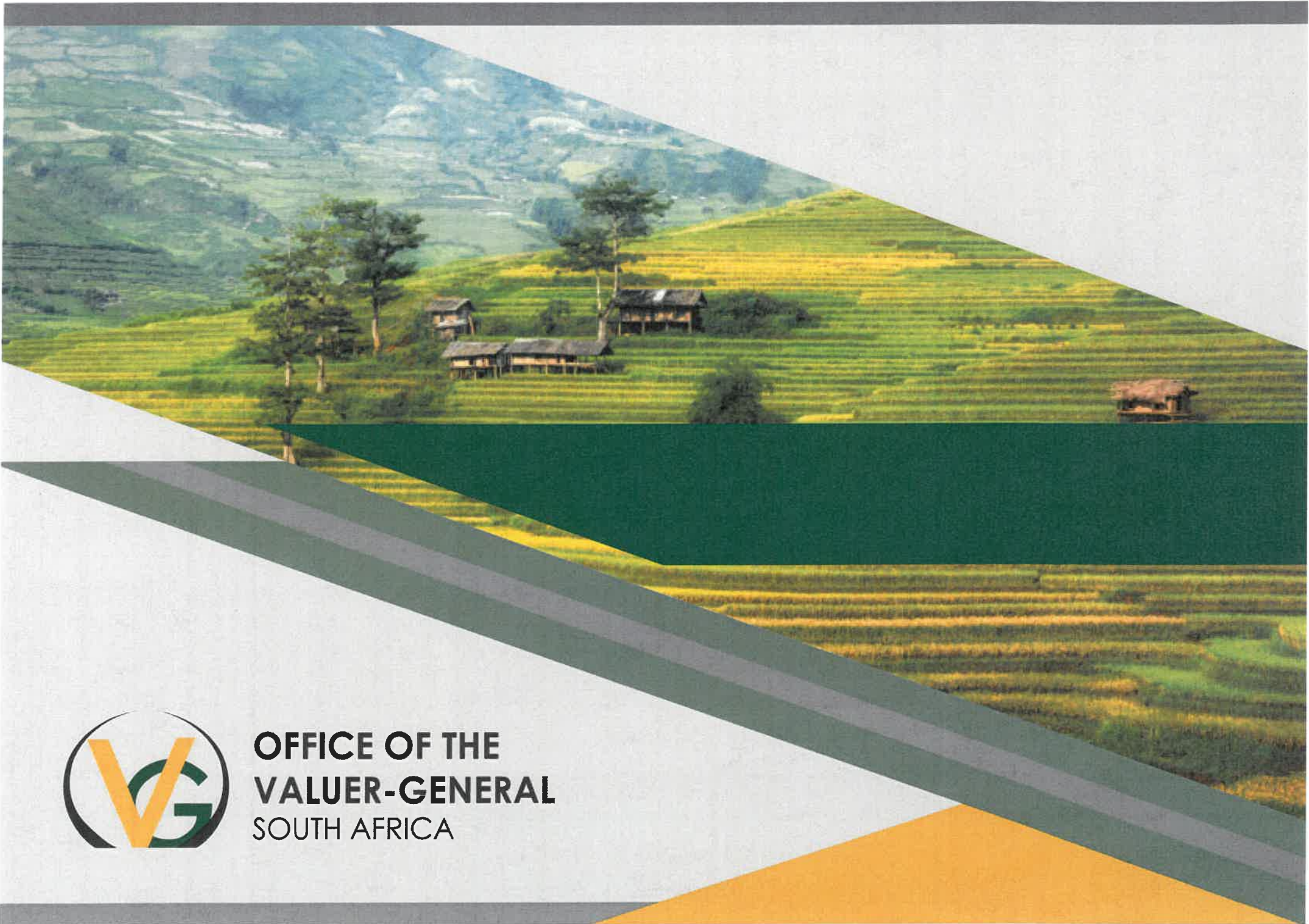
12. Operations Indicators

Indicator Title	PVA MAP work supported by the OVG
Definition	This refers to ensuring that the work of the PVA MAP is supported by the OVG
Source of Data	Report by the Ministerial Advisory Panel
Method of calculation/Assessment	Review of the Final Report by Ministerial Advisory Panel through an analysis of recommendations made.
Means of verification	PVA MAP Report signed-off by the Minister Q1 - Implementation Plan of the PVA Review Report by MAP developed and approved Q2-Q4 - Progress Report against the Implementation Plan of the PVA Review Report
Assumptions	PVA MAP Final Report received by the Minister
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	Improve the delivery of land reform programmes in South Africa
Calculation Type	Non-Cumulative
Reporting Cycle	Quarterly
Desired Performance	Recommendations of the MAP Report successfully implemented
Indicator Responsibility	Valuer-General

Indicator title	Number (#) of funded posts filled in line with the approved interim structure
Definition	To measure the number of funded posts against all the vacancies.
Source of data	Human Resources Records
Method of calculation or assessment	Simple count
Means of verification	Approved Interim Structure, Approved Plan for Filling of Vacant Posts, Appointment Letters
Assumptions	Funded posts, Approval Granted
Disaggregation of beneficiaries (where applicable)	Appointment of staff in line with the approved Employment Equity Plan
Spatial transformation (where applicable)	N/A
Calculation type	Cumulative (Year to End)
Reporting cycle	Quarterly
Desired performance	70
Indicator responsibility	Senior Manager: HCS

Indicator title	Number (#) of valuation performance reports
Definition	To indicate the number of valuations performed in line with the various status per project in the valuation process
Source of data	Valuations Tracking Register
Method of calculation or assessment	Simple count of valuation compliant reports
Means of verification	Approved Valuation Compliant Reports
Assumptions	Timely receipt of client requests
Disaggregation of beneficiaries (where applicable)	N/A
Spatial transformation (where applicable)	N/A
Calculation type	Cumulative (Year End)
Reporting cycle	Quarterly
Desired performance	12
Indicator responsibility	Valuer-General

Indicator Title	Unqualified audit opinion
Definition	To demonstrate that effective and efficient systems of internal controls are in place and the financial statements are a fair reflection of the financial position, financial performance, and cash flows through an independent audit report
Source of Data	Management letter and final Audit Report
Method of calculation/Assessment	Assess an Audit Report to determine conclusions by AGSA
Means of verification	Detailed dated and signed Audit Report
Assumptions	Financial statements captured accurately Compliance with laws and regulations
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-cumulative
Reporting Cycle	Annual
Desired Performance	Unqualified Audit Opinion
Indicator Responsibility	Valuer-General



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