

# ANNUAL REPORT



## 2021/2022

VOTE 29



agriculture, land reform  
& rural development

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



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PART A

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# General information

## 1. Department's General Information

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RP: RP273/2022

ISBN: 978-0-621-50616-7



## 2. List of abbreviations/acronyms

AAMP	Agriculture and Agro-processing Master Plan
AfCFTA	Africa Continental Free Trade Agreement
APHFSNRDM	Agriculture Production Health and Food Safety Natural Resource and Disaster Management
APP	Annual Performance Plan
AU	African Union
BEE	Black Economic Empowerment
CA	Conservation Agriculture
CBP	Contagious Bovine Pleuropneumonia
CCS	Community Compulsory Services
COVID-19	Coronavirus Disease-19
CPA	Communal Property Association
CRLR	Commission on the Restitution of Land Rights
DAFF	Department of Agriculture, Forestry and Fisheries
DALRRD	Department of Agriculture, Land Reform and Rural Development
DOA	Delegations of Authority
DPME	Department of Planning, Monitoring and Evaluation
DPSA	Department of Public Service and Administration
DRDLR	Department of Rural Development and Land Reform
DTT	Departmental Task Team
EC	Eastern Cape Province
E-Cert	Electronic Certificate
EDRS	Electronic Deeds Registration System
EDTM	Economic Development, Trade and Marketing
FMD	Foot-and-Mouth-Disease
FNT	National Treasury
FPSU	Farmers Production Support units
FS	Free State Province
GMO	Genetically Modified Organisms
GP	Gauteng Province
HA	Hectares
JICA	Japan International Cooperation Agency
KYD	Kaonafatso ya Dikgomo
LDARD	Limpopo Department of Agriculture and Rural Development
LDS	Land Development Support
LP	Limpopo Province
MP	Mpumalanga Province
MPSA	Minister of Public Service and Administration
MTEF	Medium Term Expenditure Framework
NARYSEC	National Rural Youth Service Corps
NC	Northern Cape Province
NDMC	National Disaster Management Centre
NLAACC	National Land Acquisition and Allocation Control Committee
NO	National Office
NSAA	National Spatial Action Areas
NSDF	National Spatial Development Framework
NW	North West Province
OCSLA	Office of the Chief State Law Advisor
ODG	Office of the Director-General
OP	Operational Plan
PAA	Protected Agricultural Areas
PE	Public Entities
PESI	Presidential Employment Stimulus Initiative
PLAS	Proactive Land Acquisition Strategy
PMBOK	Project Management Body of Knowledge
POE	Portfolio of Evidence
PPR	Peste des Petits Ruminants
PSETA	Public Service Sector Education and Training Authority
Q1	Quarter 1
Q2	Quarter 2
Q3	Quarter 3
Q4	Quarter 4
QCC	Quality Control Committee
REID	Rural Enterprise and Industries Development
RID	Rural Infrastructure Development
SADC	Southern African Development Community



SANAS	South African National Accreditation System
SCM	Supply Chain Management
SEIAS	Social Economic Impact Assessment System
SETA	Sector Education and Training Authority
SHEP	Smallholder Horticultural Empowerment and Promotion
SITA	State Information Technology Agency
SLA	Service Level Agreement
SOE's	State Owned Enterprises
SOP	Standard Operating Procedures
SP	Strategic Planning
TID	Technical Indicator Description
WC	Western Cape Province
WSP	Workplace Skills Plan



### 3. Minister's foreword



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

The agricultural sector has continued with its positive outlook albeit the negative impact of COVID-19 pandemic, the disruptions caused by the July unrest, as well as the Russian/Ukraine conflict. This points to the resilience of the sector and appropriate policy intervention that support agricultural growth. The slight increase in employment in the sector once again indicates that investment in agriculture has a positive spin off in job creation and economic growth.

Collaboration within government in all spheres had ensured that we can remove blockages to create an enabling environment for the agricultural sector to thrive. Market access continues to be driven in partnership with the departments of Trade, Industry and Competition as well as International Relations. This export drive will require investment in improving our regulatory measures, research, and infrastructure.

It is encouraging that in partnership with the Netherlands Government we have developed the E-Certification system. The uptake of digital tools such as the use of drones has commenced in other provinces.

Some departmental entities have played an important role in supporting the sector. The National Agricultural Marketing Council has been instrumental in giving timeous data on trade and movement of goods.

During the 2021/ 2022 financial year the Department of Agriculture, Land Reform and Rural Development maintained its focus on growth, consolidating partnerships and improving service delivery in the sector.

The conclusion of the AAMP represented a key milestone in the objective to rebuild an agricultural sector that can be competitive and enable the road to recovery from the effects of the COVID-19 pandemic, ensure food security, achieve inclusive growth, and create sustainable jobs.

Progress was also made in issuing of the hemp permits as announced during our 2021 Budget Speech. The guidelines on the growing of hemp have been produced and published. To date 200 permits have been issued. In collaboration with Vulindlela, provincial departments and other stakeholders are working on the finalisation of the Cannabis Masterplan by addressing the constraints from a plethora of legislation that impact negatively on the industrialization of Cannabis beyond the Medicinal use.

During the reporting period, the department continued to support new entrants to agri-business which included over 5000 red meat producers, 10 466 grain producers, 60 citrus producers and 242 cotton producers.

We are pleased with the progress that has been made in efforts to grow small holder producers, to this end a total of 192 611 smallholder producers were supported through various initiatives including the Presidential Economic Stimulus (PES). Through the PES over 53 000 subsistence producers were supported, of this number a total of 41 000 were women.

Land reform remains critical to transforming the rural economy and the availability of land for agricultural production is a key component of an effective land reform programme. The department has acquired 55 235 hectares of land through the Proactive Land Acquisition Strategy (PLAS) for redistribution. Work is also underway toward the establishment of the Land and Agrarian Development Agency, the conceptual framework for its creation is expected to be completed by the end of the 2022/2023 financial year.

In the last financial year, the department allocated over six hundred and seventy thousand hectares of agricultural land to farmers, cooperatives, entities, communities, farm dwellers and labour tenants. This as part of an initiative to ensure the release underutilised and vacant state land.

Land parcels in certain areas have been allocated to municipalities for development. In partnership with traditional leaders and their communities land has been released on a leased basis for economic development projects that contribute towards job creation and encouraging economic activities in these areas such as Nkuna City in Limpopo.

DALRRD constructed a total of 35 modern housing units which were handed over to farm dwellers and labour tenants in Mpumalanga during March 2022. These were destitute families who had been living in unsafe mud structures.

Land administration system in particular property management remains a challenge that we are addressing. The turnaround time of valuations from the Office of the Valuer General still require improvement as it impacts negatively on our performance in land acquisition for both redistribution and restitution.



The Department of Public Works has assisted tremendously in releasing land for restitution which has made it possible that several communities who opted for land restoration can have their title deed in their own land.

Improving the capacity of Communal Property Associations is continuing. This will a long way in addressing issues of governance in land management.

As part of skills development for young people NARYSEC continues to recruit learners who undergo training on agriculture and land-based enterprises. We have entered into partnerships with other private sector companies as part of the exit plan for those who have gone through the program. A reorientation of the NARYSEC policy had to be implemented to have a clear empowerment objective.

The Plant Health (Phytosanitary) Bill was introduced in Parliament in July 2021, its aim is to strengthen the import, national and export regulatory framework to manage the risks associated with plant and plant products.

Pursuant to the recommendations of the Presidential High Panel on Agriculture and Land Reform, the department has commenced with the development of the Land Redistribution Policy and Land Redistribution Bill.

Biosecurity challenges in the period under review included an outbreak of brown locust in the Eastern Cape, Northern Cape, and the Western Cape. Despite the locust outbreak being the highest in decades and the swarms impacting the veld, grazing lands, crops, roads, railway lines and even residential areas, effective measures assisted in controlling the outbreak. A total of 1 200 ground control teams were deployed to control the locusts in the affected provinces.

In addition to the ground control teams, helicopters were also deployed to conduct aerial spraying in the affected provinces, these control measures cost the department R90 762 480 including the procurement of insecticide, protective clothing and the payment of locust control contractors and aerial spraying.

Supported by industry the department engaged the European Union (EU) to facilitate trade in citrus fruit types. South Africa implemented a risk management system to keep interceptions of key pests of concern to the EU to a minimum, as a result interception for citrus black spot and false codling moth were kept to a relatively low number.

In November 2021 the signing of the protocol of the phytosanitary requirements for the export of pears to the People's Republic of China represented a significant achievement in increasing market share of South Africa's horticultural sector.

Building the capacity of the State remains one of the important areas of work that we continue to undertake. Filling of vacant posts following the amalgamation of departments is underway. Management of employee relations remains critical. Addressing the issues of financial management as well as ethics continue to be our focus.

Our participation in multilateral organisations in support of agriculture globally has seen Dr Bruckner being acknowledged for his contribution in global animal health. The *Office International des Epizooties (OIE)* awarded him the Gold Medal in recognition of his outstanding technical, scientific and administrative contributions to the field of veterinary science and animal disease control.

I would like to acknowledge my colleagues, the Deputy Ministers Mcebisi Skwatsha, and Rosemary Capa for their continued support during the catastrophic COVID pandemic.

My appreciation to the Director General Mooketsa Ramasodi and the entire executive of the Department of Agriculture, Land Reform and Rural Development for their leadership, resilience, and determination in the face of the many challenges that arose in the past financial year.



**MS A.T. DIDIZA (MP)**

**MINISTER OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT**

**DATE: 12 SEPTEMBER 2022**



## 4. Accounting officer's report



**Mr M Ramasodi**  
**Director General of**  
**the Department of**  
**Agriculture, Land**  
**Reform and Rural**  
**Development**

The 2021/22 Annual Report is delivered a couple of months post the signing of the Agriculture and Agro-processing Master Plan (AAMP) by various value-chain actors across industries. The plan provides a short-term tactical response to a plethora of opportunities identified. The plan also provides for medium to long term developmental challenges confronting the sector. Additionally, the latent opportunities that may be unlocked and realised should the industry mitigate the identified inefficiencies.

The Annual Report is divided into the following sections:

- Part A: General Information
- Part B: Performance Information
- Part C: Governance
- Part D: Human Resource Management
- Part E: Financial Information

The South African agriculture is export oriented. The total gross value of agricultural output in 2021 was recorded at R342 billion. Over 55% of its annual value-added output was from foreign earnings. Linkage and ties with international markets entails the sector is vulnerable to external economic shocks. The adverse impact of COVID-19, and the geo-political strife somewhat disrupted the global food system. The consequence of these adverse events is that cost to production by producers and agribusinesses significantly increased, namely the fertiliser prices increased by almost 150% year-on-year. The compounding effect of the July 2021 unrest worsened the harsh realities facing many poor households. The prices of grain commodities such as sunflower, wheat and maize increased between 30% to 50% year-on-year.

Land reform programmes are fundamental to ameliorate the triple challenges of inequality, poverty, and unemployment. Land is an asset in terms of ownership. Moreover, the use of the land as productive asset contributed to agricultural production. There was a budget reprioritisation process to address the pace of land reform and running the period under review, a total of 262 land claims were settled. Moreover, as part of its efforts to change the land ownership patterns in this country, 55 235 ha of farming land was redistributed through the land acquisition strategy. The State Land Release Programme contributed 679 943 hectares, which equals 1480 farms approved for allocation by end of February 2022. 497 farms out of 597 eligible for lease agreements are under lease. A total of 3504 hectares were acquired through the Land Tenure Reform Programme to provide security of tenure to farm dwellers and labour tenants.

Land redistribution must be accompanied by sustainable utilisation. Similarly, the competitiveness of agribusinesses is linked to the industry performance. Equally, a responsive biosecurity strategy is correlated to the competitive performance of the sector. Biosecurity is a sector wide challenge. Each ecosystem partner has a significant role to contribute. The livestock industry was ravaged by the foot-and-mouth disease outbreak. The State and industry piloted the Livestock Identification System (LITS) to mitigate disease outbreaks.

The State facilitated access to export markets guided by the demand and strategic opportunities. Trade agreements such as the Africa Continental Free Trade Area Agreement (AfCFTA), Africa Growth and Opportunity Act (AGOA), Economic Partnership Agreement (EPA) and Forum for China and Cooperation (FOCAC) provided the impetus towards conclusion of trade protocols. The department supported the fruit industry regarding the challenges related to the Sanitary and Phyto-sanitary measures (SPS) through various trade frameworks.

The role of the State is, amongst others, to provide a responsive regulatory framework. The department submitted to parliament the Marketing of Agricultural Products Act Bill for further processing. Other legislative review currently with parliament for due process include the Agriculture Produce Agents Amendment Bill, Preservation and Development of Agricultural Land Bill, Plant Health (Phytosanitary) Bill and the Agricultural Products Standards Amendment Bill.

The department continued to focus on supporting smallholder producers via the operationalisation of Farmer Production Support Units (FPSU). These are one-stop-centres for the provision of non-financial support to farmers, i.e., extension-advisory support, revolving mechanisation scheme, and linkage to markets via collation points. The intention was to improve productivity, income generation and household food security.

A capable, ethical, and developmental State is at the heart of service delivery initiatives. Consistent with the Strategy on the Employment of Extension Officers, the State employed 678 extension officers through national department, to deliver farmer support and advisory services. A capable and skilled cohort of Extension Officers is a prerequisite to sustainable agricultural development.



Lastly, the department is currently crafting a responsive, agile and fit-for-purpose organisational structure, to deliver on the aspirations of the Agriculture and Agro-processing Master Plan (AAMP).

#### Overview of the financial results of the department:

##### Departmental receipts

Departmental receipts	2021/2022			2020/2021		
	Estimate	Actual amount collected	(Over)/Under collection	Estimate	Actual amount collected	(Over)/Under collection
	R'000	R'000	R'000	R'000	R'000	R'000
Sale of goods and services other than capital assets	241 899	277 520	-35 621	194 600	228 822	-34 222
Transfers received	1 200	944	256	0	22	-22
Fines, penalties and forfeits	0	0	0	20	1	19
Interest, dividends and rent on land	16 688	18 854	-2 166	36 185	18 806	17 379
Sale of capital assets	0	-	-804	0	0	0
Financial transactions in assets and liabilities	6 879	14 634	-6 951	26 250	12 112	14 138
<b>Total</b>	<b>266 666</b>	<b>311 952</b>	<b>-45 286</b>	<b>257 055</b>	<b>259 763</b>	<b>-2 708</b>

The department collected more than what was estimated. The overcollection on actual against estimate is R45.2 million. The increase in actual collection is mainly due to more money collected on the sales of goods and services, Interest, dividends and rent on land and financial transactions in assets.

##### Programme Expenditure

In terms of the budget allocated for 2021/22, the department spent R16.931 billion or 94 per cent of the final appropriation of R18.023 billion, leaving the total of unspent funds of R1.092 billion. Unspent funds were mainly due to delays in the transfer of funds to support farmers through the Presidential Employment Stimulus Initiative (PESI) as a result of prolonged verification of applicants process and shortage of suppliers; delays in acquisition of land due to prolonged negotiations and disputes by landowners regarding offered land purchase price; and delays in the filling of vacant posts.

Programmes	Final Appropriation	Expenditure	Variance	% Spent
	R'000	R'000	R'000	%
Administration	3 303 858	3 303 826	32	100%
Agricultural Production, Biodiversity & Resource Management	2 507 679	2 471 198	36 481	99%
Food Security, Land Reform & Restitution	9 483 432	8 781 155	702 277	93%
Rural Development	993 285	919 552	73 733	93%
Economic Development, Trade and Marketing	994 394	804 453	189 941	81%
Land Administration	740 612	651 040	89 572	88%
<b>Grand Total</b>	<b>18 023 260</b>	<b>16 931 224</b>	<b>1 092 036</b>	<b>94%</b>

##### Virement

Programmes	Adjusted Appropriation	Virement	Final Appropriation
	R'000	R'000	R'000
Administration	2 904 058	399 800	3 303 858
Agricultural Production, Biodiversity & Resource Management	2 613 010	(105 331)	2 507 679
Food Security, Land Reform & Restitution	9 793 004	(309 572)	9 483 432
Rural Development	1 077 756	(84 471)	993 285
Economic Development, Trade and Marketing	872 820	121 574	994 394
Land Administration	762 612	(22 000)	740 612
<b>Grand Total</b>	<b>18 023 260</b>	<b>-</b>	<b>18 023 260</b>



Unspent funds were shifted from the following programmes; Programme 2: Agricultural Production, Biodiversity and Resources Management (R105.3 million); Programme 3: Food Security, Land Reform and Restitution (R309.6 million); Programme 4: Rural Development (R84.5 million); and Programme 6: Land Administration (R22 million).

The total unspent funds within the above mentioned programmes were shifted to following programmes; Programme 1: Administration to cater for the over expenditure regarding salaries and wages (R239.3 million) and office accommodation charges (R160.5 million) ; and Programme 5: Economic Development, Trade and Marketing to cater for the shortfall regarding support to industrial and enterprise development projects (R121.5 million).

### **Rollover**

The department requested National Treasury to grant approval for a rollover of unspent Presidential Employment Stimulus Initiative (PESI) earmarked funds amounting to R378 746 million from goods and services' economic classification from 2021/22 to 2022/23.

These funds were meant to accommodate approved applicants before 31 March 2022, however, vouchers were not issued by Vodacom before end of financial year. The amount of funding support is estimated at R619 million and less, because not all applicants qualified to receive the maximum allocation of R12 000.00 per applicant. Furthermore, previous experience has shown that about 15% of the applicants become disclaimers that end up not needing funding support to start projects. The verification of 10 000 applicants from these applicants was undertaken using the self-verification model. The remainder of the applicants are being done with the assistance of a blend of self-verification and physical verification. The redemption of vouchers will be part of the DALRRD's approach of a full voucher service from Vodacom.

### **Irregular expenditure**

The cases of Irregular expenditure have increased from R203,297 million in 2020/21 to R208,744 million as at the end of March 2022. The majority of these cases were due to contravention of SCM processes.

### **Fruitless/wasteful expenditure**

The opening balance for fruitless and wasteful expenditure was R41,024 million in 2021/22 and the closing balance was to R36,104 million as at end of March 2022. The decrease was as a result of cases amounting to R4,953 million that were resolved, and for the 2021/22 financial year an amount of R33 000 was identified as Fruitless and Wasteful Expenditure. The Fruitless and Wasteful Expenditure cases were due to expenditure made in vain.

### **Mitigation plan**

The department has established and capacitated the Directorate: Internal Control to ensure that sound internal controls are in place to curb the cases of unauthorised, irregular, fruitless and wasteful expenditure. There is also a Financial Compliance Committee that assesses the cases of irregular, fruitless and wasteful expenditure and it recommends the appropriate actions to be implemented.

### **Internal Control Unit**

The Directorate: Internal Control and all the employees in the department identify the alleged irregular, fruitless and wasteful expenditure. Subsequent to the identification of the alleged irregular, fruitless and wasteful expenditure, the Directorate conducts an assessment to confirm the classification of the expenditure. Then the confirmed irregular, fruitless and wasteful transactions are presented to the Financial Compliance Committee for determination of the recommendations to be made to the Accounting Officer. A report is provided to the Accounting Officer with recommendations regarding actions to be taken.

The unit also maintains the registers for irregular, fruitless and wasteful expenditure and assists in strengthening the internal control environment where the non-compliance was identified and confirmed.

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



## Public Private Partnership

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

### Summary of the Public Private Partnership

The PPP is between DALRRD and Tshala Bese Uyavuna Consortium

The status of PPP

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

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

- Treasury Approval I: Design Procurement Process.  
Treasury Approval IIA: Pre-qualification of parties, issuing of RFP, receive bids, compare bids with feasibility study, select preferred bidder and prepare value for money report.  
Treasury Approval IIB: Negotiations with the preferred bidder.  
Treasury Approval III: Approval to sign the PPP agreement (approval granted by National Treasury in May 2017).

The construction of the building commenced in March 2021 and the department will take occupation in March/April 2023.

Proposed PPP project plan

- The PPP building will accommodate all Pretoria-based offices including the Gauteng: National Office, Deeds and Restitution.
- The building will have 82434 square meters, 1 124 parking bays and will accommodate 2 145 staff members.
- The building will be fully serviced, which will include the provision of the following services by the private party:
  - Printing services
  - Cleaning services
  - Catering services
  - Maintenance services
  - Furniture
- Note: The private party will operate the building for a period of 25 years and, thereafter, the building will become a State property.

### Future plans of the department

New or proposed key activities:

- Increased State land properties allocated;
- Institutionalisation of the AAMP;
- Market access for smallholder producers; and
- Organs of State supported (professionally and/or technically) to implement the Spatial Data Infrastructure Act, 2003 (Act No. 54, 2003).

### Supply chain management

In the year under review and following the merger of the two departments (DRDLR and DAFF), new policies had to be developed and approved. A new Demand and Acquisition Management Policy was approved on 17 August 2021 and the Delegations of Authority was approved on 15 August 2021.

The department maintains the Supply Chain Management Policy (SCMP), Delegations of Authority (DoA) and Standard Operating Procedures (SOP). These prescripts collectively create a system aimed at preventing irregular expenditure.

### Gift and donations received in kind from non-related parties

Details of gifts and donations are reflected in Annexure 1H of the financial statements.



### **Exemptions and deviations from National Treasury**

The National Treasury granted the DALRRD an exemption in terms of section 3 (c) of the Preferential Procurement Policy Framework Act (PPPFA) from the provisions of the PPPFA on 13/05/2022. The exemption was effective from 12/05/2022 until:

- New Preferential Procurement Regulations take effect; or
- The Constitutional Court confirms the suspension of the order of invalidity of the Preferential Procurement Regulations, 2017, for a period of 12 months, whichever occurs first.

### **Events after the reporting date**

Nothing was reported during the year under review.

### **Conclusion**

In conclusion, I would like to express my gratitude to the minister, deputy ministers, chairpersons and members of the Parliamentary committees, for their leadership and guidance during the period under review.

My appreciation goes to the leadership and staff of the public entities, the agri-business community, farmer organisations and other sector partners for their continued support.

Finally, my appreciation goes to the management team and staff members in the department, for their dedication and commitment in serving South Africans.



**Mr M. Ramasodi**  
**Accounting Officer**  
**Department of Agriculture, Land Reform and Rural Development**  
**Date: 16 September 2022**



## 5. Statement of responsibility and confirmation of accuracy of the annual report

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

- All information and amounts disclosed throughout this annual report are consistent.
- The annual report is complete, accurate and is free from any omissions.
- The annual financial statements (Part E) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.
- The accounting officer is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resource information and the Annual Financial Statements.
- The external auditors were engaged to express an independent opinion on the Annual Financial Statements.

In my opinion, this annual report fairly reflects the operations, performance and human resource information, and the financial affairs of the department for the financial year that ended on 31 March 2022.



**Yours faithfully**  
**Mr M. Ramasodi**  
**Accounting Officer**  
**Department of Agriculture, Land Reform and Rural Development**  
**Date: 16 September 2022**



## 6. Strategic overview

### Vision

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

### Mission

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

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

### Values

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

## 7. Legislative and other mandates

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

### Legislative mandates

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

#### Legislation and purpose

Act number and year	Purpose
Agricultural Debt Management Act, 2001 (Act No. 45 of 2001)	Provides for the establishment of the Agricultural Debt Account and the use of the account as a mechanism to manage agricultural debt repayment
Agriculture Laws Extension Act, 1996 (Act No. 87 of 1996)	Provides for the extension of the application of certain laws relating to agricultural matters to certain territories, which form part of the national territory of the Republic of South Africa; the repeal of certain laws which apply in those territories; and for matters connected therewith
Agricultural Law Rationalisation Act, 1998 (Act No. 72 of 1998)	Provides for the rationalisation of certain laws relating to agricultural affairs that remained in force in various areas of the national territory of the Republic prior to the commencement of the Constitution of the Republic of South Africa
Agricultural Pests Act, 1983 (Act No. 36 of 1983)	Provides for measures by which agricultural pests may be prevented and combated
Agricultural Produce Agents Act, 1992 (Act No. 12 of 1992)	Provides for the establishment of an Agricultural Produce Agents Council and fidelity funds in respect of agricultural produce agents and for the control of certain activities of agricultural produce agents
Agricultural Product Standards Act, 1990 (Act No.119 of 1990)	Provides for the control over the sale and export of certain agricultural products; control over the sale of certain imported agricultural products; and control over other related products
Agricultural Research Act, 1990 (Act No. 86 of 1990)	Provides for the establishment of a juristic person to deal with agricultural research; the determination of its objects, functions, powers and duties
Animal Diseases Act, 1991 (Act No. 35 of 1984)	Provides for the control of animal diseases and parasites, and for measures to promote animal health
Animal Identification Act, 2002 (Act No. 6 of 2002)	Provide the consolidation of the law relating to the identification of animals and incidental matters
Animal Improvement Act, 1998 (Act No. 62 of 1998)	Provides for the breeding identification and utilisation of genetically superior animals in order to improve the production and performance of animals
Animals Protection Act, 1962 (Act No. 71 of 1962)	Provides the consolidation and amendment of the law relating to the prevention of cruelty to animals



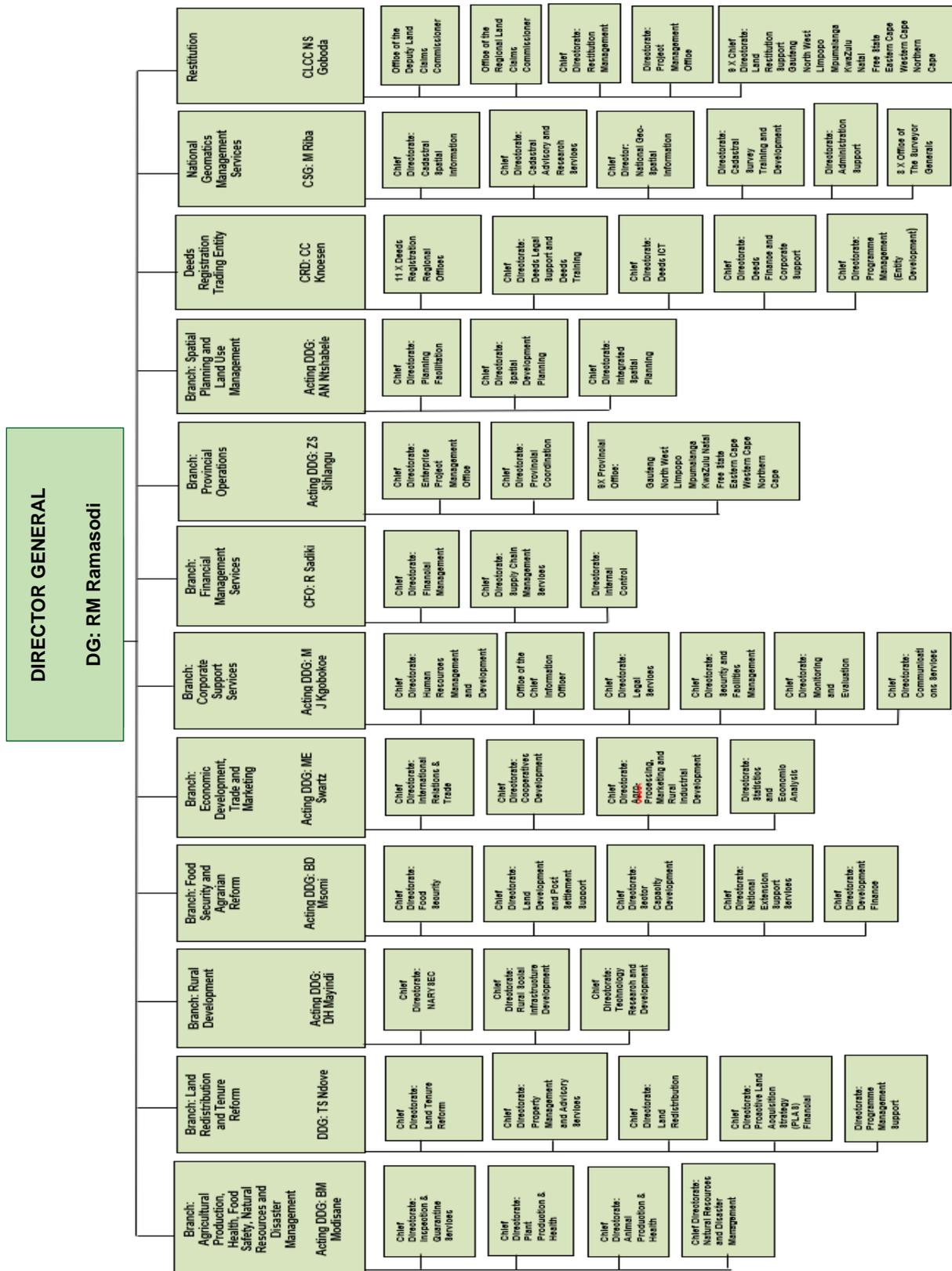
Act number and year	Purpose
Communal Property Associations Act, 1996 (Act No. 28 of 1996)	Makes provision for communities to form juristic persons, to be known as communal property associations, to acquire, hold and manage property on a basis agreed to by members of a community. This has to be done in terms of a written constitution.
Conservation of Agricultural Resources, 1983 (Act No. 43 of 1983)	Provides for control over the utilisation of the natural agricultural resources of the Republic in order to promote the conservation of the soil, water sources and vegetation and the combating of weeds and invader plants
Deeds Registries Act, 1937 (Act No. 47 of 1937)	Provides for the provision for the administration of the land registration system and the registration of rights in land. Through the Office of the Chief Registrar of Deeds, the department is mandated to register title
Extension of Security of tenure Act, 1997 (Act No.62 of 1997)	Makes provision for the facilitation of long-term security of land tenure, to regulate the conditions of residence on certain land and to regulate the conditions on and circumstances under which the right of persons to reside on land may be terminated.
Fencing Act, 1963 (Act No. 31 of 1963)	Provides for the consolidation of the laws relating to fences and the fencing of farms and other holdings and matters incidental thereto
Fertilizers, Farm Feeds Agricultural Remedies and Stock Remedies, 1947 (Act No. 36 of 1947)	Provides for the appointment of a Registrar of Fertilisers, Farm Feeds, Agricultural Remedies and Stock Remedies; the registration of fertilisers, farm feeds, agricultural remedies, stock remedies, sterilising plants and pest control operators; the regulation or prohibition of the importation, sale, acquisition, disposal or use of fertilisers, farm feeds, agricultural remedies and stock remedies; and the designation of technical advisers and analysts
Genetically Modified Organisms, 1997 (Act No. 15 of 1997)	Provides for measures to promote the responsible development, production, use and application of genetically modified organisms, to provide for an adequate level of protection during all activities involving genetically modified organisms that may have an adverse impact on the conservation and sustainable use of biological diversity, human and animal health
Groot Constantia Trust Act, 1993 (Act No. 58 of 1993)	Provides for the provision of the incorporation of the Groot Constantia Control Board as an association not for gain; for the transfer of the Groot Constantia Estate to the said association; and for matters connected therewith
Interim Protection of Informal Land Rights Act, 1996 (Act No. 31 of 1996)	The Act makes provision for temporary protection of certain rights to and interests in land which are not otherwise adequately protected by law.
KwaZulu Cane Growers' Association Repeal Act, 2002 (Act No. 24 of 2002)	Provides for the repealing of the KwaZulu Cane Growers' Association Act, 1981 (Act No. 24 of 2002) and matters connected therewith
KwaZulu-Natal Ingonyama Trust Act, 1994 (Act No. 3 of 1994)	Makes provision for establishment of the Ingonyama Trust and for certain land to be held in trust.
Land Reform: Provision of Land and Assistance Act, 1993 (Act No. 126 of 1993)	Provides for the designation of certain land, the regulation of the subdivision of such land and the settlement of persons on it. In addition, it provides for the acquisition, maintenance, planning, development, improvement and disposal of property and the provision of financial assistance for land reform purposes
Land Reform (Labour Tenants) Act, 1996 (Act No. 3 of 1996)	Provides for the provision of security of tenure for labour tenants and those persons occupying or using land as a result of their association with labour tenants. It also makes provision for the acquisition of land and rights in land by labour tenants
Land Survey Act, 1997 (Act No. 8 of 1997)	Provides for the regulation of the surveying of land in South Africa
Liquor Products Act, 1989 (Act No. 60 of 1989)	Provides for control over the sale and production for sale of certain alcoholic products, the composition and properties of such products and the use of certain particulars in connection with the sale of such products; for the establishment of schemes; and for control over the import and export of certain alcoholic products
Marketing of Agricultural Products Act, 1996 (Act No. 47 of 1996)	Provides for the authorisation of the establishment and enforcement of regulatory measures to intervene in the marketing of agricultural products, including the introduction of levies on agricultural products; and to establish a National Agricultural Marketing Council
Meat Safety Act, 2000 (Act No. 40 of 2000)	Provides for measures promoting meat safety and the safety of animal products; to establish and maintain essential national standards in respect of abattoirs; to regulate the importation and exportation of meat;



Act number and year	Purpose
	to establish meat safety schemes; and to provide for matters connected therewith
Onderstepoort Biological Products Incorporation Act, 1999 (Act No. 19 of 1999)	Provides for the establishment of a company to manage the institution known as Onderstepoort Biological Products
Performing Animals Protection Act, 1935 (Act No. 24 of 1935)	Provides for the regulation of the exhibition and training of performing animals and the use of dogs for safeguarding
Perishable Products Export Control Act, 1983 (Act No. 9 of 1983)	Provides the control of perishable products intended for export from the Republic of South Africa
Planning Profession Act, 2002 (Act No. 36 of 2002)	Provides for the establishment of the South African Council for Planners as a juristic person; provides for different categories of planners and the registration of planners; authorises the identification of areas of work for planners; recognises certain voluntary associations; protects the public from unethical planning practices; maintains a high standard of professional conduct and integrity; establishes disciplinary mechanisms and an appeal board; and provides for incidental matters
Plant Breeders' Rights Act, 1976 (Act No. 15 of 1976)	Provides for a system under which plant breeders' rights relating to varieties of certain kinds of plants may be granted and registered; for the requirements which must be complied with for the granting of such rights; for the protection of such rights; and the granting of licences in respect of the exercise thereof
Plant Improvement Act, 1976 (Act No. 53 of 1976)	Provides for the registration of premises from which the sale of certain plants or the cleansing, packing and sale of certain propagating material may be undertaken; prescribes the conditions subject to which such plants or propagating material may be sold for the purposes of cultivation
Restitution of Land Rights Act, 1994 (Act No. 22 of 1994)	Provides for the provisioning of restitution of rights in land to persons or communities dispossessed of such rights after 19 June 1913 as a result of past racially discriminatory laws or practices. To administer this task, the Act provides for the establishment of a Commission on Restitution of Land Rights and a Land Claims Court, and for matters connected with land restitution
Societies for the Prevention of Cruelty to Animals Act, 1993 (Act No. 169 of 1993)	Provides for control of societies for the prevention of cruelty to animals and for matters connected therewith
State Land Disposal Act, 1961 (Act No. 48 of 1961)	Makes provision for the disposal of certain State land and to prohibit the acquisition of State land by prescription.
Subdivision of Agricultural Land Act, 1970 (Act No. 70 of 1970)	Provides the subdivision and, in connection therewith, the use of agricultural land
Spatial Planning and Land Use Management Act (SPLUMA), 2013 (Act No. 16 of 2013)	Provides to bridge the racial divide in spatial terms and to enable transformation of the settlement patterns of this country in a manner that gives effect to the key constitutional provisions, by the introduction of a new approach to spatial planning and land use management, based on the following instruments: <ul style="list-style-type: none"> <li>▪ Development principles, norms and standards that must guide spatial planning, land use management and land development throughout the country by every sphere of government</li> <li>▪ Spatial development frameworks, to be prepared by national, provincial and local government</li> <li>▪ Municipal wall-to-wall Land Use Schemes to manage and facilitate land use and land development, and <ul style="list-style-type: none"> <li>• Land development management procedures and structures</li> </ul> </li> </ul>
Transformation of Certain Rural Areas Act, 1998 (Act No. 94 of 1998)	The Act provides for the transfer of certain land to municipalities and certain other legal entities and for the removal of restrictions on the alienation of land.
Veterinary and Para-Veterinary Professions Act, 1982 (Act No.19 of 1982)	Provides for the establishment, powers and functions of the South African Veterinary Council



## 8. Organisational structure



## 9. Entities reporting to the minister

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

Name of Entity	Legislative Mandate	Financial relationship	Nature of operations
Agricultural Research Council (ARC)	Agricultural Research Act, 1990 (Act No.86 of 1990)	Transfer payment	Conducts fundamental and applied research with partners to generate knowledge, develop human capital and foster innovation in agriculture through development and transfer of technology, and the dissemination and commercialisation of research results
National Agricultural Marketing Council (NAMC)	Marketing of Agricultural Products Act, 1996 (Act No.47 of 1996)	Transfer payment	Provides strategic advice to the minister on all agricultural marketing issues, improves market efficiency and market access by all participants, optimises export earnings and improves the viability of the agricultural sector
Onderstepoort Biological Products (OBP)	Onderstepoort Biological Products Incorporation Act, 1999 (Act No.19 of 1999)	None	Prevents and controls animal diseases that impact on food security, human health and livelihoods. It aims to ensure financial viability to sustain the strategic capabilities in manufacturing veterinary vaccines
Perishable Products Export Control Board (PPECB)	Perishable Products Export Control Act, 1993 (Act No.9 of 1983) Agricultural Product Standards Act, 1990 (Act No.119 of 1990)	Transfer payment	Food Safety Services; Transformation and Development
KwaZulu-Natal Ingonyama Trust Board (ITB)	Established in 1994 by the erstwhile KwaZulu government in terms of the KwaZulu Ingonyama Trust Act, (Act No 3KZ of 1994) to hold all the land that was owned or belonged to the KwaZulu Government.		Land and Tenure Management
Registration of Deeds Trading Account	The Registration of Deeds Trading Account is a trading entity established in terms of the Public Finance Management Act, Act, 1999 (Act No. 1 of 1999). Regulation 84 of the Act. Register. Deeds Registries Act, 1937 (Act No. 47 of 1937)	Augmentation of the entity's budget	The core operations in are as followings: <ul style="list-style-type: none"> <li>• Register land and real rights in land</li> <li>• Maintain a public land register</li> <li>• Provide registration information</li> <li>• Maintain an archive of registered deeds and documents.</li> <li>• Generates revenue by selling information and levying fees in</li> </ul>



			accordance with the schedule of prescribed fees
Office of the Valuer-General	Statutory office; Schedule 3A Public Entity in terms of the Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999).		Property Valuations
Commission on the Restitution of Land Rights	Restitution of Land Rights Act, 1994 (Act No. 22 of 1994) Emerging from section 25(7) of the Constitution, the Restitution of Land Rights Act, 1994 (Act No. 22 of 1994), as amended ("the Restitution Act"), was promulgated. The long title of the Restitution Act is "to provide for the restitution of rights in land to persons or communities dispossessed of such rights after 19 June 1913 as a result of past racially discriminatory laws or practices; to establish a CRLR and a Land Claims Court (LCC); and to provide for matters connected therewith." The Restitution Act also empowers the Minister of Agriculture, Land Reform and Rural Development and the LCC to make awards to restitution claimants where he or she is satisfied that there is a valid restitution claim, by awarding to the claimant land, a portion of land or any other right in land, the payment of financial compensation, or an award of both land and financial compensation.	The Commission on Restitution of Land Rights "CRLR" still relies on the Department of Agriculture Land Reform and Rural Development "DALRRD" in terms of the Budget allocation as part of Programme 3.	To solicit, investigate and attempt to resolve land claims through negotiation and/or mediation, or otherwise refer the claim for adjudication to the Land Claims Court.



Other Boards/Councils of agriculture reporting to the minister

Board/Council	Legislative mandate	Financial relationship	Nature of operations
Wine and Spirit Board	Liquor Products Act, 1989 (Act 60 of 1989) and the Wine of Origin Scheme and Scheme for Integrated Production of Wine. Wine and Spirit Board is a juristic person and is established by Section 2 of the Liquor Products Act. Members of the Board are appointed by the Minister of Agriculture as contemplated in Section 2 of the Act.	None. (Activities of the Board are funded by the participants to these schemes). Section 2(11) and (12) of the Liquor Product Act regulates the funding of the Wine and Spirit Board: The board shall utilize its funds for the defrayal of the expenses incurred by the board in the performance of its functions.	The Wine and Spirit Board is a technical board that deals with the administration of the Wine of Origin Scheme and the Scheme for Integrated Production of Wine Objects of Scheme are (a) to serve as a basis for the development of the distinctiveness and quality of wines. (b) to confirm the correctness of certain indications in connection with the origin of wine; and (c) to create confidence in such indications.
Agricultural Produce Agents Council (APAC)	Section 2 of the Agricultural Produce Agent Act, 1992 (Act No. 12 of 1992);	None	To regulate the occupations of fresh produce, export and livestock agents and to maintain and enhance the status and dignity of those occupations and the integrity of persons practising those occupations.
South African Veterinary Council (SAVC)	Veterinary and Para-veterinary Professions Act, 1982 (Act No. 19 of 1982)	No. Funded by registrars	<ul style="list-style-type: none"> <li>• To regulate the registration of persons practising veterinary professions and para-veterinary professions.</li> <li>• To control the practising of veterinary professions and para-veterinary professions; and for matters connected therewith.</li> </ul>
National Council of Societies for the Prevention of Cruelty to Animals	Societies for the Prevention of Cruelty to Animals Act, 1993 (Act No. 169 of 1993)	No. Funded from donations	<ul style="list-style-type: none"> <li>• To provide for the control of societies for the prevention of cruelty to animals.</li> <li>• To promote animal welfare and enforce the Animals Protection Act, 1962 (Act No. 71 of 1962).</li> </ul>





PART B

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# Performance information

## 1. Auditor-general's report: predetermined objectives

The audit conclusion on the performance against predetermined objectives has been included in the report to management, with no material findings identified on the usefulness and reliability of the reported performance information for selected programme. Please refer to page 151 of the Report of the Auditor-General, published in Part E: Financial Information.



## 2. Overview of departmental performance

### Service delivery environment

The Agriculture and Agro-Processing Master Plan (AAMP) has been finalised and endorsed by all social partners and stakeholders. The AAMP implementation framework, operational plan and risk register have also been produced. The draft Cannabis Master Plan was presented to the National Agro-Processing Forum. Guidelines on the growing of hemp have been produced and published. The department created 47 704 jobs through its various initiatives, including those by state owned entities, of which 5 653 were for the youth, 5 122 for women and 157 jobs for persons with disabilities. Regarding supporting new entrants to agri-business, 5 571 red meat producers, 10 466 grain producers, 60 citrus producers and 242 cotton producers were supported, which added up to a total of 16 347 agri-business supported. Altogether 7 409 existing agri-businesses were also supported with various initiatives. 1 659 existing extension officers were capacitated to equip them to support commodity groups as outlined in the AAMP. 966 water use licenses were authorised, amounting to 50,5 m<sup>3</sup>/a volume of water that will be used for irrigation and other usages. Over 53 000 subsistence producers were supported through the implementation of the Presidential Employment Stimulus Initiative (PESI) of which 41 000 were women. A total of 192 611 smallholder producers were supported through various initiatives. 86 421 ha of degraded land were rehabilitated. Nine agro-processing plants were supported with infrastructure projects and 287 existing agro-processing facilities were supported within the provinces.

55 235 ha of land have been acquired through the Proactive Land Acquisition Strategy (PLAS) and 636 Communal Property Associations (CPAs) were supported. A total of 35 housing units were handed over to farm dwellers and labour tenants in Mpumalanga during March 2022. These beneficiaries had still been staying in mud houses and now live in proper brick houses. The revised NARYSEC Policy was approved during the period under review. This policy guides the department on how to implement the NARYSEC programme within the context of youth empowerment in rural development. The primary objectives of the refocused NARYSEC Policy are to:

- recruit unemployed rural youth as part of the rural economy transformation strategy;
- build the capacity of rural youth through various skills development interventions;
- facilitate the transitioning of recruited youth into economic activities;
- encourage recruited youth to be involved in the upliftment of their communities; and
- provide post programme support to youth that have exited the programme.

During 2021/22, the sector's economy was set back by the riots in KwaZulu-Natal (KZN) and Gauteng (GP), which were of a disastrous magnitude. This followed just when the sector was still grappling with the effects of tropical cyclone Eloise, which affected several provinces, including North West (NW), Mpumalanga (MP), Limpopo (LP), the Free State (FS), some parts of KZN and the Eastern Cape (EC). This challenge called for immediate attention to put emphasis on disaster risk reduction efforts. The National Disaster Management Centre (NDMC) invited provinces to apply for drought funding which was availed following yet another declaration of the state of national drought disaster in 2021/22. The Western Cape (WC) was approved for R48,1 million and is currently implementing the relief funds, supporting farmers with livestock feed in the affected districts of Central Karoo, Overberg and Cape Wine Lands.

The country experienced brown locust outbreaks in three provinces, namely, EC, Northern Cape (NC) and WC during the period under review. Owing to the amount of rainfall received, the outbreak escalated, which resulted in the development of a new generation after the other. The locust outbreak was the highest in decades as continuous rain was falling in the Karoo and nearby areas. The wind also played a role in migrating the swarms to areas where it has never dispersed to, such as the Garden Route area in WC and to citrus farmers in Kirkwood and Patensie in EC, including some villages in the province. The locust outbreak affected the veld, grazing lands, crops, roads, railway lines and was further reported in towns and residential areas. A total of 1 200 ground control teams were appointed to control the locusts in the affected provinces. Two helicopters were also appointed to conduct aerial spraying in the affected provinces—mostly in inaccessible areas and where there were huge locust outbreaks. The control of this locust outbreak cost the department R90 762 480 for the procurement of insecticide, protective clothing and payment of locust control contractors, including aerial spraying.

The continued outbreaks of foot-and-mouth disease resulted in the loss of the beef and wool markets in the Peoples' Republic of China. However, some of the markets for cloven-hoofed animals to the Southern African Development Community (SADC) and matured beef as well as chilled lamb to the Middle East were maintained. The country still managed to export pork to the SADC from compartments despite outbreaks in African swine fever. The compartment approach assisted the country to maintain poultry export markets to the SADC despite outbreaks in highly pathogenic avian influenza. The impact study of the Pinzyl cattle was successfully completed and this will result in a new South African locally developed cattle breed. This breed will be declared shortly in the *Government Gazette*. As part of conservation and preservation of the donkey as a breed, a desktop study has been concluded. The donkey will, therefore be included in the list of animals to be declared as breeds. This will in future also assist those farmers who wish to utilise donkey by-products for nutritional and medicinal purposes. Bees as internationally recognised significant animals, specifically for the role they play in pollination for food production purposes, will be recognised as animals under the Animal Improvement Act.



During 2021/22, the department, supported by industry, continued to engage the European Union (EU) to facilitate the trade in citrus fruit types. Despite South Africa's view that some of the import measures imposed by the EU are technically unjustified, South Africa implemented a risk management system to keep interceptions of key pests of concern to the EU to a minimum. As a result, interceptions for citrus black spot and false codling moth were kept to a relatively low number. South Africa's market access for lemons under ideal temperature conditions to the People's Republic of China were also improved through a revised protocol signed in September 2021. With local lemon production expected to grow by 175 000 metric tons by 2024, the finalisation of the revised protocol means China will now become a crucial new market for this growth and will secure R325 million in new export revenue and secure 800 jobs in the industry.

The protocol of the phytosanitary requirements for the export of pears from the Republic of South Africa to the People's Republic of China was signed on 30 November 2021. The implementation date for the signed protocol was 17 January 2022. This also presents a significant achievement in accessing new markets for South Africa's horticultural sector. Through ongoing negotiations, the department was also able to conclude on the requirements for the importation of fresh fruit into the country. These include avocados from Tanzania, apples from Lesotho and pineapples from Angola. This is important toward supporting inter-Africa trade. The Plant Health (Phytosanitary) Bill was introduced in Parliament in July 2021; the Bill aims to strengthen the import, national and export regulatory framework to manage the risks associated with plant and plant products.

During the period under review, the department used an online platform called the eCertification system, which was created to receive, verify, process and deliver certification documentation to trading partners involved with agricultural export products. The introduction of e-certification at DALRRD enhanced the capacity of phytosanitary inspectors by freeing a significant amount of time they spend on issuing paper certificates to concentrate more on actual inspections. The creation of an eCertification system would computerise more than 70% of all departmental processes: records management, document management, workflow and process flow and automate processes in the department, all of which are required to ensure that South Africa adheres to and can enforce various regulatory regimes while improving turnaround times. A total of 266 904 certificates were processed through the system during the 2021/22 performance cycle.

Some of the achievements on the international trade front include the annual update of the Consolidated Trade Opportunity Research report on foreign economic interests; market opportunity priorities; market potential and export-led supply potential; trade awareness communication action plan to contribute to exporter development for small emerging rural operators; two national trade awareness webinars on 18 August 2021 and 17 November 2021; and provincial awareness outreaches. Further achievements recorded during the period under review include biannual trade performance review reports of the agricultural sector and review of South Africa's agricultural sector trade policy OECD review done annually and published.

The conceptual framework to establish the Land and Agrarian Development Agency have been developed and work to establish the agency will only be completed by the end of the 2022/2023 financial year. In support of the initiative to release underutilised and vacant State land, the department has allocated 679 943 ha of 700 000 ha of agricultural land to various farmers, cooperatives, entities and communities including vulnerable groups such as farm dwellers and labour tenants. The development of the Communal Land Tenure Policy and the Communal Land Tenure Bill has commenced and is awaiting the national summit consultations before moving on with the approval processes. In furtherance of the recommendations of the Presidential High Panel on Agriculture and Land Reform, the department has commenced with the development of a Land Redistribution Policy and Land Redistribution Bill.

### Service Delivery Improvement Plan

DALRRD did not have a Service Delivery Improvement Plan (SDIP) for the period under review. The primary reason for the absence of an SDIP for the department was because the Department of Public Service and Administration (DPSA) declared the 2021/22 financial year as a gap year, implying that departments were not required to develop SDIPs for the 2021/22 financial year.

The absence of information is indicated in the following table:

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
The DPSA declaring 2021/22 a gap year				



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

Current/actual information tools	Desired information tools	Actual achievements
Exhibitions and outreach drives were conducted during the year under review	77	77

### Service delivery information tool

Current/actual information tools	Desired information tools	Actual achievements
Exhibitions and outreach drives were conducted during the year under review	77	77

### Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
1. Enquiries are processed according to developed SOPs; however, the processing of enquiries is not standardised across the department	a) The enquiry should be processed uniformly across all components of the department as per proper governance b) The approval of the developed SOPs c) Compliance to the approved SOPs	Comprehensive SOPs have been developed through department-wide consultation processes (which include some branches, provinces and some executive management)
2. There is monthly performance reporting of enquiries a) At branch, provincial and district levels across the department (amount received, closed and outstanding), with an expectation that the senior management collective must take resolutions regarding the closure/resolution of outstanding enquiries b) Submission of monthly performance reports (which include performance analysis and provision of recommendations) to chief directors, branch heads and director-general	1. Remedial action and consequences management: a) The discussions and resolutions of enquiries to be a standing item on all departmental decision-making structures b) Management to take resolutions and pronounce on remedial actions to be taken to close outstanding enquiries at the departmental decision-making structures c) Management to take decisive consequences management action on ignored enquiries	a) Achieved higher level of awareness of attending to and addressing of the enquiries b) Improved closure rate of enquiries, especially after the reporting c) Use of the report by governance programmes in their work d) Acknowledgment of the consultancy and quality of the report by top management
3. Provinces (PSSCs and RLCCs) and most branches have coordinators to coordinate enquiries that have been referred to them. However, these coordinators are at different salary levels leading to uneven performance across branches and provinces	a) Coordinating positions to be on the departmental structure for both branches and provinces b) Standardise enquiries KPAs be implemented across the department c) Enquiries departmental structure to reflect a position that also deals with enquiries management	a) Establish community management b) Established a forum building capacity c) Developed coordinator scope of area responsible for
4. The processing of enquiries (registration, database management, accessing, storage, sifting and searches, etc.) is managed through make-shift systems (spreadsheets, emails, etc.), making information management unreliable, creating duplication of efforts (databases management, follow-up processes, etc.) and generally exposing the	4. All categories of enquiries managed and accounted for from a single component in the department	a) Enquiries Management System: <ul style="list-style-type: none"> <li>• Prioritisation of the delivery of Enquiries Management System in the 2022/23 financial year by OCIO</li> <li>• OCIO projects governance structure established</li> </ul> b) Call Centre System: <ul style="list-style-type: none"> <li>• User requirements developed</li> </ul>



department to a myriad of risks owing to the lack of enquiries handling systems (IT systems)		<ul style="list-style-type: none"> <li>Supply chain governance structure for procurement of the system established</li> <li>Procurement governance documents (Business case, Project plan, Terms of Reference of service provider, procurement plan, pricing schedule) and funding for the procurement of call centre system secured</li> </ul>
5. The DALRRD Enquiries Forum, a governance structure, meets three times a year to evaluate enquiries management implementation against norms and standards, capacity building, enhance processes and tools, etc.)	<ol style="list-style-type: none"> <li>Consistent participation by all branches, PSSCs and RLCCs</li> <li>Equal dedication and contribution by all forum members</li> </ol>	<ol style="list-style-type: none"> <li>Institutionalisation of the forum</li> <li>Clear Terms of Reference for the forum</li> </ol>
	6. Organisational culture that values enquiries management as a strategic area that supports positive organisational image/identity, that serves as a diagnostic tool for service delivery improvements and mitigate against a wide spectrum of risks (reputational, financial, litigation, service delivery and financial)	6. Enquiries management institutionalised throughout the department as a standing item on branches and provincial decision-making structures
	7. Service delivery model (structure) at national, branches and provincial levels that enable agile, responsive and Batho Pele inspired service delivery orientation in support of a developmental state	7. PH and CC management team has developed a service delivery model as a proposed structure for effective management of enquiries (this model hopefully will be considered on the fit for purpose organisational restructuring process)

## Organisational environment

As part of the effort to strengthen governance, leadership and administration, the department appointed a director-general and deputy directors-general during the period under review. The matching and placement exercise for the lower-level employees (levels 12 and below) into the micro-organisational structure has been finalised. According to the project plan, it was envisaged that this process will be completed by 31 May 2021, but due to unforeseen delays and challenges, this was achieved on 6 January 2022. Supernumerary employees were consulted by the Departmental Task Team (DTT subtask team members and recommended to be placed in accordance with their respective qualifications and competencies. A total of 9 110 posts (including SMS posts) were approved and 7 131 of the posts were filled (including SMS members) during the migration and placement process. The moderation process of the 2019/20 annual assessments of SMS members, which included the senior managers that were transferred to the DFFE, was finalised and the outcome report was implemented.

In an endeavour to improve the quality of project implementation, the department has during the period under review, done the following:

- Developed new project management frameworks that are aligned to the Project Management Body of Knowledge (PMBOK), which will transition DALRRD from Prince2 to PMBOK;
- Developed aligned project management methodologies;
- Developed a Change Management Strategy to embed project management practice; and
- Developed a Project Management Handbook for DALRRD.

For the 2021/22 performance period, the department held three MinMec and seven MinTech meetings to deal with sectoral issues. In its legislative responsibility of providing leadership and coordinating sector work, the department held various engagements with stakeholders led by the political principals, e.g., land handovers, farm evictions, Youth Month, Webinar on SHEP, Back-to-School Programme, the District Development Programme, etc. Four CEO Steering Committee



meetings were held on the following dates: 05 May 2021, 03 June 2021, 19 August 2021 and 30 September 2021. The CEO Forum provides a platform for structured engagement between the department and sector stakeholders. The forum comprises CEOs who are accountable to shareholders, political authorities and their members. The main focus of the forum is on implementation and monitoring of sector initiatives in response to government priorities.

The department underwent two intensive strategic planning sessions where public entities (PEs) and provincial departments of agriculture (PDAs) were in attendance. The purpose of these joint planning sessions is to align objectives and strengthen collaboration for effective service delivery. These culminated in the department tabling its 2022/23 Annual Performance Plan. During the period under review, the department continued to analyse plans and performance reports from both PDAs and PEs in playing its legislative leadership and oversight role.

The Producer/Farmer Register reports were released during the period under review. The national and detailed provincial reports contain a register of smallholder producers to assist in the planning and tracking of the implementation of various government support programmes.

### Key policy developments and legislative changes

#### BILLS ALREADY INTRODUCED TO PARLIAMENT

Name of Bill	Strategic focus
<b>1. Agriculture Produce Agents Amendment Bill</b>	<p>The Bill seeks to:</p> <ul style="list-style-type: none"> <li>➤ Amend the Agriculture Produce Agents Act to alter certain definitions and to insert others;</li> <li>➤ Change the constitution of the council;</li> <li>➤ Apply certain provisions to fresh produce agents only;</li> <li>➤ Make certain textual alteration;</li> <li>➤ Provide for the extension of the jurisdiction of the council, to enhance the regulating powers of the council;</li> <li>➤ Provide for transitional matters; and</li> <li>➤ Provide for matters connected therewith.</li> </ul>
<b>2. Preservation and Development of Agricultural Land Bill</b>	<p>The Bill seeks to provide for:</p> <ul style="list-style-type: none"> <li>➤ that the Act applies to all agricultural land within the Republic;</li> <li>➤ principles for the management of agricultural land;</li> <li>➤ agricultural land evaluation and classification;</li> <li>➤ the preparation, purpose and content of provincial agricultural sector plans;</li> <li>➤ the declaration of protected agricultural areas;</li> <li>➤ the general objectives of agro-ecosystem management, agro-ecosystem authorisations, the listing and delisting of activities or areas within the agro-ecosystems and the identification of competent authorities;</li> <li>➤ the establishment of committees and the appointment of technical and other advisors to advise the minister, MECs and competent authorities;</li> <li>➤ the establishment and management of the national agro-eco information system;</li> <li>➤ appeal procedures;</li> <li>➤ the appointment and functions of inspectors;</li> <li>➤ the contravention directives and the investigation and gathering of data on property;</li> <li>➤ the delegation of powers;</li> <li>➤ the minister to make regulations and determine norms and standards;</li> <li>➤ offences and penalties;</li> <li>➤ the Amendment of the Subdivision of Agricultural Land Repeal Act, 1998; and</li> <li>➤ matters connected therewith.</li> </ul>
<b>3. Plant Health (Phytosanitary) Bill</b>	<p>The Bill seeks to:</p> <ul style="list-style-type: none"> <li>➤ Provide for phytosanitary measures to prevent the introduction, establishment and spread of regulated pests in the Republic;</li> <li>➤ Provide for the control of regulated pests;</li> <li>➤ Provide for regulation of the movement of plants, plant products and other regulated articles into, within and out of the Republic; and</li> <li>➤ Provide for matters connected therewith.</li> </ul>
<b>4. Agricultural Products Standards Amendment Bill</b>	<p>The Bill seeks to:</p> <ul style="list-style-type: none"> <li>➤ Amend the Agricultural Product Standards Act, 1990, to insert definitions and substitute others;</li> <li>➤ Provide for auditing of a product for management control systems;</li> </ul>



	<ul style="list-style-type: none"> <li>➤ Make provision for the setting of tariffs by assignees on cost-recovery basis;</li> <li>➤ Make further provisions for the Minister to make regulations pertaining to audit and management control systems; and</li> <li>➤ Provide for matters connected therewith.</li> </ul>
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**BILLS TO BE INTRODUCED TO PARLIAMENT IN 2022/23**

Name of Bill	Strategic focus
<b>Deeds Registries Amendment Bill</b>	<p>The Bill seeks to:</p> <ul style="list-style-type: none"> <li>➤ Enhance registration processes and procedures;</li> <li>➤ Provide procedures for the recordal, in compliance with the requirements of any law, of land tenure rights lawfully issued by Government or any other competent authority;</li> <li>➤ Provide for the making of regulations in respect of the collection of personal information relating to race, gender, citizenship and nationality for statistical and land audit purposes;</li> <li>➤ Provide for an attorney, conveyancer and notary in the employ of the DALRRD to perform the duties of an attorney, conveyancer and notary in respect of transactions relating to State land.</li> </ul>



### 3. Progress towards achievement of institutional impacts and outcomes

The following table reflects performance status against some MTSF impact indicators from January 2020 until end of 2021/22 financial period.

Indicator	2019 baseline	2024 targets	Cumulative progress period 1 January 2020 to 31 March 2022
Increased volume of productive land	New	200 000 ha	212 269 ha of land is under cultivation
Reviewed regulatory framework for agricultural produce and export: Agency, Standards and National Fresh Produce markets practices	New indicator	4 reviews to the agricultural produce management practices	Two reviews are in progress as follows: The draft Agriculture Produce Bill and draft Marketing of Agricultural Products Amendment Bill have been submitted to Parliament for further processing. Public hearing and consultations are underway.
Number of hectares of land acquired for redistribution, restitution and tenure reform	5 million ha	1,5 million ha	<ul style="list-style-type: none"> <li>• 116 235 ha of land were acquired</li> <li>• 5 601 ha were acquired for farm dwellers and/or labour tenants</li> <li>• 14 305 ha were allocated to women and 6 053 ha allocated to youth farmers</li> <li>• 1 063 land claims were finalised</li> <li>• 704 land claims were settled</li> </ul>
Percentage of approved land reform projects provided with post settlement support	New indicator	100%	<p>The process of developing the post settlement support strategy is in progress.</p> <ul style="list-style-type: none"> <li>• 192 611 smallholder producers were supported with various initiatives.</li> <li>• 141 farmers were supported through the Land Development Support Programme.</li> </ul>
Number of agri-hubs established	3 agri-hubs	5 agri-hubs	<ul style="list-style-type: none"> <li>• 1 agri-hub is completed and operational — Mkhuhlu in MP.</li> <li>• 4 agri-Hubs are partly operational (Nchora in EC; Springbokpan in NW; Witzenberg in WC and Mkhondo Agri-hub in MP).</li> </ul>
Agro-processing facilities established	New indicator	25 Agro-processing facilities established	<ul style="list-style-type: none"> <li>• 9 agro-processing plants in provinces were supported with infrastructure projects and are at different stages of construction toward being completed.</li> <li>• In addition, 144 existing agro-processing facilities were provided with technical and financial support, equipment, market access, raw materials, etc.</li> </ul>
Farmer Production Support Unit (FPSU) established	25 FPSUs	71 FPSUs	In the period under review, no FPSU were supported towards functionality, however, 253 infrastructure projects are implemented across the provinces to support FPSUs. 77 projects were completed through the Animal and Veldt Management Programme and River Catalytic Valley Programmes in supporting farmers.



## 4. Institutional programme performance information

### Programme 1: Administration

#### Purpose

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

#### The programme comprises the following subprogrammes:

**Ministry:** Manages and renders support service to the executive authority.

**Department Management:** Manages and provides strategic direction to the department.

**Internal Audit:** Evaluates the adequacy and effectiveness of internal controls, governance and risk management of all business processes through specialised internal audit services.

**Financial Management Services:** Provides the department with sound financial management.

**Corporate Support Services:** Provides corporate support services.

**Provincial Operations:** Oversees and coordinates provincial and district operations of the department.

**Office Administration:** Provides office accommodation.

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

**Outcome 1:** Improved governance and service excellence.

DALRRD obtained an unqualified audit opinion on the 2020/21 annual financial statements. Although the department may not be achieving the intended percentage of paying valid invoices within 30 days upon receipt, it mostly recovers and deals with challenges to eventually pay all invoices.

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

Table 4.1:

Programme: Administration								
Outcome	Output	Output indicator	Audited actual performance 2019/2020	Audited actual performance 2020/2021	Planned annual target 2021/2022	Actual achievement 2021/2022	Deviation from planned target to actual achievement 2021/2022	Reasons for deviations
Outcome 1: Improved governance and service excellence	1.1 Improved audit outcomes	1.1.1 Unqualified audit opinion	DAFF: Qualified Audit opinion DRDLR: Unqualified Audit opinion	DAFF obtained a qualified and DRDLR unqualified audit opinion for 2019/20	Unqualified audit opinion on 2020/21 annual financial statements	Unqualified audit opinion on 2020/21 annual financial statements	N/A	N/A
	1.2 Compliance with government legislation and prescripts	1.2.1 Percentage of valid invoices paid within 30 days upon receipt by the department	DRDLR: 95% DAFF: 95%	86%	100%	96%	-4%	Supplier banking detail on invoice not the same as on the system. This caused delays in payment as the process need to be followed in verifying the correct details



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

Regular programme meetings at various levels of management have been undertaken with the focus strictly on assessing the state of performance. The discussions about performance against operational plans is assessed monthly and key issues escalated to the departmental Executive Committee. Dedicated support from units of Monitoring, Strategic Planning and Risk Management, who all have a very strong working relationship with Internal Audit, provide strategic support which assists with identifying areas of challenges in time to allow development of improvement plans.



## Programme 2: Agricultural Production, Biosecurity and Natural Resources Management

### Purpose

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

### The programme comprises the following subprogrammes:

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

**Plant Production and Health:** Develops policy and norms and standards to support plant production and plant health.

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

**Natural Resources and Disaster Management:** Facilitates the development of infrastructure and the sustainable use of natural resources and integrates, coordinates and implements disaster management policies and frameworks, with special emphasis on the mitigation of disasters in rural and agricultural areas.

**Biosecurity:** Provides measures relating to effective and efficient management of biosecurity threats relating to the agricultural sector.

**Agricultural Research Council:** Manages transfers to the Agricultural Research Council.

**Onderstepoort Biological Products:** Prevents and controls animal diseases that affect food security, human health, and livelihoods through continued development and efficient manufacturing of innovative animal related pharmaceuticals (including vaccines) and related products.

**Perishable Products Export Board:** Ensures orderly export of perishables and monitor the proper maintenance of a continuous cold chain for exports.

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

Outcome 4: Increased production in the agricultural sector.

Outcome 7: Enhanced biosecurity and effective disaster risk reduction.

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

Table 4.2:

Programme 2: Agricultural Production, Biosecurity and Natural Resources Management								
Outcome	Output	Output indicator	Audited actual performance 2019/2020	Audited actual performance 2020/2021	Planned annual target 2021/2022	Actual achievement 2021/2022	Deviation from planned target to actual achievement 2021/2022	Reasons for deviations
Outcome 4: Increased production in the agricultural sector	2.1 Registration of new plant varieties	2.1.1 Number of new plant varieties registered	New indicator	180 new plant varieties have been registered for the 2020/21 financial year	150 new plant varieties registered	353 plant varieties were registered annually	203	More plant varieties applications were received against what was planned
	2.2 Animal improvement schemes implemented	2.2.1 Number of animal improvement schemes for prioritized value chain commodities implemented	Report on two animal improvement schemes have been compiled	One animal improvement scheme (poultry) was implemented	Two animal improvement schemes for prioritised value chain commodities (KYD and poultry) implemented	Two animal improvement schemes for prioritised value chain commodities (KYD and poultry) has not been implemented by DALRRD directly as planned but by ARC	Two animal improvement schemes were not implemented by DALRRD directly as planned in APP	Implementing the target as per APP could have led to duplication of efforts with ARC, who has this target in APP, and reports to DALRRD. DALRRD going forward will focus on



Programme 2: Agricultural Production, Biosecurity and Natural Resources Management								
Outcome	Output	Output indicator	Audited actual performance 2019/2020	Audited actual performance 2020/2021	Planned annual target 2021/2022	Actual achievement 2021/2022	Deviation from planned target to actual achievement 2021/2022	Reasons for deviations
								providing oversight and monitoring the implementation.
	2.3 Agriculture master plans for priority commodities	2.3.1 Cannabis Master Plan implemented	New indicator	Version 5 of Cannabis Master Plan has been developed	Annual report on implementation of Cannabis Masterplan developed	Annual report on the implementation of Cannabis Master Plan compiled	N/A	N/A
	2.4 Preservation and sustainable use of natural agricultural resources	2.4.1 Number of provinces with delineated protected agricultural areas	New indicator	Two provinces (Gauteng and Mpumalanga) are delineated protected agricultural areas. Final report to this effect has been compiled	Three provinces with delineated protected agricultural areas	Three provinces with delineated protected agricultural areas and a final report were compiled (KZN, NW and LP)	N/A	N/A
Outcome 7: Enhanced biosecurity and effective disaster risk reduction	3.1 Biosecurity policies strengthened	3.1.1 Number of plant pest risk surveillances conducted	1 plant pest risk surveillance was conducted (Exotic fruit fly)	3 plant pest surveillances were conducted (Exotic fruit fly surveillance, Citrus greening survey, Banana Bunchy top virus)	3 plant pest surveillances conducted (Exotic fruit fly, Citrus greening survey, Bunchy top virus)	3 plant pest risk surveillances conducted (Exotic fruit fly, Citrus greening survey, Bunchy top virus) and reports have been compiled	N/A	N/A
		3.1.2 Number of animal disease risk surveillances conducted	2 animal disease risk surveillances were conducted (FMD protection zone and PPR) and a report have been compiled	3 animal diseases risk surveillances were conducted (CBPP, PPR and FMD)	3 animal disease risk surveillances conducted (CBPP, PPR, FMD)	3 animal disease risk surveillances were conducted (CBPP, PPR, FMD) and quarterly reports have been compiled	N/A	N/A
	3.2 Implementation of the Veterinary Strategy	3.2.1 Percentage of eligible veterinarians	168 veterinarians were deployed for the 2019/2020	100% eligible veterinarians have been	100% eligible veterinarians employed under the	100% eligible veterinarians have been employed	N/A	N/A



Programme 2: Agricultural Production, Biosecurity and Natural Resources Management								
Outcome	Output	Output indicator	Audited actual performance 2019/2020	Audited actual performance 2020/2021	Planned annual target 2021/2022	Actual achievement 2021/2022	Deviation from planned target to actual achievement 2021/2022	Reasons for deviations
	(Placement of CCS veterinarians)	employed under the CCS Programme	financial year	placed under CCS Programme . 100% was achieved due to all 144 eligible veterinarians being placed	CCS Programme	under the CCS Programme		
	3.3 Reduce level of risks associated with food	3.3.1 Number of agricultural inputs products evaluated	New indicator	522 new agricultural input products were registered	4 500	4 608	108	More applications were received against what was planned
		3.3.2 Number of provincial agricultural biosecurity coordinating structures established	New Indicator	Draft Terms of Reference have been developed	4 provincial agricultural biosecurity coordinating structures established consulted	4 provincial agricultural biosecurity coordinating structures established were consulted	N/A	N/A
		3.3.3 Number of laboratories accredited	New indicator	A confirmation letter for accreditation of 1 Stellenbosch laboratory was issued	1 laboratory accredited in Pretoria	1 laboratory accredited in Pretoria	N/A	N/A
		3.3.4 Percentage of export protocols for phytosanitary requirements implemented	25 export protocols for phytosanitary requirements were implemented	100% phytosanitary requirements for export protocols were certified. The turnaround time for processing is 48 hours, which means only applications received until 28 March are considered against the target	100% export protocols for phytosanitary requirements implemented	100% export protocols for phytosanitary requirements were implemented	N/A	N/A



Programme 2: Agricultural Production, Biosecurity and Natural Resources Management								
Outcome	Output	Output indicator	Audited actual performance 2019/2020	Audited actual performance 2020/2021	Planned annual target 2021/2022	Actual achievement 2021/2022	Deviation from planned target to actual achievement 2021/2022	Reasons for deviations
	3.4 Adaptation and mitigation to climate change	3.4.1 Climate change Adaptation and Mitigation Plan (CCAMP) implemented	Annual report on the implementation of CCAMP was developed	Annual Monitoring Report on Piloting of Crop Suitability to Climate Change in 4 provinces has been compiled	Report on evaluation of climate change variables on performance of sorghum grown under variable agronomic practices and agro-ecological zones in four provinces compiled	Report on evaluation of climate change variables on performance of sorghum grown under variable agronomic practices and agro-ecological zones in four provinces was compiled	N/A	N/A
		3.4.2 Number of smallholder producers capacitated on Crop Suitability to Climate Change Programme	New indicator	120 smallholder producers were capacitated on Crop Suitability to Climate Change Programme	140 smallholder producers capacitated on Crop Suitability to Climate Change Programme	140 smallholder producers were capacitated on Crop Suitability to Climate Change Programme in KZN, LP, FS and MP	N/A	N/A
	3.5 Reduced levels of risks associated with genetically modified organisms (GMOs)	3.5.1 Number of new GMO events approved		13 new GMO events have been approved for the financial year under review	10 new GMO events approved	12 new GMO events were approved	2	More GMO applications were received against what was planned

**Strategy to overcome areas of underperformance**

Management meetings are regularly held where status of performance for planned priorities are discussed. Consensus on improvement plans and strategies for underperforming areas must be achieved and implementation intensively monitored. Management decisions get to be filtered throughout different levels of branch operations. The branch also uses various committees in its coordination role for the work done by provincial departments, Public Entities and the industry.



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

### Purpose

Acquire and redistribute land, and promote food security and agrarian reform programmes

### The programme comprises the following subprogrammes:

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

**Land Redistribution and Tenure Reform:** Develops and coordinates policies and programmes in support of the implementation of land redistribution and tenure reform.

**National Extension Services and Sector Capacity Development:** Provides national extension support services.

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

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

**Agricultural Land Holdings Account (ALHA):** Land acquisition, recapitalisation, and development in terms of the Provisions of Land and Assistance Act, 1993 (Act No. 126 of 1993).

**Ingonyama Trust Board (ITB):** Provides quarterly transfers for administering land owned by the Ingonyama Trust.

**Office of the Valuer-General (OVG):** Responsible for providing land valuations on land earmarked for land reform and land restitution purposes.

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

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

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

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

**Table 4.3:**

Programme 3: Food Security, Land Reform and Restitution								
Outcome	Output	Output indicator	Audited actual performance 2019/2020	Audited actual performance 2020/2021	Planned annual target 2021/2022	Actual achievement 2021/2022	Deviation from planned target to actual achievement 2021/2022	Reasons for deviations
Outcome 2: Spatial transformation, effective and efficient land administration	4.1 Communal Property Associations (CPA) to be compliant with Act	4.1.1 Number of CPAs supported to be compliant with legislation	540	455 CPAs were supported to be compliant with legislation	577	636	59	There are many CPAs that were identified as non-compliant with the Act in the CPA annual report and couldn't be ignored, therefore, the target was overachieved and this support had no financial implications to the department
Outcome 3: Redress and equitable access to land and producer support	5.1 Producers supported	5.1.1 Employment of extension practitioner in the sector coordinated	-	-	Annual report on the employment of extension officer compiled	Annual report on the employment of extension officer is compiled	N/A	N/A
	5.2 Skills and	5.2.1 Number of	-	743 new students	800	966 new students	166	The overachievement



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

Outcome	Output	Output indicator	Audited actual performance 2019/2020	Audited actual performance 2020/2021	Planned annual target 2021/2022	Actual achievement 2021/2022	Deviation from planned target to actual achievement 2021/2022	Reasons for deviations
	employable youth in agricultural sector	new students enrolled at agricultural training institutes		were enrolled at agricultural training institutes. These students are enrolled in institutes as follows: (CEDARA: 41 Eisenburg: 158 Fort Cox: 71 GADI: 47 Glen: 199 Madzivhandila: 23 Potchefstroom: 96 Taung: 45 Tsolo: 63)		were enrolled at agricultural training institution. These students are enrolled in institutes as follows: Cedara: 37 Eisenburg: 182 Fort Cox: 171 GADI: 76 Glen: 71 Madzivhandila: 64 OSCA: 58 Potchefstroom: 111 TARDI: 70 Taung: 64 Tomp: 62		nts were due to: <ul style="list-style-type: none"> <li>✓ High number of applications for admission received and colleges opted to reconsider their admission targets and accept more students</li> <li>✓ Introduction of e-learning and sessional practical classes at Glen College</li> <li>✓ Introduction of new programmes, i.e., diplomas in agribusiness and in agricultural engineering at Fort Cox</li> <li>✓ The introduction of off-campus accommodation options in Taung and Potchefstroom</li> </ul>
Outcome 3: Redress and equitable access to land and producer support	5.3 Acquisition of land for redistribution	5.3.1 Number of hectares of strategically located land acquired	92 643 ha	22 364,8 ha of strategically located land were acquired for the period under review	33 720 ha	55 235 ha of strategically located land were acquired	21 515 ha	30 000 ha were acquired in NW towards the end of the financial year because money became available after the branch reprioritisation



Programme 3: Food Security, Land Reform and Restitution								
Outcome	Output	Output indicator	Audited actual performance 2019/2020	Audited actual performance 2020/2021	Planned annual target 2021/2022	Actual achievement 2021/2022	Deviation from planned target to actual achievement 2021/2022	Reasons for deviations
								process. This then allowed NW, which initially had no target, to acquire some land.
		5.3.2 Number of hectares acquired for farm dwellers and/or labour tenants	10 290 313,3 ha	7 127,5 ha were acquired for farm dwellers and/or labour tenants	6 150 ha	3 504 ha were acquired for farm dwellers and/or labour tenants	-2 646	Protracted settlement negotiations with land owners, including rejection of land purchase offers from OVG and court processes, resulted in delays for land acquisition for farm dwellers and labour tenants
Outcome 3: Redress and equitable access to land and producer support	5.4 Hectares of land allocated to various categories of farmers	5.4.1 Percentage of hectares allocated to women.	-	-	50%	37% of hectares were allocated to women	-13%	Hectares acquired in time (early enough in financial year) were not sufficient to cater for targeted number of hectares for allocation to women. Additional hectares were acquired in February 2022, which was late for allocation to be concluded before end of financial year
		5.4.2 Percentage of hectares allocated to youth	-	-	40%	16% of hectares were allocated to youth	-24%	Hectares acquired in time (early enough in financial year) were not sufficient to cater for targeted number of hectares for



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

Outcome	Output	Output indicator	Audited actual performance 2019/2020	Audited actual performance 2020/2021	Planned annual target 2021/2022	Actual achievement 2021/2022	Deviation from planned target to actual achievement 2021/2022	Reasons for deviations
								allocation to youth. Additional hectares were acquired in February 2022, which was late for allocation to be concluded before end of financial year
		5.4.3 Percentage of hectares allocated to people with disabilities			10%	0% was allocated to people with disability	-10%	Hectares acquired in time (early enough in financial year) were not sufficient to cater for targeted number of hectares to allocate to people with disabilities. Additional hectares were acquired in February 2022, which was late for allocation to be concluded before end of financial year
Outcome 3: Redress and equitable access to land and producer support	5.5 Transformation of Certain Rural Areas Act (TRANCRA A) areas transferred	5.5.1 Number of TRANCRA A areas transferred		No TRANCRAA area was transferred during the financial year	11	No TRANCRAA area was transferred during this financial year	-11	Delays in passing council resolutions or reluctance by municipalities to release land to communities as per provisions of the Act and ongoing community disputes resulted in the non-achievement of the target
	5.6 Labour tenants' applications finalised	5.6.1 Number of labour tenants' applications finalised	486	196 labour tenants' applications were settled during the	1 000	108 labour tenants' applications finalised	-892	Untraceable labour tenant claimants, denial of labour tenant claims by land



Programme 3: Food Security, Land Reform and Restitution								
Outcome	Output	Output indicator	Audited actual performance 2019/2020	Audited actual performance 2020/2021	Planned annual target 2021/2022	Actual achievement 2021/2022	Deviation from planned target to actual achievement 2021/2022	Reasons for deviations
				period under review				owners, rejection of OVG land acquisition price offers by land owners and delays in the referral of labour tenant applications to court because of capacity constraints by the office of the State Attorney
Outcome 2: Spatial transformation, effective and efficient land administration	5.7 Land claims settled and finalised	5.7.1 Number of land claims settled	436	324	240	262	22	Approval of projects consisting of multiple claims (EC, KZN, LP, MP and NW) led to additional claims settled
		5.7.2 Number of land claims finalised	686	385	316	442	126	The non-compliant claims in terms of Section 2 of Restitution of Land Rights Act, 1994 (Act No. 22 of 1994) led to more claims finalised and some were finalised by the commission through declaration of funds which also reduced the commitments
Outcome 3: Redress and equitable access to land and producer support	5.8 New farmers who have acquired agricultural land through land reform support	5.8.1 Number of farms supported through the Land Development Support Programme	71	114 farms have been supported through Land Development Support Programme	146	35 farms have been supported through Land Development Support Programme	-111	The prerequisite work of visiting and verifying the ARC/Intsika reports before development of final business plans became more demanding than originally anticipated.



Programme 3: Food Security, Land Reform and Restitution								
Outcome	Output	Output indicator	Audited actual performance 2019/2020	Audited actual performance 2020/2021	Planned annual target 2021/2022	Actual achievement 2021/2022	Deviation from planned target to actual achievement 2021/2022	Reasons for deviations
								The process of consulting farmers and securing their agreements on the final business plan further exacerbated the process. All this stretched the capacity of the commodity organisation coupled with increased demand on them to support other sectoral interventions and this unfortunately, amongst others, impacted negatively on planned support to be provided to farms through LDS Programme

**Strategy to overcome areas of underperformance**

The branch has well established coordinating structures to ensure implementation of agreed-upon interventions for achieving programme objectives. Programme management meetings are also scheduled regularly to assess state of performance and to adopt strategies for improvement in identified weak areas. These meetings are also extended to PSSC management who are responsible for managing implementation of set priorities. This programme has appointed planning and reporting coordinators who work very closely with departmental performance monitoring practitioners to advise management on performance areas that need frequent attention. There are also officials in PSSCs responsible for monitoring of performance which is useful in ensuring validation of information at all levels.



## Programme 4: Rural Development

### Purpose

Facilitates rural development strategies for socioeconomic growth

The programme comprises the following subprogrammes:

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

**Rural Infrastructure Development:** Facilitates infrastructure development in rural areas.

**Technology Research and Development:** Develops and adapts innovative and appropriate technologies in rural areas.

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

Outcome 6: Integrated and inclusive rural economy.

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

**Table 4.4:**

Programme 4: Rural Development								
Outcome	Output	Output indicator	Audited actual performance 2019/2020	Audited actual performance 2020/2021	Planned annual target 2021/2022	Actual achievement 2021/2022	Deviation from planned target to actual achievement 2021/2022	Reasons for deviations
Outcome 6: Integrated and inclusive rural economy	6.1 Increased job opportunities and development of skills	6.1.1 Number of NARYSEC youth trained	2 150	1 926	1 409	1 679	270	More budget was made available to pay institutions
		6.1.2 Number of jobs created in rural development initiatives	6 425 REID: 4 445 RID: 1 980	N/A	450	454	4	More jobs were created as a result of an overachievement in projects supporting production
		6.2.1 Number of infrastructure projects completed to support FPSUs	N/A	15 (FPSUs supported)	25	23	-2	Two contracts in MP were terminated due to contractors breaching the contract (failing to perform and abandoning construction site)
		6.2.2 Number of infrastructure projects completed to support production (AVMP and RVCP)	143 (combination)	7	50	53	3	The easing of COVID-19 regulations resulted in projects being completed before the end of the financial year, whereas they were expected to be completed in the next financial year



Programme 4: Rural Development								
Outcome	Output	Output indicator	Audited actual performance 2019/2020	Audited actual performance 2020/2021	Planned annual target 2021/2022	Actual achievement 2021/2022	Deviation from planned target to actual achievement 2021/2022	Reasons for deviations
		6.2.3 Number of technology research projects completed	N/A	N/A	5	1	-4	There were delays in obtaining animal ethics clearance for research projects involving animals. Crops/plants ethics clearance for the green tea infusion projects (EC, NW) and also for the Agro-Biotech in GP and LP

**Strategy to overcome areas of underperformance**

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

Dedicated support from units of Monitoring, Strategic Planning and Risk Management, who all have a very strong working relationship with the Directorate: Internal Audit, provide strategic support which assist in identifying areas of challenges in time to allow development of improvement plans. The programme has appointed Planning and Reporting Coordinators who work very closely with departmental performance monitoring practitioners to advise management on performance areas that need frequent attention. There are also officials in PSSCs responsible for monitoring of performance, which is useful in ensuring validation of information at all levels.



## Programme 5: Economic Development, Trade and Marketing

### Purpose

Promotes economic development, trade and market access for agriculture products and foster international relations for the sector

### The programme comprises the following subprogrammes:

**International Relations and Trade:** Promotes, coordinates and supports international relations and trade through the development and implementation of appropriate policies and programmes.

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

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

**Development Finance:** Facilitates the development and implementation of development finance policies and strategies for the agriculture sector.

**National Agricultural Marketing Council (NAMC):** Manage transfers to the National Agricultural Marketing Council.

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

Outcome 5: Increased market access and maintenance of existing markets.

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

**Table 4.5:**

Programme 5: Economic Development, Trade and Marketing								
Outcome	Output	Output indicator	Audited actual performance 2019/2020	Audited actual performance 2020/2021	Planned annual target 2021/2022	Actual achievement 2021/2022	Deviation from planned target to actual achievement 2021/2022	Reasons for deviations
Outcome 5: Increased market access and maintenance of existing markets	7.1 Cooperatives trained	7.1.1 Number of agricultural cooperatives trained	-	-	90	91	1	Overachievement was due to training offered to one additional co-op in t NW, and information that was not known when the target was set
	7.2 AgriBEE Fund implemented	7.2.1 Percentage of AgriBEE Fund applications finalised	-	100% (37) AgriBEE Fund applications were received, assessed and finalised during the period under review	100% of AgriBEE Fund applications finalised	100% of AgriBEE Fund applications finalised	N/A	N/A
Outcome 5: Increased market access and maintenance of	7.3 FPSUs supported	7.3.1 Number of FPSUs supported towards functionality	13	-	35	4	-31	Support was not provided comprehensively for all elements to FPSUs as defined in the plan. Only



existing markets								when support is provided on all five elements, being mechanisation, input support, governance structure, human resource support and producer registration, as per the criteria, will the FPSUs be evaluated as fully supported towards functionality; this is not the case with 31 of the FPSUs
	7.4 Enterprises supported	7.4.1 Number of new agricultural enterprises supported	249	-	71	121	50	Collaboration with other stakeholders led to more enterprises supported
		7.4.2 Number of new non-agricultural enterprises supported	-	-	15	9	-6	Inadequate supply/delivery of required products
Outcome 5: Increased market access and maintenance of existing markets	7.5 Smallholders accessing loan	7.5.1 Number of smallholder producers accessing MAFISA loan	-	-	150	87	-63	Reduced interest in MAFISA in preference of COVID-19 relief support that was provided. Moreover, most smallholder and subsistence productivity levels was negatively affected by COVID and this led to uncertainties in their ability to repay their loans and therefore opted not to apply for MAFISA
	7.6 Marketing of Agricultural	7.6.1 Marketing of Agricultural	-	Draft Marketing of Agricultural Products	Public consultation on the Marketing	Public consultation on the Marketing	Public consultation on the Marketing	Facilitation of public consultations on the MAP



	Products Act	Products Act reviewed		Amendment Bill was recommended for submission to DPME by the National Policy Review Committee (NPRC) for the first phase of the Socio-Economic Impact Assessment System (SEIAS)	of Agricultural Products Amendment Bill	of Agricultural Products Amendment Bill was not done. The Office of the State Law Advisor's (OCSLA) comments were incorporated into the Bill at the end of period under review	of Agricultural Products Amendment Bill not done	Amendment Bill could not be undertaken due to delays in obtaining OCSLA legal opinion. The draft MAP Bill was incorporated with OCSLA's comments during the period under review
Outcome 5: Increased market access and maintenance of existing markets	7.7 Trade agreement	7.7.1 Number of trade agreements implemented	Report on implementation of trade agreements was compiled	Report on the implementation of six trade agreements were compiled	6	6	N/A	N/A
		7.7.2 Number of trade agreements negotiated	Report on participation in trade negotiations was compiled	Report on participation in trade negotiation was compiled	5	5	N/A	N/A
Outcome 5: Increased market access and maintenance of existing markets	7.8 International Relations Strategy implemented	7.8.1 Number of multilateral commitments implemented	Report on facilitating the implementations of BRICS were compiled	Report on multilateral engagements were compiled	6	6	N/A	N/A
			Status report on compliance to AU and SADC obligations were compiled	Report on AU and SADC engagements were compiled				
		7.8.2 Bilateral agreements implemented	Report on strategic engagement of partners within South-South, North-South and multilateral agencies/forums was compiled	Status report on bilateral engagements (South-South and North-South) was compiled	Status report on bilateral engagements (South-South and North-South)	Status report on bilateral engagements (South-South and North-South) was compiled	Status report on bilateral engagements (South-South and North-South) was compiled, however, not all targeted countries were engaged	Bilateral engagements with Palestine were not held as intended during the period under review. This was due to country's political instabilities
			Report on strategic engagement of partners	Status report on bilateral engagements (African	Status report on bilateral engagements	Status report on bilateral engagements	Status report on bilateral engagements	Bilateral engagements with Burundi and



			within Africa and African agencies were compiled	continent) was compiled	nts (African continent)	nts (African continent) was compiled	nts was compiled, however, not all targeted countries were engaged	Madagascar were not held as planned during the period under review. This was due to the following reasons:  Burundi: Bilateral engagements could not be held due to country's internal social unrest  Madagascar: Several attempts were made to engage with no success from Madagascar's side.
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**Strategy to overcome areas of underperformance**

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

Dedicated support from units of Monitoring, Strategic Planning and Risk Management, who all have a very strong working relationship with the Directorate: Internal Audit, provide strategic support which assist in identifying areas of challenges in time to allow development of improvement plans. This programme has appointed planning and reporting coordinators who work very closely with departmental performance monitoring practitioners to advise management on performance areas that frequently need attention. There are also officials in PSSCs responsible for monitoring of performance which is useful in ensuring validation of information at all levels.



## Programme 6: Land Administration

### Purpose

Provide and maintain an inclusive, effective and comprehensive system of planning, geospatial information, cadastral surveys, legally secure tenure and land administration that promotes social, economic and environmental sustainability

### The programme comprises the following subprogrammes:

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

**Deeds Registration:** Provides a deeds registration system in which secure titles are registered and accurate information is provided.

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

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

**Integrated Land Administration:** Provides an overarching, coordinated and streamlined land administration system that underpins economic, social, institutional and environmentally sustainable development.

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

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

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

Table 4.6:

Programme 6: Land Administration								
Outcome	Output	Output indicator	Audited actual performance 2019/2020	Audited actual performance 2020/2021	Planned annual target 2021/2022	Actual achievement 2021/2022	Deviation from planned target to actual achievement 2021/2022	Reasons for deviations
Outcome 2: Spatial transformation and effective and efficient land administration	8.1. Electronic Land Registration System (Registration and Recordal)	8.1.1 e-DRS Phases completed	N/A	e-DRS Phase 1 has not been completed	e-DRS Phase 1–75% completed	0%	e-DRS Phase 1–75% completed	Long SITA processes resulted in delays in the appointment of a Service Provider. The appointment of a service provider was completed in February 2022, which was too late to complete the intended intervention before end of financial year under review.
		8.2.1 Deeds Registries Amendment Bill and Cabinet Memorandum to be	N/A	Draft Amendment Bill available	Submission of Bill and Cabinet memorandum to the minister for submission	Submission of Bill and Cabinet memorandum to the minister for submission	Submission of Bill and Cabinet Memorandum to the minister for submission	NEDLAC requested that the Bill be presented at Economic Sectors, Investment,



**Programme 6: Land Administration**

Outcome	Output	Output indicator	Audited actual performance 2019/2020	Audited actual performance 2020/2021	Planned annual target 2021/2022	Actual achievement 2021/2022	Deviation from planned target to actual achievement 2021/2022	Reasons for deviations
		submitted to the minister for submission to Cabinet for promulgation purposes			to Cabinet for promulgation purposes	to Cabinet for promulgation purposes was not done  Final NEDLAC meeting was attended on 5 March 2022 and discussions on the Bill was held, which led to resolution to further discuss the Bill at Economic Cluster in the coming financial year	to Cabinet for promulgation purposes	Employment and Infrastructure Development Cluster on 14 April 2022 to obtain support for its submission to Cabinet for purposes of obtaining approval for introduction into Parliament. The proceeding of 14 April meeting falls outside period under review reporting
		8.3.1 Monitoring Framework for NSDF Spatial Action Areas Implementation Plan developed	N/A	5 NSDF spatial action area implementation plans were drafted	Monitoring Framework for NSDF Spatial Action Areas Implementation Plan developed	The Monitoring Framework for NSDF Spatial Action Areas Implementation Plan was developed and approved on 30 March 2022	N/A	N/A
		8.4.1 Average number of working days taken to process cadastral documents, from date of lodgement to date of dispatch	N/A	N/A	15 days	16 days	-1 day	COVID-19 regulations limited number of staff allowed to be at work and some offices had to close on several occasion for decontamination purposes, resulting in a backlog



**Strategy to overcome areas of underperformance**

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

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



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

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

**Programme 2: Sustainable Resource Use and Management**

Outcome	Output	Output indicator	Audited actual performance 2020/21	Planned annual target 2021/22	Actual achievement 2021/22	Deviation from planned target to actual achievement	Reasons for deviation
<b>Subprogramme: Agricultural Engineering Services</b>							
	Agricultural infrastructure established	Number of agricultural infrastructures established		484	363	-21	Delays with approval of projects for the financial year
<b>LandCare</b>							
	Hectares of agricultural land rehabilitated	Number of hectares of agricultural land rehabilitated		44 535	53 427	8 892	More hectares rehabilitated through partnerships with other stakeholders
	Hectares of cultivated fields under Conservation Agricultural practices	Number of hectares of cultivated land under conservation agriculture practices		5 909	6 935	1 026	More hectares were under CA practices owing to financial benefits to land owners derived from practice
	Green jobs created	Number of green jobs created		6 855	6898	-43	Delays with the transfer of the LandCare grant
<b>Land Use Management</b>							
	Agro-ecosystem management plans developed	Number of agro-ecosystem management plans developed		14	11	-3	Targets were revised during the year
	Farm management plans developed	Number of farm management plans developed		266	288	-22	Farm plans requested were more than anticipated
<b>Disaster Risk Reduction</b>							
	Awareness on disaster risk reduction conducted	Number of awareness campaigns on disaster risk reduction conducted		32	45	-13	Face-to-face campaigns could not be conducted owing to COVID-19 restrictions



Outcome	Output	Output indicator	Audited actual performance 2020/21	Planned annual target 2021/22	Actual achievement 2021/22	Deviation from planned target to actual achievement	Reasons for deviation
	Surveys on uptake for early-warning information conducted	Number of surveys on uptake for early-warning information conducted		43	57	-14	Face-to-face surveys could not be conducted due to COVID-19 restrictions. Additionally, the department can only conduct surveys based on early warnings on potential of natural disasters happening in a particular area issued by the South African Weather Services (SAWS)

### Programme 3: Agricultural Producer Support and Development

Outcome	Output	Output indicator	Audited actual performance 2020/21	Planned annual target 2021/22	Actual achievement 2021/22	Deviation from planned target to actual achievement	Reasons for deviation
<b>Subprogramme: Farmer Settlement and Development</b>							
	Production across the agriculture value chain	Number of producers supported in the red meat commodity		7 895	6305	-1 590	Late approval of provincial business plans by national department
		Number of producers supported in the grain commodity		16 232	13 655	-2 577	Late approval of provincial business plans by national department
		Number of producers supported in the cotton commodity		281	246	-35	Delays with SCM processes. Budget reprioritisation : the department could no longer cover



Outcome	Output	Output indicator	Audited actual performance 2020/21	Planned annual target 2021/22	Actual achievement 2021/22	Deviation from planned target to actual achievement	Reasons for deviation
							the planned hectares
		Number of producers supported in the citrus commodity		103	64	-39	Delays with SCM processes
<b>Subprogramme: Food Security</b>							
	Smallholder producers supported	Number of smallholder producers supported		21 419	19 400	-2 019	COVID-19 restrictions from Q1 – Q3 of the country hindered interaction with smallholder farmers and made it difficult to meet the target
	Subsistence producers supported	Number of subsistence producers supported		46 493	54 769	8 276	Presidential Stimulus Initiative enabled the provision of more agricultural inputs to farmers

#### Programme 4: Veterinary Services

Outcome	Output	Output indicator	Audited actual performance 2020/21	Planned annual target 2021/22	Actual achievement 2021/22	Deviation from planned target to actual achievement	Reasons for deviation
<b>Subprogramme: Animal Health</b>							
	Biosecurity policies and strategies strengthened	Number of samples collected for targeted animal disease surveillance		128 245	137 163	8 918	Avian influenza outbreak and FMD (KZN and LP) outbreaks throughout the country led to an increase in the number of samples collected
		Number of epidemiological units visited for veterinary interventions		95 225	77 196	-18 029	Fewer submission of samples for testing



Outcome	Output	Output indicator	Audited actual performance 2020/21	Planned annual target 2021/22	Actual achievement 2021/22	Deviation from planned target to actual achievement	Reasons for deviation
<b>Subprogramme: Veterinary International Trade Facilitation</b>							
	Biosecurity policies and strategies strengthened	Number of veterinary certificates issued for export facilitation		<b>49 534</b>	39 990	-9 544	Ban on exports because of FMD outbreaks throughout the country reduced the number of export certifications
<b>Subprogramme: Veterinary Public Health</b>							
	Reduce level of risk associated with food	Number of inspections conducted on facilities producing meat		<b>5 600</b>	4 603	-997	Due to the FMD outbreak, some facilities were temporarily shut down to contain the spread
<b>Subprogramme: Veterinary Diagnostics Services</b>							
	Reduce level of risk associated with food	Number of laboratory tests performed according to approved standards		<b>811 200</b>	714 256	-96 944	Resources shifted to focus on rabies outbreak in some parts of Eastern Cape. Unavailability of suitable test reagents from OBP had a negative impact on the laboratory's projected targets, because of this challenge, Brucella testing had to be temporarily suspended.
<b>Subprogramme: Veterinary Technical Support Services</b>							
	Address and promote the welfare of animals, animal identification	Number of Performing Animals Protection Act (PAPA) registration		<b>382</b>	283	-99	Some clients non-compliant with the requirements for licences Delays with the



Outcome	Output	Output indicator	Audited actual performance 2020/21	Planned annual target 2021/22	Actual achievement 2021/22	Deviation from planned target to actual achievement	Reasons for deviation
	and advisory services	licences issued					processing of application which led to delays in issuing licences

#### Programme 5: Research and Technology Development Services

Outcome	Output	Output indicator	Audited actual performance 2020/21	Planned annual target 2021/22	Actual achievement 2021/22	Deviation from planned target to actual achievement	Reasons for deviation
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##### Subprogramme: Agricultural Research

	Research projects implemented	Number of research projects implemented to improve agricultural production		<b>326</b>	324	-2	More research papers were published due to continuous collaborative research with various institutions
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##### Subprogramme: Technology Transfer Services

	Scientific papers published	Number of scientific papers published		<b>50</b>	82	32	Papers are published when projects are completed and/or data is sufficient to be published. For 2021/22 more papers were written, accepted for publication and published than anticipated
	Technologies developed for smallholder producers	Number of new technologies developed for the smallholder producers		<b>15</b>	12	-3	Challenges encountered with Microsoft in the development of new technologies
	Research presented at peer review events	Number of research presentations made at peer reviewed events		<b>136</b>	175	39	Over-achieved due to virtual congresses presented and improved



Outcome	Output	Output indicator	Audited actual performance 2020/21	Planned annual target 2021/22	Actual achievement 2021/22	Deviation from planned target to actual achievement	Reasons for deviation
							financial implications that allowed for more presentations to be made
	Research presented at technology transfer events	Number of research presentations made at technology transfer events		425	597	172	More research presentations were made due to increased demand for technology/ knowledge to empower farmers
<b>Subprogramme: Infrastructure Support Services</b>							
	Research infrastructure managed	Number of research infrastructure managed		39	37	-2	Targets were revised during the year

#### Programme 6: Agricultural Economics Services

Outcome	Output	Output indicator	Audited actual performance 2020/21	Planned annual target 2021/22	Actual achievement 2021/22	Deviation from planned target to actual achievement	Reasons for deviation
<b>Subprogramme: Production Economics Support</b>							
	Agri-businesses supported with market access	Number of agri-businesses supported with marketing services		2 941	2 304	-637	Due to COVID-19 restrictions, some planned workshops could not be done
		Number of clients supported with production economic services		6 222	7 707	1 485	More agribusinesses information and value chain workshops were arranged to empower farmers. Furthermore, agricultural economic plans were developed to assist farmers requiring access to Jobs Fund financial assistance



Outcome	Output	Output indicator	Audited actual performance 2020/21	Planned annual target 2021/22	Actual achievement 2021/22	Deviation from planned target to actual achievement	Reasons for deviation
	Agri-businesses supported	Number of agri-businesses supported with Black Economic Empowerment advisory services		155	283	128	BEE advisory services provided to agribusinesses targeted for commercialisation programme
<b>Subprogramme: Agro-Processing Support</b>							
	Agri-businesses supported	Number of agri-businesses supported with agro-processing initiatives		585	158	-427	COVID-19 restrictions resulted in challenges in agro-processing initiatives as these include different stakeholders
<b>Subprogramme: Macro-Economic Support</b>							
	Economic reports	Number of economic reports compiled		131	166	35	Indicator is demand driven; there was a special request on commodity status reports and food price monitoring in preparation for the strategic development

#### Programme 7: Agricultural Education and Training

Outcome	Output	Output indicator	Audited actual performance 2020/21	Planned annual target 2021/22	Actual achievement 2021/22	Deviation from planned target to actual achievement	Reasons for deviation
<b>Subprogramme: Agricultural Skills Development</b>							
		Number of participants trained in agricultural skills development programmes in the sector		12 810	14 987	2 177	Participants trained increased owing to high demand from farmers
<b>Subprogramme: Higher Education and Training</b>							
		Number of students graduated with agricultural qualification		527	695	168	Some students were not able to complete the WIL programme in the previous 2020 academic year due to COVID-19, as a result



Outcome	Output	Output indicator	Audited actual performance 2020/21	Planned annual target 2021/22	Actual achievement 2021/22	Deviation from planned target to actual achievement	Reasons for deviation
							these students had to comply and complete the programme in the 2021 academic year

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

Budget programme	Interventions	Geographic location (Province/district / local where possible)	No of beneficiaries (Where possible)	Disaggregation of beneficiaries (Where possible)	Total budget allocation per intervention (R'000)	Budget spend per intervention	Contribution to the output in the APP (Where possible)	Immediate outcome
Presidential Employment Stimulus (PES) 2021/22 financial year only	Support to subsistence producers with agricultural production inputs through the e-voucher system	EC	22 388			122 000 900		Continuous development of a system that collects the database of subsistence producers and provides support in a short space of time
		FS	3 584			23 809 200		
		GP	3 838			23 137 300		
		KZN	31 530			168 012 100		
		LP	17 283			98 423 200		
		MP	12 551			76 254 400		
		NW	10 040			62 060 700		
		NC	2 137			18 052 500		
		WC	1 557			9 951 100		
	<b>Total</b>	<b>104 908</b>			<b>601 701 400</b>			

Budget programme	Intervention Geographic location (Province/district/local municipality) (Where Possible)	No. of beneficiaries (Where Possible)	Disaggregation of Beneficiaries (Where Possible)	Total budget allocation per intervention (R'000)	Budget spent per intervention	Contribution to the Outputs in the APP (where applicable)	Immediate outcomes
Rural Development	EC = 173 FS = 76 GP = 141 KZN = 272 LP = 158 MP = 110 NW = 124 NC = 26 WC = 44	1 124	Males = 366 Females = 758 Youth = 973 PwD = 0	R' 000	<b>R59 772 881,28</b> Stipend = R25 877 537,28 Allowance = R29 403 840,00 Data = R2 670 624,00 Sanitiser = R483 680,00 Masks = R337 200,00	Increased job opportunities and development of skills	Buying power and food security



The table above indicates that a total of 1 124 people was employed under the PESI programme. Most of the employees were women at 758; youth accounted for 973 and men were 366 and there were no people with disabilities. KZN recorded the highest number of employees (272), and NC recorded the least number of persons (26). The total budget spent was R59 772 881,28.

## 5. Transfer payments

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

The table below reflects the transfer payments made for the period 1 April 2021 to 31 March 2022.

Name of transferee	Type of organisation	Purpose for which funds were used	Did the dept. comply with section 38(1)(j) of PFMA	Amount transferred R'000	Amount spent by the entity R'000	Reasons for funds not spent by the entity
<b>Province</b>						
EC	Provincial department	CASP, LandCare and Ilima/Letsema	Yes	333 690	327 602	Delayed delivery of IT equipment by service providers due to COVID-19 effects <ul style="list-style-type: none"> <li>•Delays in awarding of TARDI Exam Hall due to funding shortfall</li> <li>•Resignation by 25 graduates that got permanent employment and one natural attrition</li> </ul>
FS	Provincial department	CASP, LandCare and Ilima/Letsema	Yes	265 612	235 186	Underspending on provincial projects under CASP due to the PPPFA procurement challenges. The department has also experienced procurement challenges towards February and March 2022 Tender for hatchery was non-responsive and due to PPPFA challenges, new tender



						could not be advertised
GP	Provincial department	CASP, LandCare and Ilima/Letsema	Yes	137 829	118 381	The delay in the construction of infrastructure projects through DBSA has led to delay in realisation of expenditure of approved plans. The entity has asked for rollover as construction is under way at the end of financial year.
KZN	Provincial department	CASP, LandCare and Ilima/Letsema	Yes	300 874	300 874	The delay in the construction of infrastructure projects through DBSA has led to delay in realisation of expenditure of approved plans. The entity has asked for rollover as construction is under way at the end of financial year
LP	Provincial department	CASP, LandCare and Ilima/Letsema	Yes	320 236	230 749	Late inception of KYD and placement of unemployed agricultural graduates programmes affected expenditure. Late appointment of infrastructure service providers due to non-responsive bids and incomplete delivery of uniforms for Extension Practitioners also affected expenditure trends.



MP	Provincial department	CASP, LandCare and Ilima/Letsema	Yes	239 459	239 459	Late inception of KYD and placement of unemployed agricultural graduates programmes affected expenditure. Late appointment of infrastructure service providers due to non-responsive bids and incomplete delivery of uniforms for Extension Practitioners also affected expenditure trends
NC	Provincial department	CASP, LandCare and Ilima/Letsema	Yes	197 059	196 959	99,9% spent
NW	Provincial department	CASP, LandCare and Ilima/Letsema	Yes	260 580	161 842	Challenges with service providers who turned down offers late due to lack of capacity and cashflow •Unavailability of commodity-relevant service providers •Underquoting of service providers
WC	Provincial department	CASP, LandCare and Ilima/Letsema	Yes	179 925	176 683	Delays with e-tender procurement processes
<b>Subtotal</b>				<b>2 235 264</b>	<b>1 987 735</b>	
<b>Municipalities Rates and Taxes</b>						
EC: Whole Province	Local government	Rates and taxes	N/A	7 628	39 903	Overspent due to payment of previous years invoices.
FS: Whole Province	Local government	Rates and taxes	N/A	9 257	13 245	Overspent due to payment of previous years invoices.
GP: Whole Province	Local government	Rates and taxes	N/A	647	15	Invoices submitted came lower than anticipated.
MP: Whole Province	Local government	Rates and taxes	N/A	71 782	86 453	Overspent due to payment of



						previous years invoices.
LP: Whole Province	Local government	Rates and taxes	N/A	12 992	37 821	Overspent due to payment of previous years invoices
NC: Whole Province	Local government	Rates and taxes	N/A	4 139	48	Invoices submitted came lower than anticipated.
KZN: Whole Province	Local government	Rates and taxes	N/A	3 536	3 684	Overspent due to payment of previous years invoices
NW: Whole Province	Local government	Rates and taxes	N/A	20 101	40 662	Overspent due to payment of previous years invoices
WC: Whole Province	Local government	Rates and taxes	N/A	1 661	1 639	Invoices submitted came lower than anticipated.
<b>Subtotal</b>				<b>131 743</b>	<b>223 470</b>	
<b>Departmental Agencies and Accounts</b>						
Agri Sector Education and Training Authority	Departmental agency	Contribution to operations	Yes	1 394	1 394	100% spent
Agricultural Land Holdings account	Departmental agency	Contribution to operations	Yes	937 986	937 986	100% spent
Agricultural Research Council	Departmental agency	Contribution to operations	Yes	1 282 632	1 282 632	100% spent
Ingonyama Trust Board	Departmental agency	Contribution to operations	Yes	23 517	23 517	100% spent
National Agricultural Marketing Council	Departmental agency	Contribution to operations	Yes	47 305	47 305	100% spent
Office of the Valuer-General	Departmental agency	Contribution to operations	Yes	131 844	131 844	100% spent
Registration of Deeds Trade Account	Departmental agency	Contribution to operations	Yes	1	-	The entity didn't require financial support from the department
SA Geomatics Council	Departmental agency		Yes	4 194	4 000	R4 million was requested hence the available balance of R194 thousands.
Dept Agency: Donation and gifts	Departmental agency	Donation and gifts	N/A	230	121	An amount of R230 thousand was budgeted for. However, R121 thousand was paid.
Com: Licence	Public Corporation	TV Licence renewals	N/A	30	22	An amount of R30 thousand



						was budgeted for. However, Invoices amounting to R22 thousand were submitted.
<b>Subtotal</b>				<b>2 429 133</b>	<b>2 428 821</b>	
<b>Public Corporations and Private Enterprises</b>						
Land and Agri Bank of SA	Public corporation	Contribution to operations	N/A	564 193	564 193	100% Spent
<b>Subtotal</b>				<b>564 193</b>	<b>564 193</b>	
Red Meat Industry Forum	Private enterprises		N/A	1	1	100% Spent
<b>Subtotal</b>				<b>1</b>	<b>1</b>	<b>N/A</b>
<b>Foreign Governments and International Organisations</b>						
Foreign rates and taxes	Foreign governments and international organisations	Rates and taxes paid in foreign regions	N/A	452	147	Expenditure came lower than expected as rates and taxes were paid based on invoices submitted by foreign regions.
International organisations	Foreign governments and international organisations	Membership fees	N/A	45 186	36 154	Outstanding invoices to be paid regarding membership subscriptions fees to international organisations which were not received by close of the financial year
<b>Subtotal</b>				<b>45 638</b>	<b>36 301</b>	
<b>Non-Profit Organisations</b>						
SA Council for Planners	Non-profit institution	Contribution to operations	Yes	4 140	4 140	100% Spent
<b>Subtotal</b>				<b>4 140</b>	<b>4 140</b>	
<b>Households</b>						
Claims against the State	Households	Claims against the state	N/A	3 603	2 600	Claims made against the state came lower than anticipated
Leave gratuities	Households	Payment of leave to officials who left the department	N/A	12 185	17 636	Claims made against the state came lower than anticipated
Bursaries for non-employees	Households	Bursaries to students	N/A	60 657	66 966	Contractual obligations towards beneficiaries as well as financial



						requirements for in-service training of beneficiaries / students
Restitution grants	Households	Payment of land claims	N/A	3 151 549	2 024 802	Delays in finalising valuations process and disputes by landowners and claimants regarding offered amounts.
Gifts and donations	Households	Gifts and donations	N/A	486	0	No financial support was required from the department
Rural Development	Households	Rural Youth Skills development	N/A	35 120	30 108	Delays in the submission of invoices regarding training.
<b>Subtotal</b>				<b>3 263 600</b>	<b>2 142 112</b>	

## 6. Capital investment

### Capital Investment, Maintenance and Asset Management Plan

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

Summary of the Public-Private Partnership

The PPP is between DALRRD and Tshala Bese Uyavuna Consortium.

### The status of PPP

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

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

- Treasury Approval I : Design Procurement Process
- Treasury Approval IIA : Pre-qualification of parties, issuing of RFP, receive bids, compare bids with feasibility study, select preferred bidder and prepare value for money report
- Treasury Approval IIB : Negotiations with the preferred bidder
- Treasury Approval III : Approval to sign the PPP agreement (approval granted by National Treasury in May 2017)

The construction of the building commenced in March 2021 and the department will take occupation in March/April 2023.

### Proposed PPP project plan

- a) The PPP building will accommodate all Pretoria-based offices including the Gauteng: National Office, Deeds and Restitution.
- b) The building will be 82 434 m<sup>2</sup>, have 1 124 parking bays and will accommodate 2 145 staff members
- c) The building will be fully serviced, which will include the provision of the following services by the Private Party:
  - ✓ Printing Services
  - ✓ Cleaning Services
  - ✓ Catering Services
  - ✓ Maintenance Services
  - ✓ Furniture
- d) Note: The private party will operate the building for a period of 25 years and thereafter the building becomes state property.



### Infrastructure projects currently in progress:

- Air-conditioning and electrical installation: Repair and Maintenance Programme (RAMP) project at Sefala Building (WCS 044038): The detailed design is complete and the project is ready for tender. However, the project was not included on the procurement plan. A memorandum to include the project in the procurement plan of the 2021/2022 financial year was written, which is still awaiting approval. As soon as approval is granted, the project will be advertised.
- Construction of a sniffer dog facility (WCS 051626): Project is placed on status 8. Town Planning requested that the planning be reversed so that they could appoint consultants. Alternatively, reports for the project were requested from project manager so that town planning can clear the site. A new procurement instruction (PI) for the project will have to be issued since existing PI was issued for the project at Stellenbosch Plant Quarantine Station. A new WCS number (WCS 055808) has been issued with no progress report whatsoever. To date, a site has not been identified yet.
- Alterations to the entrance at Polka Drive (WCS 051209): A new project has been registered. On 20/03/2018, officials from KAM HO reminded of various fruitless attempts to obtain Procurement. Instruction for this project would be issued. The DPW Cape Town Regional Office reported that enquiries have been made to KAM Head Office on issuing of the WCS number and Procurement Instruction for the project and requested to inform DAFF whether a reply has been obtained or not. No response has been received to date.
- Construction of seed banks in Sterkspruit (WCS 051639): Project Manager and KAM Head Office officials has been reminded that application for the land division to construct seed banks had been promised to provide DAFF with alternative options.
- Site clearance for the construction of the seed banks in Sterkspruit (WCS 052458): A consultant has been appointed to conduct studies on the approved site. A rezoning could not be finalised because it was not approved. An alternative site was identified on the Department of Correctional Services site. A meeting between DCS and NDPW is being arranged to facilitate the subdivision of the property to allocate land to the Department of Agriculture.
- Upington: A PDIR has been issued to Town Planning to conduct site clearance on 12 February 2020. A new WCS number (WCS 055787) has been issued awaiting progress report from DPW Kimberley Regional Office.
- Repair and renovation of offices at the old SABS Building, 116 Church Street, Bloemfontein (WCS 055123): Mr Visser reported that the FSPG has not registered the property in the name of the National Government yet. It was noted that the matter was escalated to Inter-Governmental Relations and a meeting was held with the Provincial Government on 24/02/2022. However, a follow-up meeting is required with the Regional Manager.
- Repairs and maintenance at Kempton Park Animal Quarantine Station (WCS 53727): On 16 April 2020, DPW indicated in their email that, to proceed with the estimate cost for the project, they require DALRRD to provide them with the arrears of the existing building that needs to be renovated including the horse stables, office block and hostel arrears. This project is not moving but a meeting will be held on 28 June 2021 in Johannesburg Regional Office (DPW) to discuss the future of this project.
- Repairs and installation of infrastructure at Roodeplaat Genetic Resources Centre (WCS 052805): This project is under construction. The contractor confirmed that the project will be completed on 4 July 2022, however, they won't be finished and time extension will be granted.
- Repair and maintenance of facilities at Buffelspoort (WCS 52059): DPW was requested to advise DAFF whether service could be placed on Planned Maintenance since DAFF was unable to confirm funding. DPW has now indicated that the project is placed under Planned Maintenance Programme of DPW.
- Middleburg (EC)—Grootfontein Agricultural Development Institute (GADI) (WCS 53304): The project has been completed. The construction is no longer on site, the final account is awaited.

Feasibility study for the procurement of new Head Office at Agriculture Place (WCS 055153): An amount of R15 million was required for the transfer of funds for the feasibility study. In 2017/18, DAFF transferred only R10 million under CAPEX and the R5 million was transferred in the 2018/2019 financial year. A submission was forwarded to the minister for approval for continuation of the project – New Head Office for former Department of Agriculture, Forestry and Fisheries. It was recommended that the continuation will save the department an amount of R17,5 million annually on leases and municipal services, excluding 10% annually increment. This project will also improve organisational operations efficiency based on the current approved structure. Management to inform on this project since it is in their hands now.

- Site clearance: Township establishment on the part of the remaining extension of the Tshwane Prinshof Farm 349 (WCS 055097): Awaiting feasibility study to be concluded, then the planning of the construction will kick in. The department is awaiting.
  - WCS (051592): Construction of one seed bank (Mutale): Project is on hold pending the site clearance of the project no WCS 0542459.
  - Rehabilitation of the two dams including repair of dam wall at Stellenbosch Plant Quarantine Station (WCS 54896): A specialist environmental consultant has been appointed for environmental screening process and drafting of Maintenance Management Plan. MMP has been submitted and approved by



DEA. Concept reports have been submitted to HO for approval. Consultants have started with designs for these projects and claims are being paid as submitted to DALRRD.

- Construction of classroom building on the GADI campus in Middleburg (WCS 055587): DPW issued a revised Procurement Instruction to Port Elizabeth (PE) on 28 December 2021. There is a delay in inviting tenders due to National Treasury instruction. DPW waiting for upliftment.

**Projects awaiting WCS numbers:**

- External repairs and renovations of the Fruit Laboratory and Analytical Services building at Stellenbosch Plant Quarantine Station
- New security fence around Blocks A and B at Stellenbosch Plant Quarantine Station. It will be incorporated into the project for alterations to existing entrance and exit to Stellenbosch Plant Quarantine Station
- Upgrade of the electrical reticulation at Blocks A and B at Stellenbosch Plant Quarantine Station
- Milnerton Quarantine Animal Station: Upgrading of infrastructure: DPW again requested a revised needs assessment which DAFF had sent for the signature of the then CFO. Once approved it will be forwarded to DPW. No movement on this project



## 7. Conditional grants

### Conditional grants and earmarked funds paid

The following tables detail the conditional grants paid from 1 April 2021 to 31 March 2022.

#### CONDITIONAL GRANT 1: Comprehensive Agricultural Support Programme (CASP)

Department to whom the grant has been transferred	Eastern Cape Department of Rural Development and Agrarian Reform
Purpose of the grant	To provide effective agricultural support services, promote and facilitate agricultural development by targeting beneficiaries of land restitution and redistribution, and other previously disadvantaged producers who have acquired land through private means, and are engaged in value-adding enterprises domestically, or involved in exports To revitalise agricultural colleges into centres of excellence
Expected outputs of the grant	742 subsistence, 2 137 smallholder and 11 commercial farmers supported through CASP 201 youth, 1 167 women and no farmers with disabilities supported through CASP 80 on-off farm infrastructure provided No animals vaccinated for foot-and-mouth disease in Eastern Cape 4r beneficiary of CASP supported with SA GAP certification 1 868 jobs created 2 000 beneficiaries of CASP trained on farming methods, and 20 farms receiving mentoring 120 unemployed graduates placed on commercial enterprises for potential skills transfer 3 991 beneficiaries of CASP supported with market access 1 843 526 extension personnel maintained in the system 2 agricultural colleges upgrading infrastructure
Actual outputs achieved	Nine subsistence, 1 950 smallholder and five black commercial farmers were supported through CASP 141 youth, 1 008 women and no farmers with disabilities were supported through CASP 97 on-off farm infrastructure was provided No animals vaccinated for FMD in Eastern Cape 2 398 beneficiaries of CASP trained on farming methods and 19 farming units received mentoring 120 unemployed graduates placed on commercial enterprises for potential skills transfer 3 713 beneficiaries of CASP with markets identified 526 extension personnel salaries paid and maintained in the system 2 agricultural colleges upgrading infrastructure – TARDI and FORT COX
Amount allocated per DORA	R246 610 000
Amount received	R246 610 000
Reasons if amount as per DORA not received	N/A
Amount spent by the department	R241 353 000
Reasons for the funds unspent	Delayed delivery of IT equipment by service providers due to COVID-19 effects Delays in awarding of TARDI Exam Hall due to funding shortfall Resignation by 25 graduates that got permanent employment and one natural attrition
Reasons for deviation on performance	2 398 beneficiaries were trained instead of the 2 000 planned. This is since some of the projects ended up having larger numbers than those that were anticipated as the training took place in their locality instead of being accommodated at the training centres where capacity is restricted Livestock marketing workshop could not be undertaken due COVID-19 restrictions during the third quarter 19 farming units were mentored instead of 20 because one mentor did not meet the requirements of the advert for the mentorship programme
Measures taken to improve performance	Ensure that project specifications are ready in the third quarter and adverts issued in the fourth quarter preceding the year of implementation Ensure reasonability of works programmes and adherence thereof Risk identification and application of mitigation measures



Department to whom the grant has been transferred	Eastern Cape Department of Rural Development and Agrarian Reform
	Institute proper contract management
Monitoring mechanism by the receiving department	Hold weekly financial and physical progress reporting meetings so that problems are identified and resolved timeously Conducting site visits to validate reporting
Department to whom the grant has been transferred	Free State Department of Agriculture and Rural Development
Purpose of the grant	To provide effective agricultural support services, promote and facilitate agricultural development by targeting beneficiaries of land restitution and redistribution, and other previously disadvantaged producers who have acquired land through private means, and are engaged in value-adding enterprises domestically, or involved in exports To revitalise agricultural colleges into centres of excellence
Expected outputs of the grant	737 subsistence, 21 smallholder and no commercial farmers supported through CASP 84 youth, 405 women and one farmer with a disability supported through CASP 32 on-off farm infrastructure provided 9 beneficiaries of CASP supported with SA GAP certification 698 jobs created (including ERP and Graduate Placement) 1 700 beneficiaries of CASP trained on farming methods, and 40 farms receiving mentoring 120 unemployed graduates placed on commercial enterprises for potential skills transfer 30 extension personnel maintained in the system 1 agricultural college upgrading infrastructure
Actual outputs achieved	3 377 subsistence, 58 smallholder and no black commercial farmers were supported through CASP 116 youth, 1 109 women and no farmers with disabilities were supported through CASP 36 on-off farm infrastructure was provided No beneficiaries of CASP supported with SA GAP certification 9 smallholder producers supported with advocacy on SA Gap certification and related processes, 3 beneficiaries of CASP SA GAP certified in 2020/21 1 860 beneficiaries of CASP trained on farming methods 289 temporary jobs created through Project Implementation, 203 temporary jobs created through training and college infrastructure enhancement 83 unemployed graduates placed on commercial enterprises for potential skills transfer 1 096 beneficiaries of CASP with markets identified 28 extension personnel salaries paid and maintained in the system 1 agricultural college upgrading infrastructure—TARDI
Amount allocated per DORA	R185 645 000
Amount received	R185 645 000
Reasons if amount as per DORA not received	N/A
Amount spent by the department	R164 731 000
Reasons for the funds unspent	Underspending on provincial projects under CASP due to the PPPFA procurement challenges. The department has also experienced procurement challenges towards February and March 2022 Tender for hatchery was non-responsive and due to PPPFA challenges, new tender could not be advertised
Reasons for deviation on performance	The department also experienced delays in implementing production inputs support to farmers due to heavy rains encountered Due to rainy weather conditions the contractors experienced challenges to complete construction for Glen College The department has commenced the financial year at a slow rate due to the delay in the approval of the CASP business plan by national department
Measures taken to improve performance	Professional Engineering Consulting Firm in collaboration with the Free State Department of Public Works and Infrastructure have completed detail designs, plans specifications, and the BID documents (Tender Ready) for the implementation in the financial year 2022/23



Department to whom the grant has been transferred	Free State Department of Agriculture and Rural Development
	The department has already REQUESTED FOR EXEMPTION IN TERMS OF SECTION 3(C) OF THE PREFERENTIAL PROCUREMENT POLICY FRAMEWORK ACT 5 OF 2000 (THE ACT) TO CONTINUE WITH PROCUREMENT from National Treasury
Monitoring mechanism by the receiving department	Decentralised implementation of projects and procurement with strong monitoring and control measures
Department to whom the grant has been transferred	Gauteng Department of Agriculture and Rural Development
Purpose of the grant	To provide effective agricultural support services, promote and facilitate agricultural development by targeting beneficiaries of land restitution and redistribution, and other previously disadvantaged producers who have acquired land through private means, and are engaged in value-adding enterprises domestically, or involved in exports To revitalise agricultural colleges into centres of excellence
Expected outputs of the grant	No subsistence, 112 smallholder and no commercial farmers supported through CASP 20 youth, 48 women and 2 farmers with disabilities supported through CASP 20 on-off farm infrastructure provided No animals vaccinated for foot-and-mouth disease in GP 60 beneficiaries of CASP supported with SA GAP certification 105 jobs created 450 beneficiaries of CASP trained on farming methods, and no farms receiving mentoring 80 unemployed graduates placed on commercial enterprises for potential skills transfer 78 beneficiaries of CASP supported with market access 126 extension personnel maintained in the system
Actual outputs achieved	No subsistence, 73 smallholder and five black commercial farmers were supported through CASP 26 youth, 60 women and no farmers with disabilities were supported through CASP 11 on-off farm infrastructure was provided 47 beneficiaries of CASP supported with SA GAP certification 3 smallholder producers supported with advocacy on SA Gap certification and related processes, and 3 beneficiaries of CASP SA GAP certified in 2020/21 601 beneficiaries of CASP trained on farming methods 78 unemployed graduates placed on commercial enterprises for potential skills transfer 78 beneficiaries of CASP with markets identified 126 extension personnel salaries paid and maintained in the system
Amount allocated per DORA	R99 113 000
Amount received	R99 113 000
Reasons if amount as per DORA not received	None
Amount spent by the department	R79 754 000
Reasons for the funds unspent	The delay in the construction of infrastructure projects through DBSA has led to delay in realisation of expenditure of approved plans. The entity has asked for rollover as construction is under way at the end of financial year
Reasons for deviation on performance	Implementation and adherence to IDMS processes, stages and phases delayed implementation of projects by DBSA
Measures taken to improve performance	To ensure that proper planning, implementation and monitoring of the construction work takes place To ensure that infrastructure projects adhere to the IDMS processes before implementation



Department to whom the grant has been transferred	Gauteng Department of Agriculture and Rural Development
Monitoring mechanism by the receiving department	DALRRD officials monitored and evaluated projects on a quarterly basis. The conditional grant Quarterly Review Meetings were held to monitor grant performance and implementation. Reports were compiled on a monthly and quarterly basis to present progress report of the grant
Department to whom the grant has been transferred	KwaZulu-Natal Department of Agriculture and Rural Development
Purpose of the grant	To provide effective agricultural support services, promote and facilitate agricultural development by targeting beneficiaries of land restitution and redistribution, and other previously disadvantaged producers who have acquired land through private means, and are engaged in value-adding enterprises domestically, or involved in export To revitalise agricultural colleges into centres of excellence
Expected outputs of the grant	19 subsistence, 1 558 smallholder and 29 commercial farmers supported through CASP 114 youth, 718 women and nine farmers with disabilities supported through CASP 43 on-off farm infrastructure provided 20 beneficiaries of CASP supported with SA GAP certification 1 060 jobs created 1 528 beneficiaries of CASP trained on farming methods, and 81 farms receiving mentoring 120 unemployed graduates placed on commercial enterprises for potential skills transfer 1 587 beneficiaries of CASP supported with market access 71 extension personnel salaries paid and maintained in the system 2 agricultural colleges upgrading infrastructure
Actual outputs achieved	840 subsistence, 1 625 smallholder and 35 black commercial farmers were supported through CASP 470 youth, 843 women and 9 farmers with disabilities were supported through CASP 43 on-off farm infrastructure was provided 20 beneficiaries of CASP supported with SA GAP certification 20 smallholder producers supported with advocacy on SA Gap certification and related processes, and no beneficiaries of CASP were SA GAP certified in 2021/22 1 273 beneficiaries of CASP trained on farming methods and 80 farms receiving mentorship 120 unemployed graduates placed on commercial enterprises for potential skills transfer 1 660 beneficiaries of CASP with markets identified 71 extension personnel salaries paid and maintained in the system 2 agricultural colleges upgrading infrastructure – TARDI
Amount allocated per DORA	R214 053 000
Amount received	R214 053 000
Reasons if amount as per DORA not received	N/A
Amount spent by the department	R214 053 000
Reasons for the funds unspent	N/A
Measures taken to improve performance	Implementation of some of the proposed agricultural projects through direct funding model as a way of speeding up procurement processes, improving turnaround time and the impact of services rendered, thereby realising better value for money
Monitoring mechanism by the receiving department	Quarterly reports and projects verification visits to funded projects
Department to whom the grant has been transferred	Limpopo Department of Agriculture and Rural Development
Purpose of the grant	To provide effective agricultural support services, promote and facilitate agricultural development by targeting beneficiaries of land restitution and redistribution, and other previously disadvantaged producers who have



Department to whom the grant has been transferred	Limpopo Department of Agriculture and Rural Development
Expected outputs of the grant	<p>acquired land through private means, and are engaged in value-adding enterprises domestically, or involved in exports To revitalise agricultural colleges into centres of excellence</p> <p>334 smallholder producers supported through CASP 42 youth (22 women), 140 women and 11 farmers with disabilities supported through CASP 26 projects supported with on-off farm infrastructure 60 000 animals vaccinated for foot-and-mouth disease in Limpopo 20 projects of CASP supported with SA GAP certification 603 jobs created 1 000 beneficiaries of CASP trained on farming methods, and eight farms receiving mentoring 120 unemployed graduates placed on commercial enterprises for potential skills transfer 150 beneficiaries of CASP supported with market access 53 extension personnel maintained in the system 5 infrastructures upgraded at two agricultural colleges</p>
Actual outputs achieved	<p>232 smallholders were supported through CASP 25 youth (15 females), 108 women and six farmers with disabilities were supported through CASP 21 projects were supported with infrastructure: *13 projects are completed * 8 projects with service providers at different stages of construction. 2 projects at retention – final payments not paid due to incomplete work. 2 projects are under re-advertisement processes. 74 904 animals vaccinated for foot and mouth disease in Limpopo due to outbreak that occurred during the second quarter around Vhembe and Mopani 4 beneficiaries of CASP supported with SA GAP certification 20 smallholder producers supported with advocacy on SA Gap certification and related processes, four beneficiaries of CASP SA GAP certified in 2021/22 1 223 smallholder producers received training. The department overachieved by 223 due to necessity to train farmers and the newly-placed unemployed agricultural graduates on the practices within the agricultural industry 16 projects received knowledge and skills through mentorship programme. Overachieved by eight projects due to emerged need to capacitate cotton farmers with relevant production practices in line with cotton industry through the intervention of Cotton SA 120 unemployed graduates placed on commercial enterprises for potential skills transfer 130 beneficiaries of CASP supported with market identification 53 extension personnel salaries paid and maintained in the system 5 projects implemented at two colleges of agriculture: Tompi Seleka and Madzivhandila. Three projects completed and one project ongoing at Madzivhandila College of Agriculture. One project at Tompi Seleka College of Agriculture is at construction stage</p>
Amount allocated per DORA	R233 511 000
Amount received	R233 511 000
Reasons if amount as per DORA not received	The national department has short-transferred the province by an amount of R1 000.00, hence Provincial Revenue Fund could only transfer the amount received.
Amount spent by the department	R160 211 000
Reasons for the funds unspent	<p>Late inception of KYD and placement of unemployed agricultural graduates programmes affected expenditure Late appointment of infrastructure service providers due to non-responsive bids and incomplete delivery of uniforms for Extension Practitioners also affected expenditure trends</p>
Reasons for deviation on performance	Late inception of programmes such as KYD and Placement of Unemployed Agricultural Graduates; Late appointment of infrastructure service providers; Incomplete delivery of uniforms for Extension Practitioners and delayed



Department to whom the grant has been transferred	Limpopo Department of Agriculture and Rural Development
	recruitment of Agricultural Advisors had an impact on the overall CASP performance
Measures taken to improve performance	Structures are established within the department to monitor expenditure trends and assist with unblocking strategies
Monitoring mechanism by the receiving department	The conditional grant Quarterly Review Meetings were held to monitor grant performance and implementation. Reports were compiled on a monthly and quarterly basis to present progress report of the grant

Department/municipality to whom the grant has been transferred	Mpumalanga Department of Agriculture, Rural Development, Land and Environmental Affairs
Purpose of the grant	To provide effective agricultural support services, promote and facilitate agricultural development by targeting beneficiaries of land restitution and redistribution, and other previously disadvantaged producers who have acquired land through private means, and are engaged in value-adding enterprises domestically, or involved in exports To address damage to infrastructure caused by floods
Expected outputs of the grant	503 smallholder farmers supported through CASP 94 youth and 319 women farmers supported through CASP 13 on-off farm infrastructure provided 30 beneficiaries of CASP supported with SA GAP certification 262 jobs created 5 050 beneficiaries of CASP trained on farming methods, and 36 farms receiving mentoring 120 unemployed graduates placed on commercial enterprises for potential skills transfer 503 beneficiaries of CASP supported with market access 53 extension personnel maintained in the system
Actual outputs achieved	531 smallholder farmers supported through CASP 99 youth and 327 women farmers supported through CASP 10 on-off farm infrastructure provided 15 beneficiaries of CASP supported with SA GAP certification 203 jobs created 5 092 beneficiaries of CASP trained on farming methods, and 36 farms receiving mentoring 117 unemployed graduates placed on commercial enterprises for potential skills transferred 531 beneficiaries of CASP supported with market access 53 extension personnel maintained in the system
Amount per amended DORA (R'000)	R161 005 000
Amount transferred (R'000)	R161 005 000
Reasons if amount as per DORA not transferred	N/A
Amount spent by the department/municipality (R'000)	R161 005 000
Reasons for the funds unspent by the entity	
Monitoring mechanism by the transferring department	Monthly, quarterly and annual reports. Quarterly review meetings and project site meetings

Department to whom the grant has been transferred	Northern Cape Department of Agriculture, Environmental Affairs, Rural Development and Land Reform
Purpose of the grant	To provide effective agricultural support services, promote and facilitate agricultural development by targeting beneficiaries of land restitution and redistribution, and other previously disadvantaged producers who have acquired land through private means, and are engaged in value-adding enterprises domestically, or involved in exports To revitalise agricultural colleges into centres of excellence
Expected outputs of the grant	4 subsistence, 913 smallholder and no commercial farmers supported through CASP



Department to whom the grant has been transferred	Northern Cape Department of Agriculture, Environmental Affairs, Rural Development and Land Reform
	<p>120 youth, 224 women and one farmer with a disability supported through CASP</p> <p>1 on-off farm infrastructure provided</p> <p>97 boreholes analysed</p> <p>15 mobile handling facilities provided</p> <p>2 fixed handling facilities provided</p> <p>9 machinery packages provided</p> <p>4 firefighting equipment provided</p> <p>24 Swakara rams provided</p> <p>22 Angora rams provided</p> <p>22 Merino rams provided</p> <p>42 beneficiaries (farms) of CASP supported with SA GAP certification</p> <p>29 jobs created</p> <p>667 beneficiaries of CASP trained on farming methods, and no farm receiving mentoring</p> <p>80 unemployed graduates placed on commercial enterprises for potential skills transfer</p> <p>No beneficiaries of CASP supported with market access</p> <p>37 extension personnel maintained in the system</p> <p>12 new extension practitioners recruited</p>
Actual outputs achieved	<p>1 subsistence, 301 smallholder and no commercial farmers supported through CASP</p> <p>39 youth, 74 women and no farmers with disabilities supported through CASP</p> <p>1 on-off farm infrastructure provided</p> <p>35 boreholes analysed</p> <p>No mobile handling facilities provided</p> <p>No fixed handling facilities provided</p> <p>1 machinery package provided</p> <p>No firefighting equipment provided</p> <p>No Swakara rams provided</p> <p>No Angora rams provided</p> <p>No Merino rams provided</p> <p>39 beneficiaries (farms) of CASP supported with SA GAP certification</p> <p>29 jobs created</p> <p>1 211 beneficiaries of CASP trained on farming methods, and one farm receiving mentoring</p> <p>71 unemployed graduates placed on commercial enterprises for potential skills transfer</p> <p>No beneficiaries of CASP supported with market access</p> <p>36 extension personnel maintained in the system</p> <p>No extension practitioners recruited</p>
Amount allocated per DORA	R120 382 000
Amount received	R120 382 000
Reasons if amount as per DORA not received	N/A
Amount spent by the department	R120 382 000
Reasons for the funds unspent	
Reasons for deviation on performance	N/A
Measures taken to improve performance	A special task team was established driven by CFO and HoD to ensure the approved plans are implemented as approved within the given timeframes
Monitoring mechanism by the receiving department	DALRRD officials monitored and evaluated projects on a quarterly basis. The conditional grant Quarterly Review Meetings were held to monitor grant performance and implementation. Reports were compiled on a monthly and quarterly basis to present progress report of the grant



Department to whom the grant has been transferred	North West Department of Agriculture and Rural Development
Purpose of the grant	To provide effective agricultural support services, promote and facilitate agricultural development by targeting beneficiaries of land restitution and redistribution, and other previously disadvantaged producers who have acquired land through private means, and are engaged in value-adding enterprises domestically, or involved in exports To revitalise agricultural colleges into centres of excellence
Expected outputs of the grant	No subsistence, 575 smallholder and 0 commercial farmers supported through CASP 35 youth, 127 women and no farmers with disabilities supported through CASP 111 on-off farm infrastructure provided 12 beneficiaries of CASP supported with SA GAP certification 150 jobs created 980 beneficiaries of CASP trained on farming methods, and no farms receiving mentoring 120 unemployed graduates placed on commercial enterprises for potential skills transfer 145 beneficiaries of CASP supported with markets access 18 extension personnel maintained in the system 2 agricultural colleges upgrading infrastructure
Actual outputs achieved	No subsistence, 682 smallholder and no black commercial farmers were supported through CASP 41 youth, 147 women and no farmers with disabilities were supported through CASP 57 on-off farm infrastructure was provided No animals vaccinated for foot-and-mouth disease in North West 30 jobs created 8 beneficiaries of CASP supported with SA GAP certification 12 smallholder producers supported with advocacy on SA Gap certification and related processes 145 beneficiaries of CASP supported with market access 1 181 beneficiaries of CASP trained on farming methods 114 unemployed graduates placed on commercial enterprises for potential skills transfer 18 extension personnel salaries paid and maintained in the system 1 agricultural college upgrading infrastructure—TARDI
Amount allocated per DORA	R180 488 and R11 594 rollover
Amount received	R180 488 and R11 594 rollover
Reasons if amount as per DORA not received	N/A
Amount spent by the department	R99 489
Reasons for the funds unspent	Late transfer of CASP funds led to late implementation Delays with e-tender procurement processes Challenges with service providers who turned down offers late due to lack of capacity and cashflow Unavailability of commodity-relevant service providers Underquoting of service providers
Reasons for deviation on performance	Project not implemented due to lack of suitable service provider during procurement period
Measures taken to improve performance	Approval of panel of pre-qualified service providers will fast-track project implementation
Monitoring mechanism by the receiving department	Regular monitoring by project leaders, LAO manager, engineers, Deputy Directors and Directors Monthly monitoring by project coordinators Quarterly monitoring by DALRRD



Department to whom the grant has been transferred	Western Cape Department of Agriculture
Purpose of the grant	To provide effective agricultural support services, promote and facilitate agricultural development by targeting beneficiaries of land restitution and redistribution, and other previously disadvantaged producers who have acquired land through private means, and are engaged in value-adding enterprises domestically, or involved in exports To revitalise agricultural colleges into centres of excellence
Expected outputs of the grant	No subsistence, 11 smallholder and 29 commercial farmers supported through CASP 2 youth, 27 women and 2 farmers with disabilities supported through CASP 38 on-off farm infrastructure provided 7 beneficiaries of CASP supported with SA GAP certification 224 jobs created 3 025 beneficiaries of CASP trained on farming methods, and 35 farms receiving mentoring 120 unemployed graduates placed on commercial enterprises for potential skills transfer 67 beneficiaries of CASP supported with market access 30 extension personnel maintained in the system 1 agricultural college upgrading infrastructure
Actual outputs achieved	No subsistence, 22 smallholder and 22 black commercial farmers were supported through CASP 2 youth, 27 women and 2 farmers with disabilities were supported through CASP 58 on-off farm infrastructure was provided 7 beneficiaries of CASP supported with SA GAP certification 8 smallholder producers supported with advocacy on SA Gap certification and related processes, five pre-audited on SA GAP with no certified and 1 Global GAP certified 1 987 jobs created 4 278 beneficiaries of CASP trained on farming methods, 35 farmers linked with mentors 121 unemployed graduates placed on commercial enterprises for potential skills transfer 67 beneficiaries of CASP with markets identified 30 extension personnel salaries paid and maintained in the system 1 agricultural college upgrading infrastructure
Amount allocated per DORA	R116 753
Amount received	R116 753
Reasons if amount as per DORA not received	All amounts per DORA were received
Amount spent by the department	R113 512
Reasons for the funds unspent	The refurbishment of the pomology building at the college was scheduled to be finished in 2021/2022. The Western Cape Department of Transport and Public Works (WCDTPW) was unable to secure a contractor to complete the project. A request for deviation and subsequently rollover funds was submitted to national department. The contractor's appointment was finalised in March, for commencement of work in April 2022
Reasons for deviation on performance	Underspensing due to procurement challenges by the WCDTPW
Measures taken to improve performance	Ongoing engagements with WCDTPW to improve on deliverables
Monitoring mechanism by the receiving department	Monthly financial reports were submitted to the transferring department on the fifteenth of each month Quarterly review meetings were scheduled by DALRRD for provinces to report on the performance of the grant Quarterly reports were submitted to the transferring department by the twentieth after the reporting period



## Conditional Grant 2: Ilima/Letsema

Department to whom the grant has been transferred	Eastern Cape Department of Rural Development and Agrarian Reform
Purpose of the grant	To assist vulnerable South African farming communities to achieve an increase in agricultural production and invest in infrastructure that unlocks agricultural production within strategically identified commodities/products and production areas
Expected outputs of the grant	20 000 subsistence, 8 004 smallholder and no commercial farmers supported through Ilima/Letsema 800 youth, 17 000 women and 5 farmers with disabilities supported through Ilima/Letsema 16 657 ha of land under agricultural production (field crops such as grains and oilseeds, horticulture fibre, and livestock) 1 000 jobs created
Actual outputs achieved	20 403 subsistence, 8 608 smallholder and no black commercial farmers were supported through Ilima/Letsema 846 youth, 17 729 women and no farmers with disabilities were supported through Ilima/Letsema 18 232 ha of land under agricultural production (field crops such as grains and oilseeds) 969 jobs were created
Amount allocated per DORA	R74 567 000
Amount received	R74 567 000
Reasons if amount as per DORA not received	
Amount spent by the department	R73 737 000
Reasons for the funds unspent	N/A
Reasons for deviation on performance	The programme exceeded the number of targeted beneficiaries and hectares planted across its support categories (grains, household subsistence support) and this was mainly due to the demand of the grain and household food security support services in the province. The procurement of production inputs using the Framework Agreements assisted the department to stretch the allocated budget to more beneficiaries and hectares planted as the process was done early while the prices were more affordable Due to the procurement processes followed when supporting farmers, the winning bid for production inputs exceeded by R24 000,00, and the payment was processed with this extra amount, therefore the deviation. Cancelling the process to avoid this would have negatively affected the service delivery as these processes are lengthy in nature The department strive to accommodate the disabled people amongst those supported in the grant, however, no people with disabilities were reported in the financial year because there were no submissions from this category, although there was a plan to support them 969 jobs were created instead of the 1 000 jobs set as target and this is because the significant amount (54%) of this grant was allocated to household subsistence food production, which does not necessarily create direct jobs as people are supported with production inputs for their backyard gardens
Measures taken to improve performance	The department will ensure that the spending adheres to the allocated amounts in the future and where there are deviations, journals will be used to correct the deviation The department will increase the intensity of its awareness campaigns to ensure that its support attracts and accommodate the disabled persons as well. The local offices and officials will be sensitised about this as they are more likely to know the people at local and ward level who need the support provided by the DRDAR
Monitoring mechanism by the receiving department	The programme holds weekly meetings to assess the performance of conditional grants in terms of projections and the actual delivery of support delivered to beneficiaries. Decisions and advice are immediately provided to districts that may show poor performance and expenditure



Department to whom the grant has been transferred	Free State Department of Agriculture and Rural Development
Purpose of the grant	To assist vulnerable South African farming communities to achieve an increase in agricultural production and invest in infrastructure that unlocks agricultural production within strategically identified commodities/products and production areas
Expected outputs of the grant	657 subsistence, 16 smallholder and no commercial farmers supported through Ilima/Letsema 114 youth, 633 women and no farmers with disabilities supported through Ilima/Letsema 2 470 ha of land under agricultural production (field crops such as grains and oilseeds, horticulture fibre, and livestock) Rehabilitated and expanded irrigation schemes 11 330 tons produced (production output) No superior breeding animals acquired and distributed to farmers 169 jobs created 15 community gardens supported with inputs 9 school gardens supported with inputs
Actual outputs achieved	657 subsistence, 16 smallholder and no commercial farmers supported through Ilima/Letsema 1 862 ha of land under agricultural production (field crops such as grains and oilseeds, horticulture, fibre, and livestock) No rehabilitated and expanded irrigation schemes 7 807 tons produced (production output) No superior breeding animals acquired and distributed to farmers 77 jobs created 15 community gardens supported with inputs 9 school gardens supported with inputs
Amount allocated per DORA	R71 601 000
Amount received	R62 381 000
Reasons if amount as per DORA not received	N/A
Amount spent by the department	R62 380 (87%)–R4 004 million (Rollover requested; funds committed on the system)
Reasons for the funds unspent	Underspensing on provincial projects under Ilima/Letsema due to the PPPFA procurement challenges. The department has also experienced procurement challenges towards February and March 2022. A tender for hatchery was non-responsive and due to PPPFA challenges, new tender could not be advertised
Reasons for deviation on performance	The department also experienced delays in implementing production inputs support to farmers due to heavy rains encountered The department has commenced the financial year at a slow rate due to the delay in the approval of the Ilima/Letsema business plan by national department
Measures taken to improve performance	The department has already requested for exemption in terms of Section 3(C) of the Preferential Procurement Policy Framework, 2000 (Act No. 5 of 2000) (The Act) to continue with procurement from National Treasury
Monitoring mechanism by the receiving department	Decentralised implementation of projects and procurement with strong monitoring and control measures

Department to whom the grant has been transferred	Gauteng Department of Agriculture and Rural Development
Purpose of the grant	To assist vulnerable South African farming communities to achieve an increase in agricultural production and invest in infrastructure that unlocks agricultural production within strategically identified commodities/products and production areas
Expected outputs of the grant	2 000 subsistence, 180 smallholder and 13 commercial farmers supported through Ilima/Letsema 25 youth, 48 women and 2 farmers with disabilities supported through Ilima/Letsema 4 200 ha of land under agricultural production (field crops such as grains and oilseeds, horticulture fibre, and livestock) No rehabilitated and expanded irrigation schemes 25 200 tons produced (production output) No superior breeding animals acquired and distributed to farmers



Department to whom the grant has been transferred	Gauteng Department of Agriculture and Rural Development
Actual outputs achieved	200 jobs created 33 community gardens supported with inputs 63 school gardens supported with inputs 4 275,5 ha of land under agricultural production were planted 27 960 tons produced (production output) although most farmers have not harvested yet 248 jobs created 2 868 household food gardens (subsistence), 69 school gardens and 40 community gardens were supported with inputs 4 130 subsistence farmers were supported 242 smallholder farmers were supported 29 black commercial farmers were supported 28 youth, 92 women and 2 farmers with disabilities supported through Ilima/Letsema
Amount allocated per DORA	R36 459 000
Amount received	R36 459 000
Reasons if amount as per DORA not received	None
Amount spent by the department	R36 377 000
Reasons for the funds unspent	None
Reasons for deviation on performance	None
Measures taken to improve performance	Start procurement early, tender processes to be speeded up
Monitoring mechanism by the receiving department	DALRRD officials monitored and evaluated projects on a quarterly basis. The conditional grant quarterly review meetings were held to monitor grant performance and implementation. Reports were compiled on a monthly and quarterly basis to present progress report of the grant

Department to whom the grant has been transferred	KwaZulu-Natal Department of Agriculture and Rural Development
Purpose of the grant	To assist vulnerable South African farming communities to achieve an increase in agricultural production and invest in infrastructure that unlocks agricultural production within strategically identified commodities/products and production areas
Expected outputs of the grant	1 040 subsistence, 1 922 smallholder and 18 commercial farmers supported through Ilima/Letsema 472 youth, 1 027 women and 7 farmers with disabilities supported through Ilima/Letsema 14 200 ha of land under agricultural production (field crops such as grains and oilseeds, horticulture fibre, and livestock) 6 rehabilitated and expanded irrigation schemes 50 050 tons produced (production output) 2 062 jobs created No community gardens supported with inputs No school gardens supported with inputs
Actual outputs achieved	3 068 subsistence, 5 657 smallholder and 25 commercial farmers supported through Ilima/Letsema 14 200 ha of land under agricultural production (field crops such as grains and oilseeds, horticulture fibre, and livestock) 5 rehabilitated and expanded irrigation schemes 51 600 tons produced (production output) 3 000 jobs created No community gardens supported with inputs No school gardens supported with inputs



Department to whom the grant has been transferred	KwaZulu-Natal Department of Agriculture and Rural Development
Amount allocated per DORA	R73 799 000
Amount received	R73 799 000
Reasons if amount as per DORA not received	N/A
Amount spent by the department	R73 799 000
Reasons for the funds unspent	
Monitoring mechanism by the receiving department	Quarterly progress reports across the various deliverables and meetings to discuss the progress on implementation, as well as the projects verification visits

Department to whom the grant has been transferred	Limpopo Department of Agriculture and Rural Development
Purpose of the grant	To assist vulnerable South African farming communities to achieve an increase in agricultural production and invest in infrastructure that unlocks agricultural production within strategically identified commodities/products and production areas
Expected outputs of the grant	16 500 subsistence, 3 359 smallholders and no commercial farmers supported through Ilima/Letsema 1 426 youth, 9 034 women and 99 farmers with disabilities supported through Ilima/Letsema 7 858 ha of land under agricultural production (field crops such as grains and oilseeds, horticulture fibre, and livestock) No rehabilitated and expanded irrigation schemes 22 394,6 tons produced (Maize: 11 784 tons; vegetables: 7 455 tons; fruit: 1 975 tons; sorghum: 521 tons; beans: 52,6 tons; cotton: 607 tons) 101 superior breeding animals acquired and distributed to farmers: 7 bulls: 1 Brahman, 2 Bonsmara, 1 Hugenoot, 1 Bonsmara stud and 2 commercial beefmaster; 21 heifers: 16 commercial Bonsmara and 5 commercial White Brahman; 41 Dorper sheep: 40 ewes and 1 ram and 32 goats: 2 rams and 30 does 8 588 jobs created 15 community gardens supported with inputs 30 school gardens supported with inputs
Actual outputs achieved	14 679 subsistence, 775 smallholders and no commercial farmers supported through Ilima/Letsema 840 youth, 4 271 women and 79 farmers with disabilities 5 364,83 ha of land under agricultural production (field crops such as grains and oilseeds, horticulture fibre, and livestock) No rehabilitated and expanded irrigation schemes 17 525,2 tons produced (Maize: 9 533,1 tons; vegetables: 5 487 tons; fruit: 1 610 tons; sorghum: 381 tons; beans: 25,5 tons; cotton: 488,6 tons) 62 superior breeding animals acquired and distributed to farmers: 5 bulls: 1 Brahman, 2 Bonsmara; 1 Hugenoot and 1 Bonsmara stud; 16 heifers: 16 commercial Bonsmara heifers; 41 Dorper sheep: 40 ewes and 1 ram; no goats delivered 8 783 jobs created 22 community gardens supported with inputs 37 school gardens supported with inputs
Amount allocated per DORA	R73 709 000
Amount received	R73 709 000
Reasons if amount as per DORA not received	N/A
Amount spent by the department	R61 997 000
Reasons for the funds unspent	The department experienced a challenge of some projects not fully supported due to the service providers with contracts not able to deliver the required inputs because of increases in price of inputs as well as delivery expenses of



Department to whom the grant has been transferred	Limpopo Department of Agriculture and Rural Development
	inputs. They cited that they are experiencing less profit margin as compared to the quoted prices in their contracts with the department The other contributing factor was the projects that did not have water rights. These projects could not be supported in line with the directive from the National Assessment Panel of the Transferring Department
Reasons for deviation on performance	The challenges of service providers failing to deliver the production inputs led to limited supported for the projects supported Some of the procurements were delivered very late at the end of the last quarter of the financial year and rollover requests have been submitted to defray the accruals The other contributing factor was the projects that did not have water rights. These projects could not be supported in line with the decision of the National Assessment Panel of the Transferring Department
Measures taken to improve performance	The department shall ensure that the procurements of all required production inputs are done in line with the projections Where engagements are to be done with appointed service providers, the department shall ensure that all bottlenecks are removed as a matter of priority as this negatively impact on the grant implementation
Monitoring mechanism by the receiving department	The Office of the National Transferring Officer monitored and evaluated projects during the financial year whenever it was possible The conditional grant Quarterly Review Meetings were held to monitor grant performance and implementation by the province Financial reports were compiled and submitted monthly and quarterly reports were also compiled and submitted on a quarterly basis The provincial office monitored the grant through submissions of project implementation progress by the district and local municipality coordinators Project monitoring and evaluation was conducted by the district and local municipality officials who were implementing the projects at their spheres of influence



Department to whom the grant has been transferred	Mpumalanga Department of Agriculture, Rural Development, Land and Environmental Affairs
Purpose of the grant	To assist vulnerable South African farming communities to achieve an increase in agricultural production and invest in infrastructure that unlocks agricultural production within strategically identified commodities/products and production areas
Expected outputs of the grant	2 313 subsistence, 1 152 smallholder and no commercial farmers supported through Ilima/Letsema 2 617 youth, 5 496 women and 49 farmers with disabilities supported through Ilima/Letsema 15 400 ha of land under agricultural production (field crops such as grains and oilseeds, horticulture fibre, and livestock) No rehabilitated and expanded irrigation schemes 61 600 tons produced (production output) No superior breeding animals acquired and distributed to farmers 185 jobs created 490 community gardens supported with inputs 20 school gardens supported with inputs
Actual outputs achieved	2 557 subsistence, 1 577 smallholder and no commercial farmers supported through Ilima/Letsema 17 673,77 ha of land under agricultural production (field crops such as grains and oilseeds, horticulture fibre, and livestock) No rehabilitated and expanded irrigation schemes 70 695,08 tons produced (production output) No superior breeding animals acquired and distributed to farmers 370 jobs created 490 community gardens supported with inputs 20 school gardens supported with inputs
Amount allocated per DORA	R68 980 000
Amount received	R68 980 000
Reasons if amount as per DORA not received	N/A
Amount spent by the department	R68 980 000
Reasons for the funds unspent	None
Reasons for deviation on performance	The overachievement on indicators is because of remodelling of the programme where smallholder producers are borrowed mechanisation and can cultivate the land as and when required
Measures taken to improve performance	None (All indicators/targets were achieved)
Monitoring mechanism by the receiving department	Monthly and quarterly reports, in-year monitoring reports, projects visits



Department to whom the grant has been transferred	Northern Cape Department of Agriculture, Environmental Affairs, Rural Development and Land Reform
Purpose of the grant	To assist vulnerable South African farming communities to achieve an increase in agricultural production and invest in infrastructure that unlocks agricultural production within strategically identified commodities/products and production areas
Expected outputs of the grant	16 subsistence, 436 smallholder and 173 commercial farmers supported through Ilima/Letsema 25 youth, 310 women and no farmers with disabilities supported through Ilima/Letsema 210 ha of land under agricultural production (field crops such as grains and oilseeds, horticulture fibre, and livestock) 1 rehabilitated and no expanded irrigation schemes 430 tons produced (production output) No superior breeding animals acquired and distributed to farmers 250 jobs created No community gardens supported with inputs No school gardens supported with inputs
Actual outputs achieved	6 subsistence, no smallholder and 173 commercial farmers supported through Ilima/Letsema 206 ha of land under agricultural production (field crops such as grains and oilseeds, horticulture fibre, and livestock) 1 rehabilitated and no expanded irrigation schemes 456 tons produced No superior breeding animals acquired and distributed to farmers 377 jobs created No community gardens supported with inputs No school gardens supported with inputs
Amount allocated per DORA	R68 980 000
Amount received	R68 980 000
Reasons if amount as per DORA not received	
Amount spent by the department	R68 880 000
Reasons for the funds unspent	
Reasons for deviation on performance	N/A
Measures taken to improve performance	A special task team was established driven by CFO and HoD to ensure the approved plans are implemented as approved within the given timeframes
Monitoring mechanism by the receiving department	DALRRD officials monitored and evaluated projects on a quarterly basis. The conditional grant Quarterly Review Meetings were held to monitor grant performance and implementation. Reports were compiled on a monthly and quarterly basis to present progress report of the grant



Department to whom the grant has been transferred	North West Department of Agriculture and Rural Development
Purpose of the grant	To assist vulnerable South African farming communities to achieve an increase in agricultural production and invest in infrastructure that unlocks agricultural production within strategically identified commodities/products and production areas
Expected outputs of the grant	2 420 subsistence, 288 smallholder and no commercial farmers supported through Ilima/Letsema 596 youth, 1 760 women and no farmers with disabilities supported through Ilima/Letsema 13 500 ha of land under agricultural production (field crops such as grains and oilseeds, horticulture fibre, and livestock) No rehabilitated and expanded irrigation schemes 12 943 tons produced (production output) No superior breeding animals acquired and distributed to farmers 50 jobs created 18 community gardens supported with inputs 13 school gardens supported with inputs
Actual outputs achieved	3 674 subsistence, 291 smallholder and no commercial farmers supported through Ilima/Letsema 839 youth, 2 542 women and 0 farmers with disabilities supported through Ilima/Letsema 15 009 ha of land under agricultural production (field crops such as grains and oilseeds, horticulture fibre, and livestock) No rehabilitated and expanded irrigation schemes 14 893 tons produced (production output) estimated No superior breeding animals acquired and distributed to farmers No jobs created 18 community gardens supported with inputs 13 school gardens supported with inputs
Amount allocated per DORA	R71 310 000
Amount received	R71 310 000
Reasons if amount as per DORA not received	N/A
Amount spent by the department	R53 669 000
Reasons for the funds unspent	Challenges with non-responsive service providers delaying procurement finalisation Challenges with service providers turning down offers owing to lack of capacity and cash flow Delays with e-tender procurement processes Heavy rains during the latter part of third quarter
Reasons for deviation on performance	N/A
Measures taken to improve performance	Approval of panel of pre-qualified service providers will fast-track project implementation Regular project performance meetings Implement according to procurement plan and implementation plan
Monitoring mechanism by the receiving department	Regular monitoring by project leaders, LAO manager, engineers, Deputy Directors and Directors Monthly monitoring by project coordinators Quarterly monitoring by DALRRD



Department to whom the grant has been transferred	Western Cape Department of Agriculture
Purpose of the grant	To assist vulnerable South African farming communities to achieve an increase in agricultural production and invest in infrastructure that unlocks agricultural production within strategically identified commodities/products and production areas
Expected outputs of the grant	1 800 subsistence, 23 smallholder and 7 commercial farmers supported through Ilima/Letsema 38 youth, 135 women and 5 farmers with disabilities supported through Ilima/Letsema 1 493 jobs created 56 community gardens supported with inputs 14 school gardens supported with inputs
Actual outputs achieved	2 780 subsistence, 21 smallholder and 16 commercial farmers supported through Ilima/Letsema 452 youth, 1 437 women and 5 farmers with disabilities supported through Ilima/Letsema 3 214 jobs created 142 community gardens supported with inputs 26 school gardens supported with inputs
Amount allocated per DORA	R57 721 000
Amount received	R57 721 000
Reasons if amount as per DORA not received	All amounts as per DORA received
Amount spent by the department	R57 721 000
Reasons for the funds unspent	N/A
Reasons for deviation on performance	COVID-19 resulted in high levels of food security challenges and increased demands for support and services
Measures taken to improve performance	N/A
Monitoring mechanism by the receiving department	Monthly financial reports were submitted to the transferring department on the fifteenth of each month Quarterly review meetings were scheduled by DALRRD for provinces to report on the performance of the grant Quarterly reports were submitted to the transferring department by the twentieth after the reporting period



### Conditional Grant 3: LandCare 2021/2022

Department to whom the grant has been transferred: Eastern Cape	
Purpose of the grant	To promote sustainable use and management of natural resources by engaging in community-based initiatives that support the pillars of sustainability (social, economic and environmental), leading to greater productivity, food security, job creation and better well-being for all
Expected outputs of the grant	3 781 ha of natural rangeland rehabilitated and/or protected through sustainable rangeland management systems 30 ha of cultivated land rehabilitated from and/or protected against land degradation 261 ha of land under conservation agriculture 100 youth successfully attending organised Junior LandCare initiatives No hectares of land where water resources are protected and rehabilitated 197 people with improved capacity and skill levels benefiting from capacity building initiatives 9 capacity building exercises conducted 13 awareness campaigns conducted 657 ha of land where weeds and invader plants are under control 56 km of fence erected 196 green jobs created expressed as full-time equivalents (FTEs) 36 LandCare committees established
Actual outputs achieved	1 815,72 ha of natural rangeland rehabilitated and/or protected through sustainable rangeland management systems No hectares of cultivated land rehabilitated from and/or protected against land degradation 231,66 ha of land under Conservation Agriculture No youth successfully attending organised Junior LandCare initiatives No hectares of land where water resources are protected and rehabilitated 136 people with improved capacity and skill levels benefiting from capacity building initiatives 9 capacity building exercises conducted 4 awareness campaigns conducted 630,21 ha of land where weeds and invader plants are under control 33,6 km of fence erected 287 green jobs created expressed as full-time equivalents (FTEs) 30 LandCare committees established
Amount per amended DORA	R12 513 000
Amount transferred	R12 513 000
Reasons if amount as per DORA not transferred	None
Amount spent by the department	R12 512 000
Reasons for the funds unspent	
Monitoring mechanism by the transferring department	Project visits, quarterly and financial reports

Department to whom the grant has been transferred: Free State	
Purpose of the grant	To promote sustainable use and management of natural resources by engaging in community-based initiatives that support the pillars of sustainability (social, economic and environmental), leading to greater productivity, food security, job creation and better well-being for all
Expected outputs of the grant	1 940 ha of natural rangeland rehabilitated and/or protected through sustainable rangeland management systems 64,5 km of waterway and kilometres of contours constructed 500 ha of land under Conservation Agriculture 900 youth successfully attending organised Junior LandCare initiatives No hectares of land where water resources are protected and rehabilitated No people with improved capacity and skill levels benefiting from capacity building initiatives No capacity building exercises conducted 9 awareness campaigns conducted 511 ha of land where weeds and invader plants are under control No kilometres of fence erected 184 green jobs created expressed as FTEs



	No LandCare committees established
Actual outputs achieved	2 211 ha of natural rangeland rehabilitated and/or protected through sustainable rangeland management systems 665 ha of cultivated land rehabilitated from and/or protected against land degradation 20,5 km of waterway and kilometres of contours constructed 518 ha of land under Conservation Agriculture 821 youth successfully attending organised Junior LandCare initiatives No hectares of land where water resources are protected and rehabilitated 37 people with improved capacity and skill levels benefiting from capacity building initiatives 1 capacity building exercises conducted 4 awareness campaigns conducted 100 ha of land where weeds and invader plants are under control No kilometres of fence erected 197 green jobs created expressed as FTEs No LandCare committees established
Amount per amended DORA	R8 366 000
Amount transferred	R8 366 000
Reasons if amount as per DORA not transferred	None
Amount spent by the department	R8 074 758
Reasons for the funds unspent	Problems occurred with the payment of labour to our teams by the appointed paymaster
Monitoring mechanism by the transferring department	Project visits, quarterly and financial reports

<b>Department to whom the grant has been transferred: Gauteng</b>	
Purpose of the grant	To promote sustainable use and management of natural resources by engaging in community-based initiatives that support the pillars of sustainability (social, economic and environmental), leading to greater productivity, food security, job creation and better well-being for all
Expected outputs of the grant	No hectares of natural rangeland rehabilitated and/or protected through sustainable rangeland management systems No hectares of cultivated land rehabilitated from and/or protected against land degradation 53 ha of land under Conservation Agriculture 100 youth successfully attending organised Junior LandCare initiatives No hectares of land where water resources are protected and rehabilitated 125 people with improved capacity and skill levels benefiting from capacity building initiatives 25 capacity building exercises conducted 25 awareness campaigns conducted 32 ha of land where weeds and invader plants are under control No kilometres of fence erected 50 green jobs created expressed as FTEs (WO) No LandCare committees established
Actual outputs achieved	No hectares of natural rangeland rehabilitated and/or protected through sustainable rangeland management systems No hectares of cultivated land rehabilitated from and/or protected against land degradation No hectares of land under Conservation Agriculture No youth successfully attending organised Junior LandCare initiatives No hectares of land where water resources are protected and rehabilitated No people with improved capacity and skill levels benefiting from capacity building initiatives No capacity building exercises conducted No awareness campaigns conducted No hectares of land where weeds and invader plants are under control No kilometres of fence erected No green jobs created expressed as FTEs (WO) No LandCare committees established
Amount per amended DORA	R5 016 000
Amount transferred	R2 257 200



Reasons if amount as per DORA not transferred	Poor financial performance. Second and third quarter allocations were withheld
Amount spent by the department	R2 249 643
Reasons for the funds unspent	Slow internal procurement processes
Monitoring mechanism by the transferring department	Project visits, monthly financial and EPWP reports as well as quarterly reports

Department to whom the grant has been transferred: KwaZulu-Natal	
Purpose of the grant	To promote sustainable use and management of natural resources by engaging in community-based initiatives that support the pillars of sustainability (social, economic and environmental), leading to greater productivity, food security, job creation and better well-being for all
Expected outputs of the grant	No hectares of natural rangeland rehabilitated and/or protected through sustainable rangeland management systems No hectares of cultivated land rehabilitated from and/or protected against land degradation 440 ha of land under conservation agriculture No youth successfully attending organised Junior LandCare initiatives No hectares of land where water resources are protected and rehabilitated No people with improved capacity and skill levels benefiting from capacity building initiatives No capacity building exercises conducted 9 awareness campaigns conducted 1 782 ha of land where weeds and invader plants are under control 59 km of fence erected 245 green jobs created expressed as FTEs No LandCare committees established
Actual outputs achieved	No hectares of natural rangeland rehabilitated and/or protected through sustainable rangeland management systems No hectares of cultivated land rehabilitated from and/or protected against land degradation 453 ha of land under Conservation Agriculture No youth successfully attending organised Junior LandCare initiatives No hectares of land where water resources are protected and rehabilitated No people with improved capacity and skill levels benefiting from capacity building initiatives No capacity building exercises conducted 9 awareness campaigns conducted 1 855 ha of land where weeds and invader plants are under control 59 km of fence erected 251 green jobs created expressed as FTEs No LandCare committees established
Amount per amended DORA	R13 022 000
Amount transferred	R13 022 000
Reasons if amount as per DORA not transferred	None
Amount spent by the department	R13 022 000
Reasons for the funds unspent	N/A
Monitoring mechanism by the transferring department	Project visits, monthly financial and EPWP reports as well as quarterly reports

Department to whom the grant has been transferred: Limpopo	
Purpose of the grant	To promote sustainable use and management of natural resources by engaging in community-based initiatives that support the pillars of sustainability (social, economic and environmental), leading to greater productivity, food security, job creation and better well-being for all
Expected outputs of the grant	No hectares of natural rangeland rehabilitated and/or protected through sustainable rangeland management systems. No hectares of cultivated land rehabilitated from and/or protected against land degradation 589 ha of land under Conservation Agriculture 50 youth successfully attending organised Junior LandCare initiatives



	<p>No hectares of land where water resources are protected and rehabilitated</p> <p>712 people with improved capacity and skill levels benefiting from capacity building initiatives</p> <p>3 capacity building exercises conducted</p> <p>37 awareness campaigns conducted</p> <p>391 ha of land where weeds and invader plants are under control</p> <p>44 km of fence erected</p> <p>245 green jobs created expressed as FTEs (WO)</p> <p>12 LandCare committees established</p>
Actual outputs achieved	<p>No hectares of natural rangeland rehabilitated and/or protected through sustainable rangeland management systems.</p> <p>No hectares of cultivated land rehabilitated from and/or protected against land degradation</p> <p>442 ha of land under Conservation Agriculture</p> <p>No youth successfully attending organised Junior LandCare initiatives</p> <p>No hectares of land where water resources are protected and rehabilitated</p> <p>900 people with improved capacity and skill levels benefiting from capacity building initiatives</p> <p>18 capacity building exercises conducted</p> <p>30 awareness campaigns conducted</p> <p>143 ha of land where weeds and invader plants are under control</p> <p>34 km of fence erected</p> <p>395 green jobs created expressed as FTEs (WO)</p> <p>No LandCare committees established</p>
Amount per amended DORA	R13 016 000
Amount transferred	R13 016 000
Reasons if amount as per DORA not transferred	None
Amount spent by the department	R8 540 957
Reasons for the funds unspent	<p>Late start of projects</p> <p>Delays in Supply Chain Management processes</p>
Monitoring mechanism by the transferring department	Project visits, monthly financial and EPWP reports as well as quarterly reports

Department to whom the grant has been transferred: Mpumalanga	
Purpose of the grant	To promote sustainable use and management of natural resources by engaging in community-based initiatives that support the pillars of sustainability (social, economic and environmental), leading to greater productivity, food security, job creation and better well-being for all
Expected outputs of the grant	<p>2 910 ha of natural rangeland rehabilitated and/or protected through sustainable rangeland management systems</p> <p>No hectares of cultivated land rehabilitated from and/or protected against land degradation</p> <p>3 200 ha of land under conservation agriculture</p> <p>1 943 youth successfully attending organised Junior LandCare initiatives</p> <p>No hectares of land where water resources are protected and rehabilitated</p> <p>1 268 people with improved capacity and skill levels benefiting from capacity building initiatives</p> <p>27 capacity building exercises conducted</p> <p>23 awareness campaigns conducted</p> <p>348 ha of land where weeds and invader plants are under control</p> <p>74 km of fence erected</p> <p>448 green jobs created expressed as FTEs</p> <p>Five LandCare committees established</p>
Actual outputs achieved	<p>2 112 ha of natural rangeland rehabilitated and/or protected through sustainable rangeland management systems</p> <p>No hectares of cultivated land rehabilitated from and/or protected against land degradation</p> <p>4 317 ha of land under conservation agriculture</p> <p>1 963 youth successfully attending organised Junior LandCare initiatives</p> <p>No hectares of land where water resources are protected and rehabilitated</p> <p>642 people with improved capacity and skill levels benefiting from capacity building initiatives</p> <p>14 capacity building exercises conducted</p> <p>15 awareness campaigns conducted</p>



	23 ha of land where weeds and invader plants are under control 62 km of fence erected 412 green jobs created expressed as FTEs 4 LandCare committees established
Amount per amended DORA	R9 474 000
Amount transferred	R9 474 000
Reasons if amount as per DORA not transferred	None
Amount spent by the department	R9 474 000
Reasons for the funds unspent	N/A
Monitoring mechanism by the transferring department	Project visits, monthly financial and EPWP reports as well as quarterly reports

**Department to whom the grant has been transferred: Northern Cape**

Purpose of the grant	To promote sustainable use and management of natural resources by engaging in community-based initiatives that support the pillars of sustainability (social, economic and environmental), leading to greater productivity, food security, job creation and better well-being for all
Expected outputs of the grant	No hectares of natural rangeland rehabilitated and/or protected through sustainable rangeland management systems 800 ha of cultivated land rehabilitated from and/or protected against land degradation No hectares of land under conservation agriculture No youth successfully attending organised Junior LandCare initiatives 5 ha of land where water resources are protected and rehabilitated 30 people with improved capacity and skill levels benefiting from capacity building initiatives 1 capacity building exercise conducted No awareness campaigns conducted 4 500 ha of land where weeds and invader plants are under control No kilometres of fence erected 350 green jobs created expressed as full-time equivalents (FTEs) No LandCare committees established
Actual outputs achieved	No hectares of natural rangeland rehabilitated and/or protected through sustainable rangeland management systems 800 ha of cultivated land rehabilitated from and/or protected against land degradation No hectares of land under conservation agriculture No youth successfully attending organised Junior LandCare initiatives No hectares of land where water resources are protected and rehabilitated 30 people with improved capacity and skill levels benefiting from capacity building initiatives One capacity building exercise conducted No awareness campaigns conducted 4 759 ha of land where weeds and invader plants are under control No kilometres of fence erected 226 green jobs created expressed as FTEs No LandCare committees established
Amount per amended DORA	R7 697 000
Amount transferred	R7 697 000
Reasons if amount as per DORA not transferred	None
Amount spent by the department	R7 697 000
Reasons for the funds unspent	Late implementation of LandCare projects
Monitoring mechanism by the transferring department	Project visits, monthly financial and EPWP reports as well as quarterly reports

**Department to whom the grant has been transferred: North West**

Purpose of the grant	To promote sustainable use and management of natural resources by engaging in community-based initiatives that support the pillars of sustainability (social, economic and environmental), leading to greater productivity, food security, job creation and better well-being for all
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Expected outputs of the grant	<p>3 000 ha of natural rangeland rehabilitated and/or protected through sustainable rangeland management systems</p> <p>No hectares of cultivated land rehabilitated from and/or protected against land degradation</p> <p>No hectares of land under conservation agriculture</p> <p>No youth successfully attending organised Junior LandCare initiatives</p> <p>No hectares of land where water resources are protected and rehabilitated</p> <p>110 people with improved capacity and skill levels benefiting from capacity building initiatives</p> <p>9 capacity building exercises conducted</p> <p>No awareness campaigns conducted</p> <p>No hectares of land where weeds and invader plants are under control</p> <p>34 km of fence erected</p> <p>130 green jobs created expressed as FTEs</p> <p>No LandCare committees established</p>
Actual outputs achieved	<p>873 ha of natural rangeland rehabilitated and/or protected through sustainable rangeland management systems</p> <p>No hectares of cultivated land rehabilitated from and/or protected against land degradation</p> <p>No hectares of land under conservation agriculture</p> <p>No youth successfully attending organised Junior LandCare initiatives</p> <p>No hectares of land where water resources are protected and rehabilitated</p> <p>37 people with improved capacity and skill levels benefiting from capacity building initiatives</p> <p>3 capacity building exercises conducted</p> <p>No awareness campaigns conducted</p> <p>No hectares of land where weeds and invader plants are under control</p> <p>14 km of fence erected</p> <p>243 green jobs created expressed as FTEs</p> <p>No LandCare committees established</p>
Amount per amended DORA	R8 782 000
Amount transferred	R8 782 000
Reasons if amount as per DORA not transferred	None
Amount spent by the department	R8 782 000
Reasons for the funds unspent	N/A
Monitoring mechanism by the transferring department	Project visit, quarterly and financial report

**Department to whom the grant has been transferred: Western Cape**

Purpose of the grant	To promote sustainable use and management of natural resources by engaging in community-based initiatives that support the pillars of sustainability (social, economic and environmental), leading to greater productivity, food security, job creation and better well-being for all
Expected outputs of the grant	<p>1 400 ha of natural rangeland rehabilitated and/or protected through sustainable rangeland management systems</p> <p>No hectares of cultivated land rehabilitated from and/or protected against land degradation</p> <p>1 000 ha of land under conservation agriculture</p> <p>28 000 youth successfully attending organised Junior LandCare initiatives</p> <p>No hectares of land where water resources are protected and rehabilitated</p> <p>120 people with improved capacity and skill levels benefiting from capacity building initiatives</p> <p>8 capacity building exercises conducted</p> <p>24 awareness campaigns conducted</p> <p>3 000 ha of land where weeds and invader plants are under control</p> <p>168 km of fence erected</p> <p>178 green jobs created expressed as FTEs (WO)</p> <p>4 LandCare committees established</p>
Actual outputs achieved	<p>22 260 ha of natural rangeland rehabilitated and/or protected through sustainable rangeland management systems</p> <p>No hectares of cultivated land rehabilitated from and/or protected against land degradation</p> <p>1 954 ha of land under conservation agriculture</p>



	2 597 youth successfully attending organised Junior LandCare initiatives No hectares of land where water resources are protected and rehabilitated 150 people with improved capacity and skill levels benefiting from capacity building initiatives 8 capacity building exercises conducted 22 awareness campaigns conducted 4 601 ha of land where weeds and invader plants are under control 151 km of fence erected 1 336 green jobs created expressed as FTEs (WO) 4 LandCare committees established
Amount per amended DORA	R5 451 000
Amount transferred	R5 451 000
Reasons if amount as per DORA not transferred	None
Amount spent by the department	R5 450 000
Reasons for the funds unspent	None
Monitoring mechanism by the transferring department	Project visits, monthly financial and EPWP reports as well as quarterly reports

Department to whom the grant has been transferred: Gauteng	
Purpose of the grant	To promote sustainable use and management of natural resources by engaging in community-based initiatives that support the pillars of sustainability (social, economic and environmental), leading to greater productivity, food security, job creation and better well-being for all
Expected outputs of the grant	No hectares of natural rangeland rehabilitated and/or protected through sustainable rangeland management systems No hectares of cultivated land rehabilitated from and/or protected against land degradation 53 ha of land under conservation agriculture 100 youth successfully attending organised Junior LandCare initiatives No hectares of land where water resources are protected and rehabilitated 125 people with improved capacity and skill levels benefiting from capacity building initiatives 25 capacity building exercises conducted 25 awareness campaigns conducted 32 ha of land where weeds and invader plants are under control No kilometres of fence erected 50 green jobs created expressed as work opportunities (WO) No LandCare committees established
Actual outputs achieved	No hectares of natural rangeland rehabilitated and/or protected through sustainable rangeland management systems No hectares of cultivated land rehabilitated from and/or protected against land degradation No hectares of land under conservation agriculture No youth successfully attending organised Junior LandCare initiatives No hectares of land where water resources are protected and rehabilitated No people with improved capacity and skill levels benefiting from capacity building initiatives No capacity building exercises conducted No awareness campaigns conducted No hectares of land where weeds and invader plants are under control No kilometres of fence erected No green jobs created expressed as work opportunities (WO) No LandCare committees established
Amount per amended DORA	R5 016 000
Amount transferred	R2 257 200
Reasons if amount as per DORA not transferred	Poor financial performance. Second and third quarter allocations were withheld
Amount spent by the department	R2 249 643
Reasons for the funds unspent	Slow internal procurement processes
Monitoring mechanism by the transferring department	Project visits, monthly financial and EPWP reports as well as quarterly reports





PART C

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# Governance

## 1. Introduction

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

## 2. Risk management

The risk, governance and compliance processes have been continuously applied and maintained to protect the department against the known and unknown risk exposure. The department has an approved Risk and Compliance (RAC) Policy and Strategy which provide guidance on the implementation and integration of risk management systems. The RAC Strategy is aligned to the current MTSF and it provides the roadmap for the attainment of the mature risk culture. The department has, according to its RAC Strategy, maintained maturity level three (i.e. established) and processes are put in place to move to the advance level.

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



### Risk Management Committee

The department has a Risk Management Committee (RMC) which comprises of four external members with blend of skills, expertise and knowledge of the different sectors. The RMC is governed by approved Terms of Reference and it has authority to hold management accountable for risk management processes applied in the department. The design of the RMC has enhanced risk management accountability in the department. The meetings of the financial year were attended as indicated in the below table:

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



### 3. Fraud and corruption

#### Fraud Prevention and Ethics

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

As part of fraud/ corruption awareness the department conducted fraud, corruption and ethics awareness workshops. These workshops were conducted virtually for employees on salary level 12 and below where 293 employees attended. In addition to this, a virtual awareness session was conducted in collaboration with the Department of Correctional Services where offenders serving their sentences for fraud and corruption shared their experiences and encouraging staff not to engage in fraudulent or corrupt activities. Promotional materials (pamphlets and booklets) were distributed and placed at reception areas and entrances of buildings. These were distributed as part of creating awareness on the requirement by employees to disclose financial interests, procedure to be used by employees when applying to conduct outside remunerative work and prohibition of conducting business with the state.

Financial disclosures for other categories of employees in the department were done as follows:

Category/ Level of employment	Total number of employees in category	No. of employees who disclosed financial interests	No. of employees who failed to disclose financial interests
Level 11 and 12 including OSD/personal notches	1487	1 308	179
Below salary level 11 in Supply Chain and Finance Unit	972	800	172
PSR Officers	14	11	3
<b>Total</b>	<b>2473</b>	<b>2119</b>	<b>354</b>

The department will be taking appropriate action against the employees who failed to disclose their financial interest as required by the legislation.

#### Risk Management Committee Report

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

The Committee will continue to monitor risk issues in relation to the finalisation of the autonomy of Commission on Restitution of Land Rights, Outcomes of the 18th Constitutional Amendment Review, Outbreak of diseases, Rural development strategy and finalisation of the organisational structure (fit-for-purpose) with its placement.

### 4. Minimising conflict of interest

For a period of 2021/22, there were 296 SMS that disclosed their financial interest.

The department is continuously emphasising the importance of adhering to the Public Service Regulations of 2016 which require employees to disclose their financial interests. The continuous non-compliance poses a risk that employees may have interests that conflict with state laws or legislation and cannot be detected by the department.

During 2021/2022 financial year, the department in partnership with The Ethics Institute of South Africa conducted a virtual ethics training for Senior Managers. This training was compulsory for senior managers nominated by the Director-General as an effort to ensure that the department's leadership is capacitated to lead in an ethical manner. Forty-seven (47) participants attended the training over the three-day period. Various points that were discussed during training include:

- Core ethics concepts and distinctions
- Personal and organisational values
- Organisational Moral leadership
- Ethical issues in the workplace and ethical decision making
- Regulatory environment
- Ethical responsibilities of leaders



During the 2021/2022 financial year, fraud and ethics awareness training for employees below salary level 12 were conducted to 293 employees.

The discussions in the sessions presented an opportunity for the department to actively pursue creating ethics awareness across all levels within the organisation.

## 5. Code of conduct

The department subscribes to the Code of Conduct in the Public Service and non-adherence thereof is addressed with charges of Misconduct being levelled against employees in line with the Disciplinary Code and Procedures and the SMS handbook. Awareness sessions were conducted throughout the financial year.

## 6. Health, safety and environmental issues

The following activities were achieved during the 2021/22 financial year:

**Occupational Health and Safety Assessments** - to determine the level of compliance in accordance with OHS Act and its Regulations.

**Occupational Health and Safety Assessment and monitoring** - to determine the effectiveness of control measures implemented to minimize the spread of COVID-19 pandemic.

Province	Office/building	Date conducted
Eastern Cape	LRS	10/5/2021
	SG	19/06/2021
	QTN	31/05/2021
	Stirling office	31/07/2021
	Mthatha District	14/08/2021
	Block F&H	10/09/2021
	KWT DEEDS OFFICE	11/09/2021
		13/09/2021
	Queenstown	31/10/2021
	PE District	13/11/2021
	BLOCK F&H	21/01/2022
	Mthatha District	14/03/2022
	Mthatha Deeds	15/03/2022
	GADI	22/03/2022
	23/03/2022	
Paterson Road PE	24/03/2022	
Pearson Road PE	24/03/2022	
PE District	25/05/2022	



Province	Office/building	Date conducted
Free State	Thabo Mofutsanyane District Office	01/06/2021 30/11/2022 26/01/2022 24/03/2022
	Lejweleputswa District Office	11/11/2021 24/01/2022
	Fezile Dabi District Office	15/11/2021 25/01/2022 27/03/2021
	Omni Building	05/05/2021 02/06/2021 17/11/2021 11/02/2022
	PSSC	09/05/2021 03/06/2021 11/11/2021 08/02/2022 15/02/2022 17/02/2022
	116 Church Street	02/06/2021 03/06/2021 13/11/2021 28/01/2022 16/02/2022
	Maseru border	11/12/2021 26/01/2022
Gauteng/National office	ARC Silverton	28/04/2021
	Roodeplaar (Genetics Resources and Variety Control)	29/04/2021
	Delpen Building	30/04/2021
	Harvest House	23/05/2021
	Harvest House (joint walk-about with Physical Security, Facilities Management & Special Investigations)	25/05/2021 02/06/2021
	Capitol Towers was done in the following sections: • NARYSEC • RID • Risk Management	28/07/2021
	South Block	02/08/2021
	ARC Silverton	24/08/2021
	Hamilton 140	26/08/2021
	Roodeplaar Genetics	22/08/2021
	Roodeplaar Variety Control	23/08/2021
	Old Building	30/08/ 2021
	Sedupi K9	22/09/2021
	Sefala Building	12/11/2021
	ICD Building	09/12/2021 25/01//2022
	Animal Quarantine Station (Kempton Park)	28/09/2021
	Capitol Towers	25/01/2022
	Trust Bank	27/01/2022
	Agriculture Place	18/03/2022
	COVID-19 assessment conducted at the offices	Agriculture place
Harvest House		26/02/2022
Delpen Building		26/02/2022
Animal Quarantine Station in Kempton Park Station		05/03/2022
Perishable Cargo office in Kempton Park		05/03/2022
KwaZulu-Natal	John Ross House	07/05/2021
	SSC	10/08/2021
	PSSC	12/08/2021
	Pietermaritzburg District office	18/10/2021
	Deeds Registry	19/10/2021



Province	Office/building	Date conducted
Limpopo	RLCC: Biccard	26/04/2021 25/02/2022
	Waterberg	03/08/2021 01/03/2022
	Modimolle	05/10/2022 01/03/2022
	Beit-bridge	28/10/2021
	RLCC: Thabakgolo	08/12/2022 25/02/2022
	Old Mutual	13/12/2021 25/02/2022
	Grobber Bridge	31/01/2022
	Deeds and SG	26/03/2022 24/02/2022
	Vhembe District	27/05/2021 02/03/2022
	PSSC	19/05/2022 23/02/2022
	SPLUM	28/06/2022 24/02/2022
Mpumalanga	Lodgement office	06/08/2021
	RLCC office	02/12/2021
	Bateleur Block D (PSSC) office	16/02/2022
	Bateleur Block E (PSSC) office	19/10/2021
	Witbank office (DSSC)	06/07/2021
Northern Cape	Compound Building	30/07/2020
	Upington District Office	23/09/2020
	Namakwa District Office	20/10/2020
	Vioolsdrift Boarder Post	20/10/2020
	Springbok proposed Office	20/10/2020
	Nakop Boarder Post	21/10/2020
	De Aar Office	22/10/2020
North West	Makgobistadt borderline	18/05/2021
	Ramatlabama borderline	19/05/2021
	Loporung borderline	20/05/2021
	Tshidilamolomo borderline	20/05/2021
	Tlapeng borderline	21/05/2021
	Skilpadshek borderline	24/05/2021
	Swartkopfontein borderline	25/05/2021
	Mmamenwe borderline	25/05/2021
	Skeinsdam	25/05/2021
	Loding borderline	25/05/2021
	Wildebeest borderline	25/05/2021
	Deputy Minister's event in Dr Kenneth Kaunda district office	27/05/2021
	Thaba Nchu College	31/05/2021
	Omni building	02/05/2021
	SA Eagle's building	03/06/2021
SABS building 116A Church	03/06/2021	
Follow-up report and engaged Animal Health national office regarding Zeerust borderline complaints and non-compliance	15/12/2021	



Province	Office/building	Date conducted
Western Cape	Stellenbosch district office	23/08/2021
	Beaufort West District office	16/09/2021
	Clanwilliam office	17/11/2021
	Worcester office	24/11/2021
	Plant Quarantine	08/12/2021
	Bredasdorp office	28/01/2022
	NGI office	11/02/2021
	RLCC Lodgement Office	11/02/2021
	George RLCC	12/02/2022
	George PLR office	12/02/2022
	Oudtshoorn office	12/02/2022
	Beaufort West office	13/02/2022
	Airport office	04/03/2022
	Bellville office	04/03/2022
COVID-19 assessments (Western Cape)	NGI office	07/07/2021
		15/08/2021
		16/08/2021
	Deeds Registry	13/12/2021
	SG office	15/02/2022
	Mowbray Lodgement office	15/02/2022

#### OHS ASSESSMENTS CONDUCTED AT NARYSEC FACILITIES

Province	Office/building	Date conducted
Free State	Thaba Nchu College	31/05/2021
		30/06/2021
		01/07/2021
		28/11/2021
		03/05/2022
		05/02/2022

#### OHS ASSESSMENTS CONDUCTED AND COORDINATION OF HEALTH AND SAFETY DURING DEPARTMENTAL EVENTS TO ENSURE THAT HEALTH AND SAFETY STANDARDS ARE ADHERED TO

Province	Office/building	Date conducted
Eastern Cape	DM Skwatsha's event in Valkop farm Venterstad	19/04/2021
	DM Skwatsha's event- -Steynsburg	06/05/2021
	Site inspection for NARYSEC event preparation at Libode - event cancelled due COVID-19	17/06/2021
	Female Farmer event held in Bizana (Alfred Nzo Municipality)	22/10/2021
	DM Capa's event in Nqadu Great place	01/12/2021
		02/12/2021
	DM Skwatsha's event in Thornhill Village	14/12/2021
	DM Skwatsha's event in Mdantsane	15/12/2021
Free State	None	N/A
Gauteng/National office	Ministerial event held the Radisson Hotel	12/07/2021
	Engagement with women in Agriculture Agro-processing and Agribusiness – North West (Kgora Training Centre)	11/03/2022
KwaZulu-Natal	Farmers event held in Utrecht Hall	11/2021
	Land Restitution event	11/2021
	Minister's handing over farming equipment held in Eshowe	03/2022
Limpopo	Mash community event	01/12/2022
	Fusion Boutique Hotel	25/01/2022
Mpumalanga	Ministers event at Gert Sibande Municipality	10/04/2021
	DM's event at Emnotweni Casino Hotel	28/04/2021
	DM's event Belfast	26/03/2022
Northern Cape	Erin Game Park (event was cancelled)	24/09/2020
North West	Minister's event in Bojanala	26/05/2021
	Conducted an OHS pre-risk assessment and advised on compliance in Minister's event at Bojanala	27/05/2021
	Minister's event in Brits	28/02/2022
	Minister's event in Barolong Boo-Rra Tshidi Mafikeng	01/03/2022
	Minister's event in Seasons Mahikeng	02/03/2022



	Ministerial event on Small Scale Imbizo held in Mahikeng	11/03/2022
	Conducted an OHS pre-risk assessment and advised on compliance for Bojanala	27/05/2021
<b>Western Cape</b>	Covie Presidential Event	30/04/2021
	Plettenberg bay event	05/10/2021
	Uniondale event	05/10/2021
	Villiersdorp event	08/10/2021
	Montague event	12/10/2021
	Citrusdal event	25/10/2021
	Middelpos event	12/12/2021
	Paternoster event	13/12/2021
	District Six Presidential event	28/03/2022

#### OHS COMMITTEE MEETINGS HELD

Province	Office	Date of the meeting
<b>Eastern Cape</b>	LRS -10/05/2021	10/05/2021
	PSSC COVID-19 compliance office	20/05/2021
	OHS Operational meeting, Mthatha District, Queenstown	26/07/2021 17/06/2021 15/04/2021
<b>Gauteng/National office</b>	Establishment of on OHS Structure at Roodeplaat	12/05/2021
	OHS Sub-Committee meeting	18/05/2021
	Delpen Building	20/07/2021
	OHS sub-committee meeting	27/07/2021
	Centre Walk	30/07/2021
	Perishable Cargo in Kempton Park	16/08/2021
	OHS Committee meeting for Trust Bank, Sedupi K9 and Perishable Cargo	23/08/2021
	Sefala Building	22/02/2022
OHS Committee meeting at Kempton Park Perishable Cargo office	24/02/2022	
<b>KwaZulu-Natal</b>	OHS meeting held at SSC	04/03/2022
<b>Limpopo</b>	All offices in Limpopo (PSSC, SG, Deeds, RLCC & District Offices)	17/05/2021
	All offices in Limpopo (PSSC, SG, Deeds, RLCC & District Offices)	23/08/2021
	All offices in Limpopo (PSSC, SG, Deeds, RLCC & District offices)	16/09/2021
<b>Mpumalanga</b>	RLCC office	28/02/2022
	Lodgement office	02/03/2022
	Surveyor General office	10/03/2022
<b>Northern Cape</b>	32 COVID-19 sub-committee meetings held in different dates	These meetings were held on different dates (every Monday) through MS Teams
<b>North West</b>	Dr KK district	25/01/2022
	PSSC NW	14/02/2022
	Dr RS Mompoti	15/02/2022
	Ngaka Modiri Molema	04/03/2022
	Dr KK district	25/01/2022
	PSSC NW	14/02/2022
<b>Western Cape</b>	Stellenbosch district office	23/08/2021
	Beaufort West District office	16/09/2021
	Clanwilliam office	17/11/2021
	Worcester office	24/11/2021
	Plant Quarantine	08/12/2021
	Bredasdorp office	28/01/2022
	NGI office	11/02/2022
	RLCC Lodgement office	11/02/2022
	George RLCC	12/02/2022
	Oudtshoorn office	12/02/2022
	Beaufort West office	13/02/2022
	Airport office	04/03/2022
	Belville office	04/03/2022



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

Province	Building/office	Date
North West	Joint assessment conducted with DOEL inspector at Dr Kenneth Kaunda district office	26/01/2022
	Joint assessment conducted with DOEL inspector at PSSC	14/02/2022
	Joint assessment conducted with DOEL inspector at PSSC	16/02/2022

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

Province	Office	Reasons for the contravention/ prohibition notices to be issued	Date
Free State	116 Church Street	Non-compliance with OHS Act	16/02/2022
	PSSC	Non-compliance with OHS Act	17/02/2022
Limpopo	Waterberg district	Contravention: non-compliance with first aid box on the floor, exit doors not complying. Training certificates for first aid and she rep	05/10/2021
	Sekhukhune district	Contravention: non-compliance with first aid box on the floor, exit doors not complying. Training certificates for first aid and she rep. appointment letter of 16.2	08/10/2021

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

Province	Office/building	Nature incident	Date occurred/ reported
Gauteng/National office	South Block Building	The official sustained an injury on her hand	04/02/2022
	Old Building	The cleaner sustained an injury on his finger whilst assisting his fellow colleagues to start a grass trimmer	13/02/2022
Free State	Thabo Mofutsanyane District Office	Office flooding	01/06/2021
	NARYSEC Thaba Nchu College	Fire eruption	18/08/2021
KwaZulu-Natal	SSC	The office was flooded during rainy season there were resultant damages (computers, laptops and other office equipment)	22/12/2021
	SPLUM	The office was flooded but no equipment damaged	22/12/2021
	SSC	The employee had a seizure and she bumped her head and sustained injuries	09/02/2022

**EVACUATION DRILL CONDUCTED AT THESE OFFICES:**

Province	Office	Date of the meeting
Gauteng/National offices	Animal Quarantine Station Kempton Park	10/11/2021
	Drill conducted in Vereeniging Riviera on the Vaal for Bantubonke Community workers	09/12/2022
	Drill conducted in Rust De Winter Mongane Game Lodge, for Hammanskraal Community workers	10/12/2022
	Drill conducted in Magaliesburg, Valley Lodge, for Syferbult community workers	15/03/2022
	Drill conducted in Cullinan, for Thembisile Hani and Dr JS Moroka community worker	16/03//2022
KwaZulu-Natal	Vryheid Dis	19/08/2021
	New Castel	20/08/2021
	Midlands Regional District Office	01/09/2021
	SPLUM	14/09/2021
	Ladysmith	16/09/2021



Province	Office	Date of the meeting
	SSC	22/10/2021
	Richards Bay	27/10/2021
	RLCC: 200 Church	06/12//2021
	PLRO (PSSC)	15/02/2022
North West	Drill conducted at Dr RS Mompoti	15/02/2022
	Drill conducted at Ngaka Modiri Molema	04/03/2022
Western Cape	14 Long Street, Cape Town – The planned drill could not take place due to COVID-19 restrictions	08/12/2022

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

Province	Office/building	Date conducted
Eastern Cape	Mthatha District	14/03/2022
	Mthatha Deeds	15/03/2022
	GADI	22/03/2022 23/03/2022
	PE Inspection Services	24/03/2022
	PE Inspection and Quarantine	24/03/2022
Gauteng/National Office	Capitol Towers	15/04/2021
	ICD Building	20/05/2021
	PSSC: Gauteng	27/05/2021
	Delpen Building (cleaning staff)	10/07/2021
	Sedupi K9	22/07/2021
	Agriculture Place - (two sessions conducted)	29/07/2021
	Trust Bank	29/07/2021
	Agriculture Place	03/08/2021 (two sessions) 13/08/2021 17/08/2021
	Sefala Building	12/08/2021
	OHS awareness/workshop to OHS committee members on decontamination processes	31/08/2021
	Centre Walk (cleaning staff)	14/09/2021
	Harvest House (session was conducted at Agriculture Place)	16/09/2021
	Animal Quarantine Station in Kempton Park	21/10/2022
	Awareness conducted in Vereeniging Riviera on the Vaal, Bantubonke Community workers	09/12/2021
	Animal Quarantine Station in Kempton Park	21/10/2022
	Awareness conducted in Vereeniging Riviera on the Vaal, Bantubonke Community workers	09/12/2021
	Awareness conducted in Rust De Winter Mongane Game Lodge, Hammanskraal Community workers	10/12/2021
	Awareness conducted in Magaliesburg, Valley Lodge, for Syferbult community workers	15/03/2022
	Awareness conducted in Cullinan, for Thembisile Hani and Dr JS Moroka community worker	16/03/2022
	KwaZulu-Natal	SSC
Laager Centre		09/09/2021 30/03/2022
Ladysmith District office		17/09/2021
Richards Bay District office		30/09/2021
Vryheid District office		06/10/2021
New Castel District office		07/10/2021
Midlands District office		18/10/2021
Port Shepstone District office		26/10/2021
Golela Boarder		15/11/2021
Mahamba Boarder (falls under MP)		15/11/2021
Kosi Bay Boarder		16/11/2021
Induction to Interns		08/02/2022
PSSC		15/02/2022
SPLUM	23/02/2022	



<b>Limpopo</b>	OHS Workshop	03/08/2021
	Workshop on emergency evacuation procedures at RLCC Thabakgolo	03/08/2021
<b>Mpumalanga</b>	OHS awareness/workshop to OHS committee members on decontamination processes	02/09/2021
	OHS induction/awareness to newly appointed Interns	02/11/2021
<b>Northern Cape</b>	<ul style="list-style-type: none"> <li>• Awareness on decontamination of buildings (2 sessions)</li> <li>• Awareness on risks associated with the usage of heater and sanitizer</li> <li>• Awareness on sanitizing of GG vehicles</li> <li>• Awareness on wearing of Personal protective equipment (PPEs)</li> <li>• Awareness on steps to follow after a positive case is confirmed (2 sessions were held)</li> <li>• Awareness on reporting of work-related incidents and completion of screening register</li> </ul>	These awareness sessions were conducted through MS Teams on different dates/time
<b>North West</b>	Awareness conducted in Magaliesburg, Valley Lodge, for Syferbult community workers	15/03/2022
	Awareness conducted at Dr RS Mompoti	15/02/2022
	Awareness conducted at Ngaka Modiri Molema	04/03/2022
	Orientation /induction program for newly appointed employees in Premier hotel	15/03/2022
<b>Western Cape</b>	OHS awareness to Cleaning personnel staff at PSSC	11/04/2021
	OHS awareness to Cleaning personnel at NGI office	18/04/2021

**OHS training conducted to empower committee members on evacuation procedures and first aid techniques (to ensure compliance with General Safety Regulations 3)**

<b>Province</b>	<b>Training/course</b>	<b>Date conducted</b>
<b>Limpopo</b>	Emergency evacuation procedures	28/09/2021
	First aid (level 1 & 2)	29/09/2021
		30/09/2021



## Challenges experienced during 2021/22 financial year that impacted negatively on rendering of OHS activities

Province	Challenges experienced in the provinces
Eastern Cape	No management support on OHS matters No provision of working equipment (laptop)
Free State	Training of OHS committee members Procurement of First aid material OHS committee meetings suspended due to COVID-19 Emergency evacuation drills suspended due to COVID-19
Gauteng/ National office	No OHS Practitioner at Gauteng Offices
KwaZulu-Natal	No servicing of firefighting equipment at most buildings in KZN No safety signages (emergency exit signs) No designated assembly points/areas at 300 Pietermaritz Street (Deeds and SG; New Castel)
Limpopo	<ul style="list-style-type: none"> <li>• 16.2 not chairing OHS Committee Meetings</li> <li>• Poor training conducted to OHS members</li> <li>• All COC facilitated by facility unity without involving OHS but, during inspection Department of Labour expected it from OHS office</li> <li>• Cleaning service providers use non-SABS approved chemicals</li> <li>• No approved floor plans, no evacuation plans, no communication system that resulted in no evacuation drill simulations</li> </ul>
Mpumalanga	<ul style="list-style-type: none"> <li>• The most challenges came from COVID-19 protocols, that restricted a lot of activities meetings and drills</li> <li>• Rotation of staff, where each office rotated differently this had a negative impact on meeting even physically</li> <li>• Most OHS members are junior staff, they were not issued with home working tools like laptops so that they can connect via Teams application</li> <li>• Some of the staff generally and OHS members were on comorbid which hindered communication.</li> <li>• COVID-19 were prioritised by the management especially OHS Practitioners</li> </ul>
North West	No OHS Practitioner at North West offices

## 7. Portfolio committees

### Portfolio Committee Meetings: April 2021 – March 2022

No.	Meeting date	Committee	Agenda items
1.	13/04/2021	Portfolio Committee on Public Enterprises	Oversight Visit to Alexkor (Richtersveld) in Northern Cape
2.	04/05/2021	Portfolio Committee on Agriculture, Land Reform and Rural Development	Briefing on Department of Agriculture, Land Reform and Rural Development (DALRRD), Commission on Restitution of Land Rights (CRLR) and Ingonyama Trust Board (ITB) 2021/22 annual performance plans.
3.	05/05/2021	Portfolio Committee on Agriculture, Land Reform and Rural Development	Briefings by Office of the Valuer-General (OVG), Agricultural Research Council (ARC), Onderstepoort Biological Products (OBP) and National Agricultural Marketing Council (NAMC) 2021/22 annual performance plans.
4.	11/05/2021	Portfolio Committee on Agriculture, Land Reform and Rural Development	Consideration of the Portfolio Committee's report on 2021/22 Budget Vote 29.
5.	18/05/2021	Portfolio Committee on Agriculture, Land Reform and Rural Development	Liquor Products Amendment Bill: National House of Traditional Leaders comments.
6.	25/05/2021	Portfolio Committee on Agriculture, Land Reform and Rural Development	Liquor Products Amendment Bill: Portfolio Committee's report on the presidents' reservations on the Bill.
7.	26/05/2021	Portfolio Committee on Agriculture, Land Reform and Rural Development	National Task Team on crisis in rural custom feedlots in Eastern Cape (EC), KwaZulu-Natal (KZN) and North West (NW).
8.	01/06/2021	Portfolio Committee on Agriculture, Land Reform and Rural Development	Sectional Titles Amendment Bill and Agricultural Produce Agents Amendment Bill: Preparations for public participation



9.	09 – 13 August 2021	Portfolio Committee on Agriculture, Land Reform and Rural Development	Special Oversight Visit to KZN: Unrests in KZN.
10.	17/08/2021	Portfolio Committee on Agriculture, Land Reform and Rural Development	Sectional Titles Amendment Bill: public hearings and DALRRD's response to public comments.
11.	24/08/2021	Portfolio Committee on Agriculture, Land Reform and Rural Development	Sectional Titles Amendment Bill: Motion of desirability and deliberations; Report on Oversight visit to KZN and Gauteng prompted by unrests.
12.	25/08/2021	Portfolio Committee on Justice and Correctional Services	Briefing on Cannabis for Private Purposes Bill and National Cannabis Master Plan.
13.	31/08/2021	Portfolio Committee on Justice and Correctional Services	Cannabis for Private Purposes Bill: public hearings day 2.
14.	02/09/2021	Portfolio Committee on Justice and Correctional Services	Cannabis for Private Purposes Bill: public hearings day 3.
15.	03/09/2021	Portfolio Committee on Agriculture, Land Reform and Rural Development	Sectional Titles Amendment Bill: Consideration of the A-List/Committee's proposed amendments.
16.	07/09/2021	Portfolio Committee on Agriculture, Land Reform and Rural Development	Communal Property Associations 2019/20 Annual Report.
17.	10/09/2021	Portfolio Committee on Agriculture, Land Reform and Rural Development	Sectional Titles Amendment Bill: adoption
18.	09/11/2021	Portfolio Committee on Agriculture, Land Reform and Rural Development	Briefing by Auditor-General: DALRRD Portfolio Audit Outcomes: DALRRD, CRLR, OVG and South African Veterinary Council (SAVC) 2020/21 Annual Reports.
19.	12/11/2021	Portfolio Committee on Agriculture, Land Reform and Rural Development	Joint Portfolio Committees: Agriculture, Land Reform and Rural Development and Employment and Labour: Working conditions of farmworkers, farm dwellers, farming communities and farmers.
20.	16/11/2021	Portfolio Committee on Agriculture, Land Reform and Rural Development	Ingonyama Trust Board 2020/21 Annual Report.
21.	30/11/2021	Portfolio Committee on Agriculture, Land Reform and Rural Development	DALRRD and CRLR on: District Six challenges regarding housing allocation, tenure security and title deeds; Complaint against Cape Town Land Claims Office.
22.	07/12/2021	Portfolio Committee on Agriculture, Land Reform and Rural Development	DALRRD update on land claims complaints reported to the Portfolio Committee on Agriculture, Land Reform and Rural Development.
23.	15/02/2022	Portfolio Committee on Agriculture, Land Reform and Rural Development	Briefings by DALRRD and CRLR on quarter 1, 2 and 3 2020/21 performance and audit improvement plans.
24.	25/02/2022	Portfolio Committee on Agriculture, Land Reform and Rural Development	Briefings by ARC, NAMC, OBP, ITB, OVG on the 2021/22 quarter 1, 2 and 3 performance and audit plans.
25.	02/03/2022	Portfolio Committee on Agriculture, Land Reform and Rural Development	DALRRD's responses to the findings and recommendations on COVID-19 special audit reports.
26.	08/03/2022	Portfolio Committee on Agriculture, Land Reform and Rural Development	Briefings on the Agricultural Produce Agents Amendment Bill and NAMC's report on agricultural exports.
27.	15/03/2022	Portfolio Committee on Agriculture, Land Reform and Rural Development	District Six restitution report.
28.	18/03/2022	Portfolio Committee on Agriculture, Land Reform and Rural Development	Proposed draft joint programme of the portfolio committees on Agriculture, Land Reform and Rural Development and Employment and Labour: Working conditions



			of farmworkers, farm dwellers, farming communities and farmers.
29.	22/03/2022	Portfolio Committee on Agriculture, Land Reform and Rural Development	DALRRD response to Auditor-General's reports: COVID-19 Disaster Agricultural Support Fund.
30.	25/03/2022	Portfolio Committee on Agriculture, Land Reform and Rural Development	Briefing on DALRRD, CRLR & ITB's 2021/22 annual performance plans.
31.	29/03/2022	Portfolio Committee on Agriculture, Land Reform and Rural Development	Oversight visit to Perishable Products Export Control Board (PPECB).

## 8. Scopa resolutions

There were no oversight meetings with Standing Committee on Public Accounts during the financial year.

## 9. Prior modifications to audit reports

The department received an unqualified audit report from Auditor-general of South Africa (AGSA) for the financial year 2020/21. There was no modification.

## 10. Internal control unit

The Directorate: Internal Control and all the employees in the department identify the alleged irregular, fruitless and wasteful expenditure. Subsequent to the identification of the alleged irregular, fruitless and wasteful expenditure, the Directorate conducts an assessment to confirm the classification of the expenditure. Then the confirmed irregular, fruitless and wasteful transactions are presented to the Financial Compliance Committee for determination of the recommendations to be made to the Accounting Officer. A report is provided to the Accounting Officer with recommendations regarding actions to be taken.

The unit also maintains the registers for irregular, fruitless and wasteful expenditure and assists in strengthening the internal control environment where the non-compliance was identified and confirmed.

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

## 11. Internal audit and audit committees

### Key activities and objectives of internal audit

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

### Summary of audit work done by internal audit

Internal audit performed audits and consultations defined on the 2021/2022 DALRRD annual internal audit plan, including:

- Audits on the internal control processes falling within specific branches of the DALRRD and its trading entities.
- Audits on the financial processes of the DALRRD and its trading entities.
- Audits on the governance and risk management processes of the DALRRD.
- Audits on the processes governing performance information management.
- Information technology audits on various processes and systems.

### Key activities and objectives of the audit committee

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

- The efficiency and effectiveness of the system of internal control applied by the DALRRD;



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

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

Name	Qualifications	Internal or external member	If internal, position in the department	Date appointed	Date Resigned	No. of meetings attended
Dr N Z Qunta (Chairperson)	<ul style="list-style-type: none"> <li>• PhD</li> <li>• MBA</li> <li>• Masters in Commerce (Economics)</li> <li>• B.Com. Hons (Economics)</li> </ul>	External	Not Applicable	1 April 2020	Contract expired 31 March 2022	20
Mr A P Wakaba (Member)	<ul style="list-style-type: none"> <li>• MBA</li> <li>• B. Compt. Hons</li> <li>• B. Comm. (Acc.)</li> <li>• Adv. Dip. in Accounting Sciences</li> <li>• Certified Director™</li> <li>• AGA (SA)</li> </ul>	External	Not Applicable	1 April 2020	31 August 2021	6
Ms K G Mbonambi	<ul style="list-style-type: none"> <li>• B.Com. Hons</li> <li>• B. Acc.</li> <li>• Cert: Board Governance</li> <li>• Cert: Enterprise-Wide Risk Management</li> </ul>	External	Not Applicable	1 April 2020	Contract expired 31 March 2022	18
Ms A M M Badimo	<ul style="list-style-type: none"> <li>• B.Sc Computer Science</li> <li>• B.Sc Hons Computer Science</li> <li>• Master in Business Administration (MBA)</li> <li>• Master of Science (M.Sc)</li> <li>• CISM (Certified Information Security Manager)</li> <li>• CGEIT (Certified in the</li> </ul>	External	Not Applicable	1 April 2020	Contract expired 31 March 2022	20



	Governance of Enterprise IT <ul style="list-style-type: none"> <li>• CISA (Certified Information Systems Auditor)</li> <li>• CRISC (Certified in Risk and Information Systems Control)</li> <li>• Cobol Programming Diploma</li> <li>• PMP (Project Management Professional)</li> <li>• Cert. IT Auditing</li> <li>• COBIT 5</li> <li>• ITIL Foundation</li> <li>• Certified ISO 22301 Lead Implementer</li> <li>• Certified ISO 22301 BCMS Lead Auditor</li> <li>• Certified ISO 27001 ISMS Lead Auditor</li> <li>• Certified Blockchain Expert (CBE)</li> <li>• F. Inst D (IoDSA)</li> </ul>					
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## 12. Audit committees report

The Department of Agriculture, Land Reform and Rural Development Audit Committee is pleased to present its report for the financial year ended 31 March 2022. This report also includes the Deeds Registration Trading Account, the Agricultural Land Holdings Account and the Commission on Restitution of Land Rights.

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

### Audit Committee members and attendance

During the year under review the Audit Committee consisted of four members. The Audit Committee had 11 standard Audit Committee meetings and 9 Forensic Investigations Audit Committee in-committee meetings, as indicated in the table hereunder. The Audit Committee is constituted of persons who possess the correct mix of experience, qualifications, and skills to carry out its responsibilities.

Name of member	Number of standard AC meetings attended	Number of forensic AC in-committee meetings attended
Dr NZ Qunta (Chairperson)	11	9
Mr AP Wakaba (Member)	6	-
Ms AMM Badimo (Member)	11	9
Ms K Mbonambi (Member)	9	9



During the year under review:

- Dr NZ Qunta's contract expired on 31 March 2022;
- Mr AP Wakaba resigned on 31 August 2021;
- Ms AMM Badimo's contract expired on 31 March 2022; and
- Ms K Mbonambi's contract expired on 31 March 2022.

The Audit Committee appointed as at 1 April 2022 comprised of the following persons:

- Ms P Mzizi (Chairperson);
- Ms S Sekgobela (Member);
- Ms AMM Badimo (Member); and
- Ms K Mbonambi (Member).

### **Audit Committee responsibility**

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

The Chairperson of the Audit Committee presented their oversight reports to the Executive Authority during the financial year that ended 31 March 2022.

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

In line with the Public Finance Management Act, 1999, Internal Audit provides the Audit Committee and Management with assurance that the Internal Controls are appropriate and effective. This is achieved by evaluating Internal Controls to determine their effectiveness and efficiency, and by developing recommendations for enhancement or improvement. The Accounting Officer retains responsibility for implementing such recommendations as per Treasury Regulation 3.1.12.

The Department of Agriculture, Land Reform and Rural Development Management experienced numerous challenges during the 2021/2022 financial year resulting from the COVID-19 pandemic.

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

- Information and Communication Technology;
- Records Management;
- Financial Management in the Department of Agriculture, Land Reform and Rural Development and the Agricultural Land Holdings Account;
- Project Management;
- Contract Management; and
- Management of fraud, corruption, misconduct, irregularities and mismanagement. The Audit Committee expresses serious concern on inadequate internal control structures to prevent and detect fraud and the incidences of fraud identified in the department.

The Audit Committee acknowledges that the processes governing financial management at the Deeds Trading Account was adequate and effective.

### **Internal Audit**

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

The Audit Committee is satisfied that the Internal Audit function is operating effectively, and that it has taken into consideration the risks pertinent to the Department of Agriculture, Land Reform and Rural Development in its audits. Internal Audit has made significant progress with audits conducted in terms of its strategic three-year rolling internal audit plan.

### **Risk Management**

The Risk Management Committee has been appointed and is chaired by an independent chairperson and advises the Accounting Officer. Based on the Internal Audit report, the departmental risk and fraud management system requires improvement to address the following:

- Decision making not occurring within the confines of the defined risk appetite;
- Incomplete inventory of risks and opportunities;
- Insufficient quality of risk registers and inadequate attendant actions to address identified risks;
- The absence of structures which facilitate the timeous dissemination of risk related information;
- Risk Management function not fully capacitated; and



- Non-performance of cost benefit analysis in relation to risk mitigation strategies.

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

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

### **Evaluation of Financial Statements and Performance Reports**

The Audit Committee reviewed and discussed:

- the Annual Financial Statements to be included in the annual report, with the Auditor-General South Africa, the Accounting Officer and Management;
- the information on predetermined objectives to be included in the annual report;
- significant adjustments resulting from the audits; and
- changes in accounting policies and practices.

### **Auditor General South Africa**

We have reviewed the department's implementation plan for audit issues raised in the previous year and based on the interaction with the department, Internal Audit reports and the Auditor-General South Africa's audit reports, all matters have not been adequately addressed. More specifically, the Audit Committee expresses concern with:

- the qualified audit opinion for Agricultural Land Holdings Account (no improvement from the previous year); and
- the qualified audit opinion for the Department of Agriculture, Land Reform and Rural Development (regression from the previous year).

To effectively address and prevent repeat audit outcomes this must be a high priority for the department in the 2022/23 financial year.

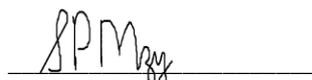
The Audit Committee acknowledges and commends the clean audit outcome for the Commission on Restitution of Land Rights and the unqualified audit opinion for the Deeds Registration Trading Entity.

The Audit Committee has met with the Auditor-General South Africa to ensure that there were no unresolved differences.

The Audit Committee concurs and accepts the conclusions of the Auditor-General South Africa on the Annual Financial Statements and is of the opinion that the Audited Annual Financial Statements should be accepted and read together with the reports of the Auditor-General South Africa.

### **Conclusion**

The Audit Committee expresses its appreciation to the Director-General, the department's management, Internal Audit and the Auditor-General South Africa for their assistance and cooperation in the dispensing of the Audit Committee's functions.



**Ms P Mzizi CA(SA)**

**Chairperson of the Audit Committee**

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

**Date: 31 July 2022**





PART D

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# Human resource management

## 1. Legislation that governs Human Resources Management

The information provided in this part is prescribed in the Public Service Regulations, 2016 (as amended), considering the provisions of the following legislative frameworks:

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

## 2. Introduction

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

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

The post establishment of the department totalled 8 937 posts, with 7 188 positions filled, 1 749 vacancies and 903 employees appointed additional to the post establishment, as at 31 March 2022. During the period under review, the vacancy rate of the department increased to 19,60% in 2021/22 from 15,7% at the end of the 2020/2021 financial year. (Please note the figures were as on PERSAL on the 31 March 2022).

The staff turnover rate decreased by 0,2% – from 4,3% during the 2020/2021 financial year to 4,1% during the 2021/2022 financial year. The staff turnover remains within the generally acceptable norm of 15% in the public service. This status reflects the available institutional memory and intelligence necessary to the realisation of the departmental mandate.

### Overview

#### Human resources priorities

Human Resource Planning remains at the core in ensuring the departmental capacity to deliver on its mandate and strategic objectives. Considering the above, the department continued to pursue its mandate and driving transformation of the sector, as well as implementation of the National Development Plan 2030, through execution and monitoring of the Human Resources (HR) Plan.

The year under review is the second year of implementation of the Medium Term Expenditure Framework (MTEF) HR Plan 2020 – 2023, which had identified the following HR Plan priorities: (1) Development and retention of scarce and critical skills; (2) Review, implementation, and monitor HR policies, practices, and procedures; (3) Transformation and diversity management; (4) Manage the recruitment and selection process for the department; (5) Foster sound labour relations in the department; and (6) Creation and maintenance of approved organisational structure to ensure alignment with MTEF.

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

The Quarterly HR Plan Implementation Reports for the monitoring of the MTEF HR Plan will be incorporated into the Annual MTEF HR Plan Implementation Report which was due to DPSA by 31 May 2022. The vision of strategic partnering with line function remains central to the human resources service delivery model which is aimed at maximising compliance to the regulatory framework, consistent application of best practices on people management as well as a high performing organisational culture.

The three-year departmental HR Strategy was developed, approved and its implementation commenced. The strategy outlines the strategic repositioning of the human resources function and how this function will enable the department to achieve its strategic objectives. Furthermore, the implementation plan was approved to ensure that this strategy is a living roadmap of the HR strategic intent.



## Organisational development

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

To give effect to the migration of staff to the newly approved start-up organisational structures, the Public Service Sectoral Bargaining Council (PSCBC) Resolution 1 of 2019 (Resolution) was entered into between public service labour unions and the Department of Public Service and Administration (DPSA) as the employer.

The Resolution provides guidelines on the identification, transfer and placement of staff in a transparent, fair and inclusive process that allows meaningful participation and consultation with all stakeholders. The General Public Service Sectoral Bargaining Council (GPSSBC) established the Departmental Task Team (DTT) to unpack and implement the Resolution, which is inclusive of union and employer representatives. The DTT undertook the matching and placement exercise of Members of the Senior Management Services (SMS) and lower-level employees in accordance with the approved structure (Macro- and Microstructure).

There are currently eleven (11) supernumerary Members of the SMS in the DALRRD who were appointed additionally to the organisational structure where specific projects were allocated to them. When the Fit-for-Purpose Organisational Structure, aligned to the Departmental HR Strategy, is developed and finalised, they will once again be considered for placement in the new organisational structure.

The matching and placement exercise for the lower-level employees (levels 12 and below) into the micro-organisational structure has been finalised. According to the project plan, it was envisaged that this process will be completed by 31 May 2021, but due to unforeseen delays and challenges, this was achieved on 6 January 2022. Supernumerary employees were consulted by the DTT sub-task team members and recommended to be placed in accordance with their respective qualifications and competencies. 9 110 posts (including SMS posts) were approved and 7 131 of the posts were filled (including Members of the SMS) during the migration and placement process. From the 7 131 employees placed, 72 employees (including Members of the SMS) were consulted.

To ensure continued service delivery as well as job security to the affected staff, the Forestry and Fisheries functions needed to be transferred with the requisite posts, staff and other concomitant resources to the Department of Forestry, Fisheries and Environment (DFFE). To this end, the posts and personnel that are utilised to carry out Forestry and Fisheries functions (line functions), as well as the support functions to these functions, have been identified for transfer to the DFFE. The number of posts to be transferred was determined by identifying the number of posts/personnel that are utilised for a specific function at the time of transfer. Through this process, an additional 74 Corporate Support Services posts were identified and agreed to for transfer to the DFFE across the areas such as Financial Accounting, Supply Chain Management, Asset Management, Human Resources Management, Employee Relations, Policy Research Support, etc. To date, 74 of these additional posts have been transferred.

While the transfer of the additional 74 Corporate Support Services incumbents and posts were being finalised, the DFFE indicated that they were not contented with only the identified 74 Corporate Support Services posts. The matter reached an impasse between DALRRD and DFFE and the Department of Public Service and Administration was requested to resolve the matter between the two departments. After lengthy negotiations between the respective departments, DALRRD has identified an additional four (4) ICT posts that will be transferred to the DFFE. A letter addressed to the Director-General of DFFE to this effect was signed on 6 January 2022 and emailed. The DALRRD has concluded the process of the transfer of staff to DFFE.

Priority posts have been identified for filling looking at the scarce skills and OSD. Facilitation of job descriptions and job evaluations exercise for prioritised posts are completed.

To address the alignment of the organisational structure to the strategic mandates of DALRRD, the department is finalising the appointment of a service provider to design a Fit-for-Purpose Organisational Structure over a period of 12 months. The expected completion of the project is 30 June 2023. The following milestones will be achieved:

### **The Fit-For-Purpose Organisational Structure Project Milestone:**

#### **Phase 1: Strategically aligned Organisational Structure**

- Milestone 1: Current state assessment
- Milestone 2: Communication Strategy
- Milestone 3: Mapped business processes pertaining to level 1 to level 5 processes
- Milestone 4: Service Delivery Model
- Milestone 5: Span of Control, number of posts required including ratio for support posts vs line-function posts and reporting lines
- Milestone 6: Migration Strategy and Change Management Strategy
- Milestone 7: Designed proposed FFP Structure and Post Establishment aligned to strategic mandate of DALRRD

## **Phase 2: Job Descriptions and Job Evaluations**

- Milestone 1: Job Requirements
- Milestone 2: Job Descriptions developed
- Milestone 3: Grading of jobs

## **Phase 3: Final reports for approval by Executive Management and for DPSA consultation**

- Milestone 1: Comprehensive report/business case addressing the requirements for DPSA consultation process of the final proposed FFP Organisational Structure submitted for endorsement by the minister and routed for concurrence from MPSA.

## **Recruitment**

There are 445 Senior Management positions on the Start-up Macro Structure. Of this number, a total of 337 Senior Management Services (SMS) positions are filled with 108 SMS positions vacant. The majority of these SMS positions are located in the provinces, advertised, and in the process of being filled.

The executive leadership echelon of the department has been strengthened through the appointment of the:

- Director-General
- Deputy Director-General: Food Security and Agrarian Reform
- Deputy Director-General: Rural Development
- Deputy Director-General: Spatial Planning and Land Use Management
- Deputy Director-General: Provincial Operations.

The filling of the following remaining two vacant Deputy Director-General positions has commenced:

- Deputy Director-General: Agricultural Production, Health and Food Safety, Natural Resources and Disaster Management
- Deputy Director-General: National Geomatics Management Services (Chief Surveyor-General)

## **Performance Management**

Through issuing Human Resource Management circulars, compliance to the regulatory framework is ensured whereby employees are reminded of Chapter 4 of the SMS handbook and the submission of the Performance Agreements for the 2021/22 performance cycle and to finalise and submit the Annual Assessment reports. Departmental circular number 42 of 2021 was issued to sensitise the Members of the Senior Management Service and their relevant supervisors to finalise and submit the Performance Agreements for the 2021/2022 performance cycle. The overall compliance on signing of Performance Agreements by Members of the Senior Management Service for the 2021/2022 performance cycle was 66% by the due date of 1 June 2021 and 92% by the end of the 2021/2022 performance cycle.

The departmental turnaround plan for Members of the Senior Management Service performance management and development system was developed with the aim to move from performance compliance to inculcate a culture of performance through the alignment of Annual Performance Plan and Organisational Strategy. The turnaround plan was endorsed by EXCO on 26 July 2021. A series of online workshops on Performance Management and Development System (Chapter 4 of the SMS handbook) were conducted by the Directorate: Human Resource Utilisation and Development to ensure senior managers and teams are given the resources they need to develop, the recognition they deserve to be motivated, and the accountability to know what is expected.

The moderation process for the members of the Senior Management Service annual assessments for the 2019/2020 performance cycle, which included the senior managers that were transferred to DFFE, was finalised and the outcome report was implemented.

## **Employee health and wellness**

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

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

A total number of 431 employees tested positive for COVID-19. Four hundred and twenty-one (421) recovered while 10 were confirmed to have succumbed to death. A total of 212 employees with comorbidities and pregnant ones at third trimester, were approved to work remotely as per the prescripts.

The department is in the process of improving access to employee health and wellness services and to improve employee productivity through a hybrid employee health and wellness service delivery model. To this end, the



process of securing suitable service providers has commenced with a view to implement the service delivery model during 2022/23.

### **Employee development**

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

To ensure that the department has the necessary skills base required to deliver on its mandate, the Workplace Skills Plan (WSP) for 2021/2022 was developed and submitted to the Public Service Sector Education and Training Authority (PSETA). To implement the WSP, a target number of 6 236 officials to be trained was set at the beginning of the financial year. At the end of the financial year, a total of 3 686 (59%) employees were trained on various skills programmes and short courses. Training delivery was affected by the COVID-19 pandemic and the fact that most employees did not have working tools to attend training online during this period. To maintain the talent pipeline, a total number of 286 bursaries were awarded.

### **Human Resource planning**

To implement the MTEF HR Plan effectively, the directive on development of and reporting on human resource plans in the Public Service requires the Annual Report on Implementation of the Plan to be submitted by 31 May of each year. DALRRD is currently implementing the 2020/23 MTEF HR Plan that will expire on 31 March 2023.

Implementation of the HR Plan has been monitored through quarterly key performance indicators as well as annually in terms of the amended directive approved by MPSA on 25 April 2021.

### **Human Resource Policies**

As result of the merger of the Department of Agriculture, Forestry and Fisheries (DAFF) and the Department of Rural Development and Land Reform (DRDLR), 25 HR policies were consulted with relevant stakeholders, approved and implemented in the department. An International Training Policy was also approved and implemented. Following this, the component commenced with information sessions of the approved policies.

A further three policies are in the process to be finalised and en route to the DG for consideration and approval, while the relevant component is still in the process of finalising another four policies.

The set of HR Delegations was approved and implemented. However, after more than a year implemented, the component is in the process to review the delegations based on inputs from stakeholders.

### **Labour relations**

#### **Misconduct**

A total of 88 cases were reported from 1 April 2021 to March 2022. 28 of these cases were finalised and 60 cases are pending. Five employees were precautionarily suspended.

#### **Causes for non-finalisation of misconduct cases**

Employer representatives could consequently only proceed with cases as and when all the relevant parties were available. At times, difficulties were experienced pertaining to the unavailability of departmental witnesses. Some external witnesses prioritise their personal matters over disciplinary matters. The lack of human resources within the directorate due to the suspension on the filling of vacancies further contributed to the inability to meet the required target. Interventions have been put in place to fast track the finalisation of labour relations cases.

#### **Grievances**

A total of 108 cases were reported from 1 April 2021 to March 2022. 49 of these cases were finalised and 59 cases remain pending. The increase in the number of grievances was because of the dissatisfaction of employees regarding the alleged incorrect translation into Occupation Specific Dispensation (OSD) categories contrary to the provision of the GPSSBC Resolution 3 of 2009 and non-compliance of EPMSD Policy.

#### **Disputes**

A total of 99 cases were reported from 1 April 2021 to March 2022. 44 of these cases were finalised and 49 cases remain pending.

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

- Shift System
- Closure of certain working stations
- Funeral policy

- Injury on duty concerns in Stellenbosch
- Non-implementation of Resolution 1 of 2012
- GPSSBC Resolution 5 of 2014 (Recognition of Improved qualifications in the Public Service)
- Training on the Amended Labour Relations Act and the BCEA
- NEHAWU issues in Grootfontein Agricultural Development Institute (GADI)
- Departmental HR Policy Review
- Subsidised motor transport
- Guidelines on the management of Department Restructuring
- Non-filling of vacancies
- The long outstanding prioritisation of positions
- Impending Border Management Agency (BMA) and the effect it will have on DALRRD officials
- Appointment of Military Veterans
- Unilateral reduction of cell phone and 3G allowances
- The Departmental Task Team

### Employment equity and diversity management

The Gender Equality Strategic Framework and JobACCESS Strategic Framework Reports were submitted to the Department of Public Service and Administration.

The Director-General has approved a memorandum instructing Senior Managers to attend gender mainstreaming training in the 2022/23 financial year, to emphasise the implementation of transformation interventions

Diversity management training has been conducted at Survey General and National Geomatics Management Services in Cape Town. The department will roll-out the diversity management project in all provinces in the 2022/23 financial year.

The department's progress on Employment Equity as at 31 March 2022 is summarised as follows:

<b>SMS MEMBERS' EE PROFILE</b>			
<b>STATUS</b>	<b>MALE</b>	<b>FEMALE</b>	<b>DISABLED</b>
Target	50%	50%	2%
Current	59%	41%	2%
<b>TOTAL GENDER PROFILE IN THE DEPARTMENT</b>			
	<b>MALE</b>	<b>FEMALE</b>	<b>DISABLED</b>
Target	55%	45%	2%
Current	46%	54%	1,5%

The above table indicates progress made to achieve the 50/50 representation target as set by Cabinet for employees at SMS levels in the Public Service. Although the implementation of the transformation agenda of government by DALRRD is on track, efforts continue to ensure that the 50/50 target is ultimately achieved in the department.

The department is struggling to achieve the 50% representation of women at SMS level. Current representation at SMS level is 59% males and 41% females. The department is improving in recruiting persons with disabilities as stipulated in the EE plan. Focused interventions towards achieving the 2% target in respect to the representation of people with disabilities continues to be a priority in the DALRRD. The department is at 1,5% representation for persons with disabilities.

The Audit on gender and disability analysis in the department is being conducted with senior managers.

85 senior managers have been trained on gender and disability training in their Programmes.

In line with gender and responsive policies, the Directorate: Diversity Management & Transformation Strategies has inputted in policies like the Language Policy and Occupational Health and Safety Policy. The Transformation Strategy is also being finalised for approval. The Directorate will also identify 10 HRM policies to be reviewed for gender and disability responsiveness.



### 3. Human resource oversight statistics

Please take note that all the information in the following oversight statistics include the information of the Deeds Registration Trading Entity. Also take note that the post establishment statistics were extracted from PERSAL on 31 March 2022. The establishment statistics differ from the approve structure statistics because the department is currently in the process of updating the PERSAL system with the approve structure.

#### 3.1 Personnel related expenditure

The following tables summarise the final audited personnel related expenditure by programme and by salary bands. It provides an indication of the following: amount spent on personnel and amount spent on salaries, overtime, home owner's allowances and medical aid.

**Table 3.1.1: Personnel expenditure by programme for the period 1 April 2021 to 31 March 2022**

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 expenditure (R'000)
Administration	3 303 826	1 510 838	9 448	38 125	45.7	447
Agricultural Production, Health, Food Safety, Natural Resources and Disaster Management	2 471 198	799 949	3 429	55 753	32.4	554
Food Security, Land Reform and Restitution	8 781 155	756 835	1 119	256 390	8.6	604
Rural Development	919 552	126 610	48 411	5 981	13.8	62
Economic Development, Trade and Marketing	804 453	166 011	2 717	33 957	20.6	954
Land Administration	651 040	476 515	29	48 369	73.2	654
Deeds Registration Trading Entity	797 483	586 815	1 663	51 216	73.6	542
<b>Total</b>	<b>17 728 707</b>	<b>4 423 573</b>	<b>66 816</b>	<b>489 791</b>	<b>25.0</b>	<b>438</b>



**Table 3.1.2: Personnel costs by salary band for the period 1 April 2021 to 31 March 2022**

Salary band	Personnel expenditure (R'000)	% of total personnel expenditure	Average personnel expenditure (R'000)
Lower skilled (levels 1–2)	42 031	0.5	170
Skilled (levels 3–5)	261 760	2.9	298
Highly skilled production (levels 6–8)	1 537 174	17.1	453
Highly skilled supervision (levels 9–12)	1 836 304	20.4	797
Senior management (levels 13–16)	470 521	5.2	1 275
Contract (levels 1–2)	-	-	-
Contract (levels 3–5)	2 179	0.0	242
Contract (levels 6–8)	27 184	0.3	372
Contract (levels 9–12)	147 022	1.6	739
Contract (levels 13–16)	20 482	0.2	3 414
Contract, Other	32 427	0.4	52
Periodical remuneration	505	0.0	13
Abnormal appointment	45 984	0.5	24
<b>Total</b>	<b>4 423 573</b>	<b>49.1</b>	<b>438</b>

**Table 3.1.3: Salaries, overtime, home owners allowance and medical aid by programme for the period 1 April 2021 to 31 March 2022**

Programme	Salaries and wages		Overtime		Home Owners Allowance		Medical aid	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical aid as a % of personnel cost
Administration	1 305 847	43.5	15 541	0.5	40 358	1.3	75 209	2.5
Agricultural Production, Health, Food Safety, Natural Resources and Disaster Management	705 240	61.3	7 035	0.6	21 503	1.9	36 558	3.2
Food Security, Land Reform and Restitution	654 788	29.3	2 715	0.1	20 319	0.5	37 140	0.9
Rural Development	115 243	26.3	75	0.0	1 956	0.9	2 759	1.7
Economic Development, Trade and Marketing	144 144	20.2	-	-	3 427	1.8	6 448	3.2
Land Administration	414 268	65.6	7 877	1.2	11 637	0.4	20 421	0.6
Deeds Registration Trading Entity	440 521	52.7	51 510	6.2	18 860	2.3	31 396	3.8
<b>Total</b>	<b>3 780 051</b>	<b>42.5</b>	<b>84 753</b>	<b>0.9</b>	<b>118 060</b>	<b>1.3</b>	<b>209 931</b>	<b>2.3</b>

**Table 3.1.4: Salaries, overtime, home owners' allowance and medical aid by salary band for the period 1 April 2021 to 31 March 2022**

Salary bands	Salaries and wages		Overtime		Home Owners Allowance		Medical aid	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical aid as a % of personnel cost
Lower skilled (levels 1–2)	35 050	39.5	284	0.3	4 210	4.7	6 146	6.9
Skilled (levels 3–5)	395 141	63.7	7 349	1.2	14 366	2.4	28 782	4.7
Highly skilled production (levels 6–8)	993 453	37.3	56 365	2.1	58 065	2.2	113 987	4.3
Highly skilled supervision (levels 9–12)	1 554 441	47.4	20 437	0.6	33 463	1.0	56 491	1.7
Senior management (levels 13–16)	534 334	31.5	-	-	7 553	0.4	4 490	0.3
Contract (level 1–2)	-	-	-	-	-	-	-	-
Contract (level 3–5)	1 820	44.2	15	0.4	-	-	-	-
Contract (level 6–8)	26 854	49.5	47	0.1	10	0.0	16	0.0
Contract (level 9–12)	149 266	52.1	223	0.1	-	-	19	0.0
Contract (level 13–16)	19 732	48.9	-	-	213	0.5	-	-
Contract, Other	33 226	50.7	33	0.1	-	-	-	-
Abnormal appointment	36 734	44.4	-	-	-	-	-	-
<b>Total</b>	<b>3 780 051</b>	<b>42.5</b>	<b>84 753</b>	<b>0.9</b>	<b>118 060</b>	<b>1.3</b>	<b>209 931</b>	<b>2.3</b>



### 3.2 Employment and vacancies

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

**Table 3.2.1 Employment and vacancies by programme as on 31 March 2022**

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy rate %	Number of employees additional to the establishment
Administration	3 536	2 787	21.1	558
Agricultural Production, Health, Food Safety, Natural Resources and Disaster Management	1 608	1 284	20.1	160
Food Security, Land Reform and Restitution	1 290	1 090	15.5	164
Rural Development	73	62	15.1	1
Economic Development, Trade and Marketing	197	174	11.7	-
Land Administration	925	728	21.3	1
Deeds Registration Trading Entity	1 308	1 063	18.7	19
<b>Total</b>	<b>*8 937</b>	<b>*7 188</b>	<b>19.6</b>	<b>903</b>

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

**Table 3.2.2 Employment and vacancies by salary band as on 31 March 2022**

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)	426	329	22.8	625
Skilled (levels 3–5)	1 421	1 128	20.6	2
Highly skilled production (levels 6–8)	3 590	2 961	17.5	69
Highly skilled supervision (levels 9–12)	3 032	2 408	20.6	200
Senior management (levels 13–16)	468	362	22.6	7
<b>Total</b>	<b>*8 937</b>	<b>*7 188</b>	<b>19.6</b>	<b>903</b>

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

**Table 3.2.3 Employment and vacancies by occupations as on 31 March 2022**

Occupation	Number of posts on approved establishment	Number of posts filled	Vacancy rate %	Number of employees additional to the establishment
Administrative related	306	250	18.3	4
Agricultural animal, oceanography, forestry and other science	210	178	15.1	-
Agriculture related	248	197	20.6	-
Aircraft pilot and related associate professional	1	-	100.0	-
All artisans in the building, metal, machinery, etc.	15	9	40.0	-
Appraisers, valuers and related professionals	22	17	22.7	-
Architects, town and traffic planners	46	40	13.0	2
Artisan project and related superintendents	4	2	50.0	-

Occupation	Number of posts on approved establishment	Number of posts filled	Vacancy rate %	Number of employees additional to the establishment
Auxiliary and related workers	349	265	24.1	-
Basic training	-	-	-	481
Biochemistry, pharmacology, zoology and life science technicians	43	33	23.3	-
Building and other property caretakers	17	15	11.8	-
Bus and heavy vehicle drivers	3	3	-	-
Cartographers and surveyors	328	272	17.1	4
Cartographic surveying and related technicians	44	35	20.5	3
Cleaners in offices, workshops, hospitals, etc.	76	60	21.1	-
Client information clerks (switchboard, reception and information clerks)	57	46	19.3	-
Communication and information related	22	20	9.1	-
Computer system designers and analysts	9	9	-	-
Draught and related trade	6	5	16.7	-
Economists	66	57	13.6	41
Engineers and related professionals	21	6	71.4	20
Farmhands and workers	120	88	26.7	-
Farming forestry advisors and farm managers	9	6	33.3	-
Finance and economics related	129	95	26.4	1
Financial and related professionals	485	343	29.3	3
Financial clerks and credit controllers	228	190	16.7	-
Food services aids and waiters	50	35	30.0	-
General legal administration and related professionals	892	735	17.6	-
Head of department/chief executive officer	3	2	33.3	-
Health sciences related	12	7	41.7	-
Horticulturists, foresters, agricultural and forestry technicians	390	326	16.4	-
Household and laundry workers	12	9	25.0	-
Human resources and organisational development and related professionals	130	106	18.5	-
Human resources clerks	120	104	13.3	-
Human resources related	62	52	16.1	-
Information technology related	54	40	25.9	3
Language practitioners, interpreters and other communicators	52	45	13.5	-
Legal related	132	96	27.3	-
Librarians and related professionals	7	5	28.6	-
Library mail and related clerks	68	54	20.6	-
Light vehicle drivers	6	3	50.0	-
Logistical support personnel	152	113	25.7	-
Material-recording and transport clerks	223	188	15.7	-
Meteorologists	1	-	100.0	-



Occupation	Number of posts on approved establishment	Number of posts filled	Vacancy rate %	Number of employees additional to the establishment
Meteorologists statistical and related technician	1	1	-	-
Messengers, porters and deliverers	127	98	22.8	-
Motor vehicle drivers	22	14	36.4	-
Motorised farm and forestry plant operators	2	2	-	-
Natural sciences related	1 232	1 013	17.8	23
Nature conservation and oceanographically related technicians	49	47	4.1	-
Other administrative and related clerks and organisers	842	694	17.6	4
Other administrative policy and related officers	123	109	11.4	-
Other information technology personnel	104	84	19.2	-
Printing and related machine operators	8	5	37.5	-
Printing planner and production controller	1	1	-	-
Rank: Deputy Minister	2	2	-	-
Rank: Minister	1	1	-	-
Risk management and security services	13	12	7.7	-
Road trade workers	4	3	25.0	-
Safety, health and quality inspectors	43	34	20.9	-
Secretaries and other keyboard operating clerks	311	269	13.5	3
Security officers	76	63	17.1	-
Senior managers	457	355	22.3	7
Social sciences related	1	1	-	-
Social work and related professionals	2	1	50.0	-
Statisticians and related professionals	16	16	-	-
Trade workers	228	172	24.6	-
Trainees	-	-	-	144
Veterinarians	37	26	29.7	160
Veterinary assistants	5	4	20.0	-
<b>Total</b>	<b>*8 937</b>	<b>*7 188</b>	<b>19.6</b>	<b>903</b>

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



### 3.3 Filling of SMS posts

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

**Table 3.3.1 SMS posts information as on 31 March 2022**

SMS level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General	1	1	0.2	-	-
Salary level 15	13	8	1.7	5	1.1
Salary level 14	95	81	17.5	14	3.0
Salary level 13	355	269	58.0	86	18.5
<b>Total</b>	<b>464</b>	<b>359</b>	<b>77.4</b>	<b>105</b>	<b>22.6</b>

**Table 3.3.2 SMS posts information as on 30 September 2021**

SMS level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General	1	-	-	1	0.2
Salary level 15	13	7	1.5	6	1.3
Salary level 14	96	84	18.0	12	2.5
Salary level 13	356	276	59.2	81	17.3
<b>Total</b>	<b>466</b>	<b>367</b>	<b>78.7</b>	<b>100</b>	<b>21.3</b>

**Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2021 to 31 March 2022**

SMS level	Advertising	Filling of posts	
	Number of vacancies per level advertised in six months of becoming vacant	Number of vacancies per level filled in six months after becoming vacant	Number of vacancies per level not filled in six months but filled in 12 months
Director-General	-	-	-
Salary level 15	2	-	-
Salary level 14	-	-	-
Salary level 13	9	-	-
<b>Total</b>	<b>11</b>	<b>-</b>	<b>-</b>

**Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS posts—advertised within 6 months and filled within 12 months after becoming vacant**

Reasons for vacancies not advertised within six months:
National Macro Organisation of Government (NMOG) processes due to merge of two national departments.

Reasons for vacancies not filled within twelve months:
National Macro Organisation of Government (NMOG) processes due to merge of two national departments.

**Table 3.3.5 Disciplinary steps taken for not complying with the prescribed time frames for filling SMS posts within 12 months for the period 1 April 2021 to 31 March 2022**

N/A
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### 3.4 Job evaluation

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

**Table 3.4.1 Job evaluation by salary band for the period 1 April 2021 to 31 March 2022**

Salary band	Number of posts on approved establishment	Number of jobs evaluated	% of posts evaluated by salary bands	Posts upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (levels 1–2)	426	19	4.5	-	-	-	-
Skilled (levels 3–5)	1 421	148	10.4	-	-	-	-
Highly skilled production (levels 6–8)	3 590	484	13.5	-	-	-	-
Highly skilled supervision (levels 9–12)	3 032	1 195	39.4	-	-	-	-
Senior Management Service Band A	355	294	82.8	-	-	-	-
Senior Management Service Band B	95	92	96.8	-	-	-	-
Senior Management Service Band C	13	24	184.6	-	-	-	-
Senior Management Service Band D	5	2	40.0	-	-	-	-
<b>TOTAL</b>	<b>8 937</b>	<b>2 258</b>	<b>25.3</b>	-	-	-	-

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

**Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2021 to 31 March 2022**

Beneficiaries	African	Asian	Coloured	White	Total
Female	1	-	-	-	1
Male	2	-	-	1	3
<b>Total</b>	<b>3</b>	-	-	<b>1</b>	<b>4</b>
<b>Employees with a disability</b>					-

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



**Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2021 to 31 March 2022**

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Administrative related	1	8	9	Retention
Administrative related	16	9	10	Job evaluation/ Grade progression
Administrative related	1	7	11	Retention
Administrative related	1	9	11	Retention
Administrative related	36	11	12	Retention/ Grade progression
Administrative related	1	12	13	Retention
Agricultural animal, oceanography, forestry and other sciences	1	7	11	Grade progression
Agricultural animal, oceanography, forestry and other sciences	1	8	10	Retention
Agricultural animal, oceanography, forestry and other sciences	4	8	11	Grade progression OSD
Agricultural animal, oceanography, forestry and other sciences	1	9	10	Grade progression
Agricultural animal, oceanography, forestry and other sciences	4	9	11	Grade progression
Agricultural animal, oceanography, forestry and other sciences	2	11	12	Grade progression
Agriculture related	31	9	10	Grade progression
Agriculture related	2	10	11	Grade progression OSD
Agriculture related	2	11	12	Grade progression OSD
All artisans in the building, metal, machinery, etc.	1	8	9	Grade progression OSD
All artisans in the building, metal, machinery, etc.	1	7	8	Grade progression
Appraisers, valuers and related professionals	1	9	10	Retention
Appraisers, valuers and related professionals	2	11	12	Grade progression
Appraisers, valuers and related professionals	1	12	14	Foreign representation
Auxiliary and related workers	3	5	6	Grade progression
Auxiliary and related workers	18	6	7	Grade progression
Auxiliary and related workers	5	6	8	Retention/ Grade progression
Auxiliary and related workers	3	7	8	Grade progression
Auxiliary and related workers	1	5	7	Grade progression/ Transfer with level
Building and other property caretakers	2	2	3	Grade progression
Bus and heavy vehicle drivers	1	4	5	Grade progression
Cartographers and surveyors	3	7	8	Grade progression
Cartographers and surveyors	1	9	10	Grade progression
Cartographers and surveyors	4	9	11	Retention
Cartographers and surveyors	9	10	11	Retention
Cartographers and surveyors	1	10	12	Retention
Cartographers and surveyors	1	11	12	Grade progression
Cartographic surveying and related technicians	1	7	8	Grade progression



Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Cartographic surveying and related technicians	1	9	10	Grade progression
Cartographic surveying and related technicians	2	10	11	Retention
Cartographic surveying and related technicians	1	10	12	Grade progression
Cartographic surveying and related technicians	2	11	12	Grade progression
Cleaners in offices, workshops, hospitals, etc.	10	2	3	Grade progression
Client information clerks (switchboard, reception and information clerks)	4	6	7	Grade progression
Client information clerks (switchboard, reception and information clerks)	7	5	6	Grade progression
Communication and information related	1	11	12	Grade progression
Computer system designers and analysts	2	11	12	Grade progression
Draught and related trade	1	7	8	Grade progression
Economists	2	11	12	Grade progression
Economists	1	10	11	Job evaluation
Engineers and related professionals	1	11	12	Grade progression
Farmhands and labourers	14	2	3	Grade progression
Farmhands and labourers	1	2	5	Grade progression/Transfer with level
Finance and economics related	3	9	10	Job evaluation/Grade progression
Finance and economics related	21	11	12	Grade progression
Financial and related professionals	7	7	8	Grade progression
Financial and related professionals	2	8	9	Retention
Financial and related professionals	16	9	10	Grade progression
Financial clerks and credit controllers	57	5	6	Grade progression
Financial clerks and credit controllers	1	5	7	Grade progression
Financial clerks and credit controllers	7	6	7	Grade progression
Financial clerks and credit controllers	5	7	8	Grade progression
Food services aids and waiters	2	2	3	Grade progression
General legal administration and related professionals	1	3	6	Retention
General legal administration and related professionals	1	5	10	Retention
General legal administration and related professionals	26	6	7	Grade progression
General legal administration and related professionals	1	6	9	Retention
General legal administration and related professionals	1	6	10	Retention
General legal administration and related professionals	42	7	8	Grade progression
General legal administration and related professionals	1	8	9	Retention



Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
General legal administration and related professionals	14	9	10	Grade progression
General legal administration and related professionals	2	10	12	Retention
General legal administration and related professionals	2	12	13	Retention
Health sciences related	1	9	10	Grade progression
Horticulturists, foresters, agricultural and forestry technicians	1	10	11	Grade progression OSD
Horticulturists, foresters, agricultural and forestry technicians	1	8	10	Retention
Horticulturists, foresters, agricultural and forestry technicians	3	7	11	Grade progression OSD
Horticulturists, foresters, agricultural and forestry technicians	6	8	11	Grade progression OSD
Horticulturists, foresters, agricultural and forestry technicians	1	9	11	Grade progression OSD
Human resources and organisational development and related	1	7	8	Grade progression
Human resources and organisational development and related	20	9	10	Grade progression
Human resources clerks	12	5	6	Grade progression
Human resources clerks	1	5	7	Grade progression
Human resources clerks	3	6	7	Grade progression
Human resources clerks	7	7	8	Grade progression
Human resources related	6	9	10	Retention
Human resources related	15	11	12	Retention/Grade progression
Information technology related	10	11	12	Grade progression
Language practitioners, interpreters and other communicators	3	9	10	Grade progression
Legal related	4	11	12	Grade progression
Library mail and related clerks	4	5	6	Grade progression
Library mail and related clerks	9	6	7	Grade progression
Logistical support personnel	37	5	6	Grade progression
Logistical support personnel	1	6	7	Grade progression
Logistical support personnel	1	7	8	Grade progression
Logistical support personnel	7	5	7	Grade progression
Material-recording and transport clerks	38	5	6	Grade progression
Material-recording and transport clerks	4	4	6	Grade progression
Material-recording and transport clerks	1	7	8	Grade progression
Material-recording and transport clerks	1	5	7	Grade progression
Material-recording and transport clerks	4	6	7	Grade progression
Messengers, porters and deliverers	20	2	3	Grade progression
Messengers, porters and deliverers	1	4	7	Retention
Messengers, porters and deliverers	1	4	5	Grade progression



Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Messengers, porters and deliverers	1	3	4	Grade progression
Natural sciences related	8	7	8	Grade progression
Natural sciences related	1	8	9	Retention
Natural sciences related	7	9	10	Grade progression
Natural sciences related	1	10	11	Retention
Natural sciences related	1	10	12	Retention
Natural sciences related	57	11	12	Grade progression
Natural sciences related	1	12	13	Retention
Nature conservation and oceanographically related technicians	8	9	10	Grade progression
Other administrative policy and related officers	4	7	8	Grade progression
Other administrative policy and related officers	1	8	10	Retention
Other administrative policy and related officers	2	9	10	Grade progression
Other administrative and related clerks and organisers	101	5	6	Grade progression
Other administrative and related clerks and organisers	5	5	7	Grade progression
Other administrative and related clerks and organisers	1	5	8	Retention
Other administrative and related clerks and organisers	22	6	7	Grade progression
Other administrative and related clerks and organisers	10	7	8	Grade progression
Other administrative and related clerks and organisers	7	9	10	Grade progression
Other administrative and related clerks and organisers	1	5	11	Retention
Other administrative and related clerks and organisers	1	11	12	Grade progression
Other information technology personnel	1	11	12	Grade progression
Other information technology personnel	2	8	10	Job evaluation
Other information technology personnel	4	9	10	Grade progression
Secretaries and other keyboard operating clerks	49	5	6	Grade progression
Secretaries and other keyboard operating clerks	1	5	7	Grade progression
Secretaries and other keyboard operating clerks	2	6	7	Grade progression
Secretaries and other keyboard operating clerks	10	7	8	Grade progression
Secretaries and other keyboard operating clerks	1	8	10	Retention
Secretaries and other keyboard operating clerks	1	8	9	Retention
Secretaries and other keyboard operating clerks	1	6	8	Retention
Security officers	1	4	5	Grade progression
Security officers	3	5	6	Grade progression
Security officers	11	6	7	Grade progression
Senior managers	5	13	14	Retention
Senior managers	1	13	15	Retention
Senior managers	4	14	15	Retention
Social work and related professionals	1	6	7	Grade progression



Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Statisticians and related professionals	1	9	10	Grade progression/Job evaluation
Statisticians and related professionals	3	11	12	Grade progression
Trade labourers	33	2	3	Grade progression
Veterinarians	3	11	12	Grade progression
Veterinarians	1	11	13	Retention
<b>Total number of employees whose salaries exceeded the level determined by job evaluation</b>				<b>1 028</b>
<b>Percentage of total employed</b>		<b>14.3</b>		

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

***Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2021 to 31 March 2022***

Beneficiary	African	Asian	Coloured	White	Total
Female	358	11	51	134	554
Male	329	9	37	71	445
<b>Total</b>	<b>687</b>	<b>20</b>	<b>88</b>	<b>205</b>	<b>999</b>
Employees with a disability	13	1	2	13	<b>29</b>

### 3.5 Employment changes

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

***Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2021 to 31 March 2022***

Salary band	Number of employees at beginning of period April 2021	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate (%)
Lower skilled (levels 1–2)	255	-	5	2.0
Skilled (levels 3–5)	927	1	55	5.9
Highly skilled production (levels 6–8)	3 409	3	119	3.5
Highly skilled supervision (levels 9–12)	2 382	6	97	4.1
Senior Management Service Band A	284	1	16	5.6
Senior Management Service Band B	88	-	4	4.5
Senior Management Service Band C	11	2	2	18.2
Senior Management Service Band D	3	1	1	33.3
<b>Total</b>	<b>7 359</b>	<b>14</b>	<b>299</b>	<b>4.1</b>



**Table 3.5.2 Annual turnover rates by occupation for the period 1 April 2021 to 31 March 2022**

Occupation	Number of employees at beginning of period 1 April 2021	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate (%)
Administrative related	258	1	9	3.5
Agricultural, animal, oceanography, forestry and other sciences	184	-	6	3.3
Agriculture related	207	-	10	4.8
Aircraft pilot and related associate professional	1	-	1	100.0
All artisans in building, metal, machinery, etc.	12	-	2	16.7
Appraisers, valuers and related professionals	15	-	-	-
Architects, town and traffic planners	34	-	1	2.9
Artisan, project and related superintendents	2	-	-	-
Auxiliary and related workers	258	-	10	3.9
Biochemistry, pharmacology, zoology and life science technicians	31	3	1	3.2
Building and other property caretakers	16	-	3	18.8
Bus and heavy vehicle drivers	3	-	-	-
Cartographers and surveyors	210	-	10	4.8
Cartographic surveying and related technicians	33	-	3	9.1
Cleaners in offices, workshops, hospitals, etc.	62	-	3	4.8
Client information clerks	48	-	2	4.2
Communication and information related	21	-	1	4.8
Computer system designers and analysts	9	-	-	-
Draught and related trades	6	-	3	50.0
Economists	62	-	3	4.8
Engineers and related professionals	9	-	2	22.2
Farmhands and labourers	97	-	9	9.3
Farming, forestry advisors and farm managers	6	-	-	-
Finance and economics related	98	1	9	9.2
Financial and related professionals	369	-	24	6.5
Financial clerks and credit controllers	197	-	9	4.6
Food services aids and waiters	36	-	1	2.8
General legal administration and related professionals	750	-	19	2.5
Head of department/chief executive officer	2	-	-	-
Health sciences related	11	-	3	27.3
Horticulturists, foresters, agricultural and forestry technicians	332	-	7	2.1
Household and laundry workers	11	-	2	18.2
Human resources and organisational development and related professionals	113	-	3	2.7
Human resources clerks	113	-	7	6.2
Human resources related	51	-	5	9.8
Information technology related	40	-	-	-
Language practitioners, interpreters and other communicators	46	-	1	2.2
Legal related	102	-	4	3.9
Librarians and related professionals	6	-	1	16.7
Library, mail and related clerks	62	-	8	12.9
Light vehicle drivers	6	-	3	50.0
Logistical support personnel	120	-	8	6.7
Material-recording and transport clerks	191	1	3	1.6
Messengers, porters and deliverers	102	-	7	6.9
Motor vehicle drivers	16	-	2	12.5
Motorised farm and forestry plant operators	2	-	-	-
Natural sciences related	1 032	-	21	2.0
Nature conservation and oceanography related technicians	47	-	-	-



Occupation	Number of employees at beginning of period 1 April 2021	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate (%)
Other administrative and related clerks and organisers	710	-	20	2.8
Other administrative policy and related officers	106	-	1	0.9
Other information technology personnel	92	-	5	5.4
Printing and related machine operators	7	-	1	14.3
Printing planners and production controllers	1	-	-	-
Rank: Minister	1	-	-	-
Rank: Deputy Minister	2	-	1	50.0
Risk management and security services	13	-	1	7.7
Road trade workers	4	-	1	25.0
Safety health and quality inspectors	35	-	-	-
Secretaries and other keyboard operating clerks	282	-	10	3.5
Security officers	69	-	6	8.7
Senior managers	374	4	18	4.8
Social sciences related	1	-	-	-
Statisticians and related professionals	17	-	-	-
Trade labourers	178	-	7	3.9
Veterinarians	24	4	2	8.3
Veterinary assistants	4	-	-	-
<b>Total</b>	<b>7 359</b>	<b>14</b>	<b>299</b>	<b>4.1</b>

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

**Table 3.5.3 Reasons why staff left the department for the period 1 April 2021 to 31 March 2022**

Termination type	Number	% of total resignations
Death	45	15.1
Resignation	119	39.8
Expiry of contract	-	-
Dismissal operational changes	-	-
Dismissal misconduct	4	1.3
Dismissal inefficiency	-	-
Discharged because of ill health	4	1.3
Retirement	76	25.4
Transfer to other public service departments	51	17.1
Other	-	-
<b>Total</b>	<b>299</b>	<b>100</b>
<b>Total number of employees who left as a % of total employment</b>		<b>4.2</b>

**Table 3.5.4 Promotions by occupation for the period 1 April 2021 to 31 March 2022**

Occupation	Employees 1 April 2021	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Administrative related	258	1	0.4	249	96.5
Agricultural, animal, oceanography, forestry and other sciences	184	-	-	178	96.7
Agriculture related	207	-	-	198	95.7
Aircraft pilot and related associate professional	1	-	-	-	-
All artisans in building, metal, machinery, etc.	12	-	-	9	75.0



Occupation	Employees 1 April 2021	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Appraisers, valuers and related professionals	15	-	-	17	113.3
Architects, town and traffic planners	34	-	-	42	123.5
Artisan project and related superintendent	2	-	-	2	100.0
Auxiliary and related workers	258	-	-	265	102.7
Biochemistry, pharmacology, zoology and life science technicians	31	-	-	33	106.5
Building and other property caretakers	16	-	-	15	93.8
Bus and heavy vehicle drivers	3	-	-	3	100.0
Cartographers and surveyors	210	-	-	273	130.0
Cartographic surveying and related technicians	33	-	-	41	124.2
Cleaners in offices, workshops, hospitals, etc.	62	-	-	60	96.8
Client information clerks (switchboard, reception and information clerks)	48	-	-	47	97.9
Communication and information related	21	-	-	20	95.2
Computer system designers and analysts	9	-	-	10	111.1
Draught and related trade	6	-	-	5	83.3
Economists	62	-	-	98	158.1
Engineers and related professionals	9	-	-	26	288.9
Farmhands and workers	97	-	-	88	90.7
Farming, forestry advisors and farm managers	6	-	-	6	100.0
Finance and economics related	98	-	-	97	99.0
Financial and related professionals	369	-	-	341	92.4
Financial clerks and credit controllers	197	-	-	191	97.0
Food services aids and waiters	36	-	-	35	97.2
General legal administration and related professionals	750	-	-	734	97.9
Head of department/chief executive officer	2	-	-	2	100.0
Health sciences related	11	-	-	7	63.6
Horticulturists, foresters, agricultural and forestry technicians	332	-	-	324	97.6
Household and laundry workers	11	-	-	9	81.8
Human resources, organisation development and related professionals	113	-	-	101	89.4
Human resources clerks	113	-	-	102	90.3
Human resources related	51	-	-	59	115.7
Information technology related	40	-	-	40	100.0
Language practitioners, interpreters and other communicators	46	-	-	45	97.8
Legal related	102	-	-	97	95.1
Librarians and related professionals	6	-	-	5	83.3
Library, mail and related clerks	62	-	-	54	87.1
Light vehicle drivers	6	-	-	3	50.0
Logistical support personnel	120	-	-	113	94.2
Material-recording and transport clerks	191	-	-	187	97.9
Messengers, porters and deliverers	102	-	-	98	96.1



Occupation	Employees 1 April 2021	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Motor vehicle drivers	16	-	-	14	87.5
Motorised farm and forestry plant operators	2	-	-	2	100.0
Natural sciences related	1 032	-	-	1 026	99.4
Nature conservation and oceanography related technicians	47	-	-	47	100.0
Other administrative and related clerks and organisers	710	-	-	699	98.5
Other administrative policy and related officers	106	-	-	107	100.9
Other information technology personnel	92	-	-	87	94.6
Printing and related machine operators	7	-	-	5	71.4
Printing planners and production controller	1	-	-	1	100.0
Rank: Minister	1	-	-	-	-
Rank: Deputy Minister	2	-	-	-	-
Risk management and security services	13	-	-	12	92.3
Road trade workers.	4	-	-	3	75.0
Safety, health and quality inspectors	35	-	-	34	97.1
Secretaries and other keyboard operating clerks	282	-	-	271	96.1
Security officers	69	-	-	63	91.3
Senior managers	374	4	1.1	358	95.7
Social sciences related	1	-	-	1	100.0
Statisticians and related professionals	17	-	-	17	100.0
Trade workers	178	-	-	171	96.1
Veterinarians	24	-	-	33	137.5
Veterinary assistants	4	-	-	4	100.0
<b>Total</b>	<b>7 359</b>	<b>5</b>	<b>0.1</b>	<b>7 284</b>	<b>99.0</b>

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

**Table 3.5.5: Promotions by salary band for the period 1 April 2021 to 31 March 2022**

Salary band	Employees 1 April 2021	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within salary level	Notch progression as a % of employees by salary band
Lower skilled (levels 1–2)	255	-	-	247	96.9
Skilled (levels 3–5)	927	-	-	877	94.6
Highly skilled production (levels 6–8)	3 409	-	-	3 447	101.1
Highly skilled supervision (levels 9–12)	2 382	1	0.04	2 343	98.4
Senior Management (levels 13–16)	386	4	1.0	370	95.9
<b>TOTAL</b>	<b>7 359</b>	<b>5</b>	<b>0.07</b>	<b>7 284</b>	<b>99.0</b>



### 3.6 Employment equity

**Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as at 31 March 2022**

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	169	14	10	14	117	7	7	16	354
Professionals	1 046	75	22	131	968	84	43	162	2 531
Technicians and associate professionals	921	57	8	46	938	55	16	90	2 131
Clerks	442	31	7	14	830	108	22	110	1 564
Service and sales workers	33	6	1	17	18	3	-	1	79
Craft and related trade workers	10	2	1	7	-	1	-	2	23
Plant, machine operators and assemblers	19	4	-	1	3	-	-	-	27
Elementary occupations	298	38	-	3	118	22	-	-	479
<b>TOTAL</b>	<b>2 938</b>	<b>227</b>	<b>49</b>	<b>233</b>	<b>2 992</b>	<b>280</b>	<b>88</b>	<b>381</b>	<b>7 188</b>

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

**Table 3.6.2: Total number of employees (including employees with disabilities) in each of the following occupational bands on 31 March 2022**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management (levels 15–16)	7	-	-	2	7	-	-	1	17
Senior management (level 13–14)	169	14	10	15	112	7	7	17	351
Professionally qualified and experienced specialists and mid-management (levels 9–12)	974	64	24	126	899	55	29	132	2 303
Skilled technical and academically qualified workers, junior management, supervisors, foremen (levels 6–8)	1 237	71	12	79	1 573	150	49	222	3 393
Semiskilled and discretionary decision making (levels 3–5)	387	69	3	11	335	60	3	9	877
Unskilled and defined decision making (levels 1–2)	164	9	-	-	66	8	-	-	247
<b>Total</b>	<b>2 938</b>	<b>227</b>	<b>49</b>	<b>233</b>	<b>2 992</b>	<b>280</b>	<b>88</b>	<b>381</b>	<b>7 188</b>

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

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



**Table 3.6.3 Recruitment for the period 1 April 2021 to 31 March 2022**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	-	-	-	-	3	-	-	-	3
Senior management	-	-	-	-	1	-	-	-	1
Professionally qualified and experienced specialists and mid-management	2	-	-	-	2	-	1	1	6
Skilled technical and academically qualified workers, junior management, supervisors, foremen	1	-	-	-	2	-	-	-	3
Semiskilled and discretionary decision making	-	-	-	-	1	-	-	-	1
Unskilled and defined decision making	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>14</b>
<b>Employees with disabilities</b>	-	-	-	-	-	-	-	-	-

**Table 3.6.4 Promotions for the period 1 April 2021 to 31 March 2022**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	2	-	-	1	-	-	-	-	3
Senior management	1	-	-	-	-	-	-	-	1
Professionally qualified and experienced specialists and mid-management	1	-	-	-	-	-	-	-	1
Skilled technical and academically qualified workers, junior management, supervisors, foremen	-	-	-	-	-	-	-	-	-
Semiskilled and discretionary decision making	-	-	-	-	-	-	-	-	-
Unskilled and defined decision making	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5</b>
<b>Employees with disabilities</b>	-	-	-	-	-	-	-	-	-



**Table 3.6.5 Terminations for the period 1 April 2021 to 31 March 2022**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	3	-	-	-	-	-	-	-	3
Senior management	8	1	1	3	5	1	-	1	20
Professionally qualified and experienced specialists and mid-management	44	1	2	9	28	3	-	9	96
Skilled technical and academically qualified workers, junior management, supervisors, foremen	49	4	-	4	41	5	1	12	116
Semiskilled and discretionary decision making	30	6	-	-	17	-	-	1	54
Unskilled and defined decision making	2	1	-	-	-	2	-	-	5
<b>Total</b>	<b>136</b>	<b>13</b>	<b>3</b>	<b>16</b>	<b>91</b>	<b>11</b>	<b>1</b>	<b>23</b>	<b>294</b>
<b>Employees with disabilities</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5</b>

**Table 3.6.6 Disciplinary action for the period 1 April 2021 to 31 March 2022**

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Disciplinary action	21	2	-	1	4	-	-	-	28

**Table 3.6.7 Skills development for the period 1 April 2021 to 31 March 2022**

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	88	5	5	9	72	3	-	13	195
Professionals	495	39	8	46	540	40	22	55	1 245
Technicians and associate professionals	457	21	3	4	421	24	6	38	974
Clerks	166	16	2	1	313	49	6	31	584
Service and sales workers	132	2	2	-	190	3	-	-	329
Craft and related trade workers	61	7	-	2	27	13	-	-	110
Plant, machine operators and assemblers	4	-	-	-	-	-	-	-	4
Elementary occupations	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1 403</b>	<b>90</b>	<b>20</b>	<b>62</b>	<b>1 563</b>	<b>132</b>	<b>34</b>	<b>137</b>	<b>3 441</b>
<b>Employees with disabilities</b>	<b>12</b>	<b>1</b>	<b>-</b>	<b>6</b>	<b>9</b>	<b>-</b>	<b>-</b>	<b>4</b>	<b>32</b>

### 3.7 Signing of Performance Agreements by SMS members

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

**Table 3.7.1 Signing of Performance Agreements by SMS members as at 31 May 2021**

SMS level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as% of total number of SMS members
Director-General	1	-	-	
Salary level 15	8	7	7	100
Salary level 14	84	88	79	90
Salary level 13	354	282	253	90
<b>TOTAL</b>	<b>447</b>	<b>377</b>	<b>339</b>	<b>90</b>

**Table 3.7.2 Reasons for not having concluded Performance Agreements for all SMS members as on 31 May 2021**

- Non-compliance of submission of Performance Agreements
- Delays on the placement of the SMS members in the DALRRD structure.

**Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance Agreements as on 31 May 2021**

Submission for disciplinary action has been approved by the Director-General and forwarded to Directorate: Employee Relations for implementation.

### 3.8 Performance rewards

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

**Table 3.8.1 Performance rewards by race, gender and disability for the period 1 April 2021 to 31 March 2022**

Race, gender and disability	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
<b>African</b>	1 027	5 855	17.5	16 191	15 765
Male	494	2 899	17.0	8 208	16 615
Female	533	2 956	18.0	7 983	14 977
<b>Asian</b>	19	135	14.1	387	20 368
Male	7	48	14.6	221	31 571
Female	12	87	13.8	166	13 833
<b>Coloured</b>	82	499	16.4	1 282	15 634
Male	25	223	11.2	358	14 320
Female	57	276	20.7	924	16 211
<b>White</b>	118	581	20.3	2 763	23 415
Male	47	220	21.4	1 035	22 021
Female	71	361	19.7	1 728	24 338
<b>Employees with disabilities</b>	15	118	12.7	306	20 400
<b>Total</b>	<b>1 261</b>	<b>**7 188</b>	<b>17.5</b>	<b>20 929</b>	<b>16 597</b>

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

\*\*7 188 performance awards paid to active employees



**Table 3.8.2: Performance rewards by salary band for personnel below Senior Management Service for the period 1 April 2021 to 31 March 2022**

Salary band	Beneficiary profile			Cost		
	Number of beneficiaries	Number of employees	% of total within salary bands	Total cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure
Lower skilled (levels 1–2)	48	247	19.4	338	7 042	0.8
Skilled (levels 3–5)	142	877	16.2	1 232	8 676	0.5
Highly skilled production (levels 6–8)	550	3 393	16.2	6 500	11 818	0.4
Highly skilled supervision (levels 9–12)	439	2 303	19.1	9 249	21 068	0.5
<b>Total</b>	<b>1 179</b>	<b>6 820</b>	<b>17.3</b>	<b>17 319</b>	<b>14 690</b>	<b>0.5</b>

**Table 3.8.3: Performance rewards by occupation for the period 1 April 2021 to 31 March 2022**

Occupation	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total cost (R'000)	Average cost per employee
Administrative related	82	250	32.8	2 007	24 476
Agricultural animal, oceanography, forestry and other sciences	29	178	16.3	642	22 138
Agriculture related	34	197	17.3	870	25 588
Aircraft pilot and related associate professionals	-	-	-	-	-
All artisans in building, metal, machinery, etc.	4	11	36.4	70	17 500
Appraisers, valuers and related professionals	6	17	35.3	151	25 167
Architects, town and traffic planners	5	40	12.5	92	18 400
Auxiliary and related workers	17	265	6.4	171	10 059
Biochemistry, pharmacology, zoology and life science technicians	5	33	15.2	117	23 400
Building and other property caretakers	-	15	-	-	-
Bus and heavy vehicle drivers	3	3	100.0	33	11 000
Cartographers and surveyors	16	272	5.9	371	23 188
Cartographic surveying and related technicians	11	35	31.4	194	17 636
Cleaners in offices, workshops, hospitals, etc.	11	60	18.3	82	7 455
Client information clerks (switchboard, reception and information clerks)	5	46	10.9	35	7 000
Communication and information related	4	20	20.0	116	29 000
Computer system designers and analysts	5	9	55.6	124	24 800
Draught and related trades	-	5	-	-	-
Economists	18	57	31.6	517	28 722
Engineers and related professional	2	6	33.3	43	21 500
Farmhands and workers	22	88	25.0	165	7 500
Farming, forestry advisors and farm managers	1	6	16.7	24	24 000
Finance and economics related	29	95	30.5	808	27 862
Financial and related professionals	90	343	26.2	1 033	11 478
Financial clerks and credit controllers	24	190	12.6	195	8 125
Food services aids and waiters	7	35	20.0	58	8 286
General legal administration and related professionals	17	735	2.3	230	13 529
Head of department/chief executive officer	-	2	-	-	-
Health sciences related	4		57.1	149	37 250
Horticulturists, foresters, agricultural and forestry technicians	13		4.0	266	20 462

Occupation	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total cost (R'000)	Average cost per employee
Household and laundry workers	10		111.1	84	8 400
Human resources and organisational development and related professionals	28		26.4	385	13 750
Human resources clerks	22		21.1	284	12 909
Human resources related	19		36.5	497	26 158
Information technology related	2		5.0	39	19 500
Language practitioners, interpreters and other communicators	10		22.2	156	15 600
Legal related	5		5.2	163	32 600
Librarians and related professionals	-		-	-	-
Library, mail and related clerks	12		22.2	165	13 750
Light vehicle drivers	-		-	-	-
Logistical support personnel	27		23.9	317	11 741
Material-recording and transport clerks	25		13.3	166	6 640
Messengers, porters and deliverers	29		29.6	227	7 828
Meteorologist statistical and related technician	-	1	-	-	-
Motor vehicle drivers	2		14.3	19	9 500
Motorised farm and forestry plant operators	1		50.0	10	10 000
Natural science related	184		18.2	2 098	11 402
Nature conservation and oceanography related technicians	6		12.8	126	21 000
Other administrative and related clerks and organisers	120		17.3	1 249	10 408
Other administrative policy and related officers	30		27.5	556	18 533
Other information technology personnel	25		29.8	467	18 680
Printing and related machine operators	-		-	-	-
Printing planners and production controllers	-		-	-	-
Risk management and security services	2		16.7	40	20 000
Road trade workers	-		-	-	-
Safety health and quality inspectors	1		2.9	29	29 000
Secretaries and other keyboard operating clerks	90		33.5	1 118	12 422
Security officers	30		47.6	346	11 533
Senior managers	75		21.1	3 291	43 880
Social sciences related	-		-	-	-
Statisticians and related professionals	1		6.3	22	22 000
Trade workers	28		16.3	212	7 571
Veterinarians	10		38.5	245	24 500
Veterinary assistants	2		50.0	54	27 000
<b>Total</b>	<b>1 261</b>		<b>17.6</b>	<b>20 929</b>	<b>16 597</b>

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



**Table 3.8.4 Performance related rewards (cash bonus) by salary band for Senior Management Services for the period 1 April 2021 to 31 March 2022**

Salary band	Beneficiary profile			Cost		
	Number of beneficiaries	Number of employees	% of total within salary band	Total cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure
Band A	63	269	23.4	2 399	38 079	0.7
Band B	13	82	15.9	708	54 462	0.5
Band C	6	13	46.2	503	83 833	2.0
Band D	-	4	-	-	-	-
<b>Total</b>	<b>82</b>	<b>368</b>	<b>22.3</b>	<b>3 610</b>	<b>44 024</b>	<b>0.7</b>

### 3.9 Foreign workers

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

**Table 3.9.1 Foreign workers by salary band for the period 1 April 2021 and 31 March 2022**

Salary band	1 April 2021		31 March 2022		Change	
	Number	% of total	Number	% of total	Number	% change
Lower skilled (levels 1–2)	-	-	-	-	-	-
Skilled (level 3–5)	1	11.1	1	9.1	-	-
Highly skilled production (level 6–8)	-	-	-	-	-	-
Highly skilled supervision (level 9–12)	6	66.7	8	72.7	2	100.0
Senior management (levels 13–16)	2	22.2	2	18.2	-	-
<b>Total</b>	<b>9</b>	<b>100.0</b>	<b>11</b>	<b>100.0</b>	<b>2</b>	<b>100.0</b>

**Table 3.9.2 Foreign workers by major occupation for the period 1 April 2021 and 31 March 2022**

Major occupation	1 April 2021		31 March 2022		Change	
	Number	% of total	Number	% of total	Number	% change
Architects, town and traffic planners	1	11.1	1	9.1	-	-
Engineers and related professional	1	11.1	1	9.1	-	-
Natural science related	2	22.2	1	9.1	-1	-50.0
Other administrative and related clerks and organisers	1	11.1	1	9.1	-	-
Veterinarians	3	33.3	5	45.4	2	100.0
Social sciences related			1	9.1	1	50.0
Senior Managers	1	11.1	1	9.1	-	-
<b>Total</b>	<b>9</b>	<b>100.0</b>	<b>11</b>	<b>100.0</b>	<b>2</b>	<b>100.0</b>

### 3.10 Leave utilisation

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

**Table 3.10.1 Sick leave for the period 1 January 2021 to 31 December 2021**

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)	676	87.9	136	3.8	5.0	383
Skilled (levels 3–5)	3 153	77.0	490	13.6	6.4	2 817
Highly skilled production (levels 6–8)	11 453	73.0	1 866	51.8	6.1	17 440
Highly skilled supervision (levels 9–12)	6 092	77.5	983	27.3	6.2	16 920
Senior management (levels 13–16)	770	86.5	130	3.6	5.9	3 571
<b>Total</b>	<b>22 144</b>	<b>75.0</b>	<b>3 605</b>	<b>100</b>	<b>6.1</b>	<b>41 130</b>

**Table 3.10.2: Disability leave (temporary and permanent) for the period 1 January 2021 to 31 December 2021**

Salary band	Total days	% days with medical certification	Number of employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated cost (R'000)
Lower skilled (levels 1–2)	79	100	5	2.3	15.8	44
Skilled (levels 3–5)	610	100	27	12.3	22.6	538
Highly skilled production (levels 6–8)	2 797	100	123	55.9	22.7	4 128
Highly skilled supervision (levels 9–12)	1 296	100	58	26.4	22.3	3 461
Senior management (levels 13–16)	373	100	7	3.2	53.3	1 832
<b>Total</b>	<b>5 155</b>	<b>100</b>	<b>220</b>	<b>100</b>	<b>23.4</b>	<b>10 003</b>

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

**Table 3.10.3 Annual leave for the period 1 January 2021 to 31 December 2021**

Salary band	Total days taken	Number of employees using annual leave	Average per employee
Lower skilled (levels 1–2)	6 521	634	10.3
Skilled (levels 3–5)	18 263	844	21.6
Highly skilled production (levels 6–8)	77 910	3 451	22.6
Highly skilled supervision (levels 9–12)	51 887	2 403	21.6
Senior management (levels 13–16)	7 615	362	21.0
<b>Total</b>	<b>162 196</b>	<b>7 694</b>	<b>21.1</b>

**Table 3.10.4 Capped leave for the period 1 January 2021 to 31 December 2021**

Salary band	Total days of capped leave taken	Number of employees using capped leave	Average number of days taken per employee	Average capped leave per employee as at 31 December 2020
Lower skilled (levels 1–2)	-	-	-	13
Skilled (levels 3–5)	1	1	1	23.5
Highly skilled production (levels 6–8)	34	10	3.4	22
Highly skilled supervision (levels 9–12)	41	6	6.8	25.5
Senior management (levels 13–16)	4	2	2	33
<b>Total</b>	<b>80</b>	<b>19</b>	<b>4.2</b>	<b>24.5</b>



The following table summarises payments made to employees because of leave that was not taken.

**Table 3.10.5 Leave pay-outs for the period 1 April 2021 to 31 March 2022**

Reason	Total amount (R'000)	Number of employees	Average per employee (R)
Leave pay-out for 2021/22 owing to non-utilisation of leave for the previous cycle	4 077	100	40 770
Capped leave pay-outs on termination of service for 2021/22	6 325	79	80 063
Current leave pay-out on termination of service for 2021/22	10 187	251	40 586
<b>Total</b>	<b>20 589</b>	<b>430</b>	<b>47 881</b>

### 3.11 HIV/Aids and health promotion programmes

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

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

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

Questions	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position	√		Ms Mmapitso Mashele – Director: Employee Relations
2. Does the department have a designated unit, or have you designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	√		Sub Directorate: Employee Health and Wellness Management (EHWM) 1 x Deputy Director 1 x Acting Deputy Director 3 x National Coordinators (ADs) 2 x National Practitioners 2 x Occupational/Health Promotion Specialists (AD) 4 x Provincial Coordinators (ADs), with Mpumalanga, North West and Gauteng being vacant
3. Has the department introduced an employee assistance or health promotion programme for your employees? If so, indicate the key elements/services of the programme.	√		<ul style="list-style-type: none"> <li>• Psycho-social services</li> <li>• Health and Productivity Management (Disease Management, Health Management)</li> <li>• Promotion/Awareness and Health Screening</li> <li>• Life-skills Programmes</li> <li>• HIV/AIDS, TB and STIs including HIV Counselling and Testing.</li> </ul>
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	√		<ul style="list-style-type: none"> <li>• 9 x Provincial EHWM Committees have been established.</li> <li>• Committee members have been appointed formally as per the Employee Assistance Programme Association (EAPA) Standards and DPSA Framework.</li> <li>• Representation includes EHWM Coordinators, HR Managers, and</li> </ul>



Questions	Yes	No	Details, if yes
			Communication, Spiritual and Union representatives.
5. Has the department reviewed its employment policies and practices of your department to ensure that these do not unfairly discriminate against employees based on their HIV status? If so, list the employment policies/practices so reviewed.	√		<ul style="list-style-type: none"> <li>• HIV/AIDS, TB and STI Policy.</li> <li>• Employee Health and Wellness Policy.</li> <li>• Health Productivity Management.</li> <li>• Safety, Health, Environment, Risk and Quality (SHERQ) management.</li> </ul>
6. Has the department introduced measures to protect HIV positive employees or those perceived to be HIV positive from discrimination? If so, list the key elements of these measures.	√		<ul style="list-style-type: none"> <li>• HIV/AIDS policy is being implemented.</li> <li>• Awareness and Education on HIV/AIDS Management.</li> <li>• Provision of Care and Support by in-house EHWM Specialists.</li> <li>• Service providers through Psycho-social Services.</li> </ul>
7. Does the department encourage its employees to undergo voluntary counselling and testing? If so, list the results that you have achieved.	√		<ul style="list-style-type: none"> <li>• HIV Counselling and Testing (HCT) is incorporated into Health and Wellness events/office-based services.</li> <li>• World AIDS Day and Sexually Transmitted Infections/Condom Week.</li> <li>• As a result of lockdown during this period. HCT services were not provided for compliance with COVID-19 protocols and regulations.</li> <li>• GEMS was busy with COVID-19 vaccinations.</li> </ul>
8. Has the department developed measures/indicators to monitor and evaluate the impact of your health promotion programme? If so, list these measures/indicators	√		<ul style="list-style-type: none"> <li>• Analysis of Health Screening (Chronic conditions and HIV/AIDS and TB) results.</li> <li>• Analysis of evaluation forms by participants.</li> </ul>

### 3.12 Labour relations

**Table 3.12.1 Collective agreements for the period 1 April 2021 to 31 March 2022**

Subject matter	Date
None	

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

**Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2021 to 31 March 2022**

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	1	3.6
Verbal warning	1	3.6
Written warning	2	7.1
Final written warning	4	14.3
Suspended without pay	4	14.3
Dismissal	3	10.7
Not guilty	2	7.1
Resignation owing to misconduct	3	10.7
Retired	1	3.6
Case withdrawn	4	14.3
Transferred	3	10.7
<b>Total</b>	<b>28</b>	<b>100</b>



**Table 3.12.3 Types of misconduct addressed and disciplinary hearings for the period 1 April 2021 to 31 March 2022**

Type of misconduct	Number	% of total
Misuse of government vehicle	4	14.2
Abscondments/Absent without authorisation	5	17.9
Failure to follow process	5	17.9
Fraud	4	14.2
Non-financial disclosure	1	3.6
Assault/threats to assault	1	3.6
Poor performance	1	3.6
Irregularities in handling projects	2	7.1
Unacceptable conduct	5	17.9
<b>Total</b>	<b>28</b>	<b>100</b>

**Table 3.12.4 Grievances logged for the period 1 April 2021 to 31 March 2022**

Grievances	Number	% of total
Number of grievances resolved	49	45.4
*Number of grievances not resolved	59	54.6
<b>Total number of grievances lodged</b>	<b>108</b>	<b>100</b>

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

**Table 3.12.5 Disputes logged with councils for the period 1 April 2021 to 31 March 2022**

Disputes	Number	% of total
Number of disputes upheld	6	6.1
Number of disputes dismissed	44	44.4
Matter settled	-	-
Still pending	49	49.5
<b>Total number of disputes lodged</b>	<b>99</b>	<b>100</b>

**Table 3.12.6 Strike actions for the period 1 April 2021 to 31 March 2022**

Strike actions
None

**Table 3.12.7 Precautionary suspensions for the period 1 April 2021 to 31 March 2022**

Precautionary suspensions	
Number of people suspended	5
Number of people whose suspension exceeded 30 days	5
Average number of days suspended	150
Cost of suspension	R2 997 281



### 3.13 Skills development

This section highlights the efforts of the department regarding skills development.

**Table 3.13.1 Training needs identified for the period 1 April 2021 to 31 March 2022**

Occupational category	Gender	Number of employees as at 1 April 2021	Training needs identified at start of the reporting period				Total
			Learnerships	Skills Programmes and other short courses	Other forms of training ABET	Internal Bursaries	
Legislators, senior officials and managers	Female	148		172			172
	Male	218		222			222
Professionals	Female	1 270		266			266
	Male	1 295		231			231
Technicians and associate professionals	Female	1 105		273			273
	Male	1 049		213			213
Clerks	Female	1 101		751			751
	Male	517		539			539
Service and sales workers	Female	25		31			31
	Male	61		48			48
Craft and related trade workers	Female	4		6			6
	Male	26		11			11
Plant and machine operators and assemblers	Female	3		9			9
	Male	31		34			34
Elementary occupations	Female	147		21			21
	Male	359		52			52
Gender subtotals	Female	3 803		1 529			1 529
	Male	3 556		1 350			1 350
<b>Total</b>		<b>7 359</b>		<b>2 879</b>			<b>2 879</b>

**Table 3.13.2 Training provided for the period 1 April 2021 to 31 March 2022**

Occupational category	Gender	Number of employees as at 1 April 2021	Training provided within the reporting period				Total
			Learnerships	Skills programmes and other short courses	Other forms of training		
					Bursaries	ABET	
Legislators, senior officials and managers	Female	148	-	101	18	-	119
	Male	218	-	118	2	-	120
Professionals	Female	1 270	-	736	54	-	790
	Male	1 295	-	689	49	-	738
Technicians and associate professionals	Female	1 105	-	497	25	-	522
	Male	1 049	-	488	28	-	516
Clerks	Female	1 101	-	413	27	-	440
	Male	517	-	194	58	-	252
Service and sales workers	Female	25	-	197	7	-	204
	Male	61	-	140	18	-	158
Craft and related trades workers	Female	4	-	40	-	-	40
	Male	26	-	70	-	-	70
Plant and machine operators and assemblers	Female	3	-	-	-	-	-
	Male	31	-	4	-	-	4
Elementary occupations	Female	147	-	274	1	-	275
	Male	359	-	86	1	-	87
Gender subtotals	Female	3 803	-	2 258	132	-	2 390
	Male	3 556	-	1 789	156	-	1 945
<b>Total</b>		<b>7 359</b>	<b>-</b>	<b>4 047</b>	<b>288</b>	<b>-</b>	<b>4 335</b>

### 3.14 Injury on duty

The following tables provide basic information on injury on duty.

**Table 3.14.1 Injury on duty for the period 1 April 2021 to 31 March 2022**

Nature of injury on duty	Number	% of total
Required basic medical attention only	11	100
Temporary total disablement		
Permanent disablement		
Fatal		
<b>Total</b>	<b>11</b>	<b>100</b>

### 3.15 Utilisation of consultants

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

Project title	Total number of consultants who worked on the project	Duration Work days	Contract value in Rand (R'000)
1. Design and layout of the newsletters on Function Shift of Colleges of Agriculture (D: SC)	1	12 months	19
2. CPA Annual Report (D: CPI)	1	1 month	459
3. CPA Training (D: CPI)	1	6 months	2 110
4. Appointment of a SANAS-accredited BBBEE Verification Agency to undertake BBBEE Verification and Compliance for Department of Agriculture, Land Reform and Rural Development in terms of Section 13G of BBBEE Amendment Act, 2013 (Act No. 46 of 2013)	1	3 months	311
<b>Total number of projects</b>	<b>Total individual consultants</b>	<b>Total duration Work days</b>	<b>Total contract value in Rand (R'000)</b>
4	4	22 months	2 899

**Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of historically disadvantaged individuals (HDIs)**

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
1. Design and layout of the newsletters on Function Shift of Colleges of Agriculture (D: SC)	-	-	-
2. CPA Annual Report (D: CPI)	-	-	-
3. CPA Training (D: CPI)	-	-	-
4. Appointment of a SANAS-accredited BBBEE Verification Agency to undertake BBBEE Verification and Compliance for Department of Agriculture, Land Reform and Rural Development in terms of Section 13G of BBBEE Amendment Act, 2013 (Act No. 46 of 2013)	100	100	2



**Table 3.15.3 Report on consultant appointments using donor funds**

Project title	Total number of consultants who worked on the project	Duration Workdays	Contract value in Rand (R'000)
1. Development of young producers, entrepreneurs and skills development initiatives to optimise job opportunities and livelihoods. (D: SET)	1	36 months	99 995
2. Development of Women Empowerment Strategy in Collaboration with UN Women (D: SC)	1	12 months	668
<b>Total number of projects</b>	<b>Total individual consultants</b>	<b>Total duration Workdays</b>	<b>Total contract value in Rand (R'000)</b>
2	2	48 months	R100 663

**Table 3.15.4 Analysis of consultant appointments using donor funds, in terms of historically disadvantaged individuals (HDIs)**

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
1. Development of young producers, entrepreneurs and skills development initiatives to optimise job opportunities and livelihoods. (D: SET)	100	100	2
2. Development of Women Empowerment Strategy in Collaboration with UN Women (D: SC)	100	100	1

### **3.16 Severance packages**

**Table 3.16.1 Granting of employee-initiated severance packages for the period 1 April 2021 to 31 March 2022**

No employees were granted severance packages for the period 1 April 2021 to 31 March 2022.





PART E

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# Financial information

**DEPARTMENT OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT**  
**VOTE 29**  
**ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2022**

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

## Report on the audit of the financial statements

### Qualified opinion

1. I have audited the financial statements of the Department of Agriculture, Land Reform and Rural Development, set out on pages 156 to 236, which comprise the appropriation statement, statement of financial position as at 31 March 2022, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the effects of the matter described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Department of Agriculture, Land Reform and Rural Development as at 31 March 2022 and its financial performance and cash flows for the year then ended in accordance with Modified Cash Standard (MCS) prescribed by the National Treasury and the requirements of the Public Finance Management, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act, 2021 (Act No. 9 of 2021).

### Basis for qualified opinion

#### Prepayments (Expensed)

3. I was unable to obtain sufficient appropriate audit evidence relating to goods and services included in prepayments (expensed). Management did not implement adequate internal control systems for proof of delivery of the goods to the intended beneficiaries of the Presidential Employment Stimulus Initiative. I could not confirm whether the delivery took place by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to goods and services stated at R335 603 000 in note 11.3 of the financial statements.

### Context for the opinion

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

### Emphasis of matters

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

#### Restatement of prior year figures

8. As disclosed in note 36 to the financial statements, the corresponding figures for 31 March 2021 were restated as a result of errors in the financial statements of the department for the year ended 31 March 2022.

#### Significant uncertainties

9. As disclosed in note 20.1 to the financial statements, claims of R2 253,679 million were instituted against the department. These claims are subject to the outcome of legal proceedings. The outcome of these matters cannot be determined at present. As a result, no provision for any liability that may result has been made in the department's financial statements.

#### Impairments

10. As disclosed in notes 25.3 and 12.6 to the financial statements, a provision has been made for impairment of R97,972 million of accrued departmental revenue and R20,676 million for the impairment of receivables.



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

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

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

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

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

### Report on the audit of the annual performance report

15. In accordance with the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
16. My procedures address the usefulness and reliability of the reported performance information, which must be based on the department's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the department enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
17. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the department's annual performance report for the year ended 31 March 2022:

Programme	Pages in the annual performance report
Programme 3 – food security, land reform and restitution	37 - 42

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



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

### Other matters

20. I draw attention to the matters below.

#### Achievement of planned targets

21. Refer to the annual performance report on pages 37 to 42 for information on the achievement of planned targets for the year and management's explanations provided for the under-/overachievement of targets.

### Report on the audit of compliance with legislation

#### Introduction and scope

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

23. The material findings on compliance with specific matters in key legislation are as follows:

#### Annual 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)(a) and (b) of the PFMA.

25. Material misstatements of cash flow statement, operating lease future revenue, accruals and payables not recognised identified by the auditors in the submitted financial statements were corrected but material misstatement of supporting records for prepayments expensed could not be provided, which subsequently resulted in the financial statements receiving a qualified opinion.

#### Consequence management

26. In some instances, disciplinary steps were not taken against the officials who had incurred and/or permitted irregular expenditure as required by Section 38(1)(h) (iii) of the PFMA.

#### Procurement and contract management

27. Some of the bid documentation/invitation to tender for procurement of commodities designated for local content and production did not stipulate the minimum threshold for local production and content as required by the 2017 Procurement Regulation 8(2). Similar non-compliance was also reported in the prior year.

#### Other information

28. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, which includes the audit committee's report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.

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

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

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



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

### Internal control deficiencies

32. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the opinion and the findings on compliance with legislation included in this report.
33. Management did not implement adequate internal controls over financial reporting, resulting in material misstatements being identified through the audit process. These misstatements were not prevented and detected by the department due to lack of adequate reviews.
34. Leadership did not implement adequate controls over record keeping; this resulted in underlying records being unavailable to support the sum of the amounts disclosed in the financial statements.
35. The management did not implement effective monitoring of compliance with applicable legislation. Non-compliance with legislation and supply chain management processes could have been prevented if compliance had been properly reviewed and monitored.

### Other reports

36. I draw attention to the following engagements conducted by various parties that have, or could have, an impact on the matters reported in the department's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports do not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
37. Proclamation Number R.36 of 2019 (GG 42577 dated 12 July 2019) was signed by the president for the Special Investigating Unit (SIU) to conduct an investigation into the affairs of the department in respect of the procurement of, inter alia, goods and services, as declared by government Notice No. 42577 of 12 July 2019.

*Auditor-General.*

Pretoria  
31 July 2022



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*



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

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

### Financial statements

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

### Communication with those charged with governance

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



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

**APPROPRIATION STATEMENT  
for the year ended 31 March 2022**

Appropriation per programme	2021/22							2020/21	
	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
Programme									
1.Administration	2 904 058	-	399 800	3 303 858	3 303 826	32	100.0	3 119 649	3 119 503
2.Agricultural Production, Biosecurity and Natural Resources Management	2 613 010	-	(105 331)	2 507 679	2 471 198	36 481	98.5	2 955 298	2 828 021
3.Food Security, Land Reform and Restitution	9 793 004	-	(309 572)	9 483 432	8 781 155	702 277	92.6	6 756 463	5 923 163
4.Rural Development	1 077 756	-	(84 471)	993 285	919 552	73 733	92.6	725 126	715 087
5.Economic Development, Trade and Marketing	872 820	-	121 574	994 394	804 453	189 941	80.9	666 161	546 393
6.Land Administration	762 612	-	(22 000)	740 612	651 040	89 572	87.9	1 024 916	976 946
<b>Subtotal</b>	<b>18 023 260</b>	<b>-</b>	<b>-</b>	<b>18 023 260</b>	<b>16 931 224</b>	<b>1 092 036</b>	<b>93.9</b>	<b>15 247 613</b>	<b>14 109 083</b>
<b>Reconciliation with statement of financial performance</b>									
<b>ADD</b>									
Departmental receipts				311 952				259 763	
Aid assistance				77 227				-	
<b>Actual amounts per statement of financial performance (total revenue)</b>				<b>18 412 439</b>				<b>15 507 376</b>	
<b>ADD</b>									
Aid assistance					5 285				-
Prior year unauthorised expenditure approved without funding									
<b>Actual amounts per statement of financial performance (total expenditure)</b>					<b>16 936 509</b>				<b>14 109 083</b>



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

**APPROPRIATION STATEMENT  
for the year ended 31 March 2022**

Appropriation per economic classification	2021/22							2020/21	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>8 600 451</b>	<b>(219 020)</b>	<b>55 256</b>	<b>8 436 687</b>	<b>7 544 723</b>	<b>891 964</b>	<b>89.4</b>	<b>8 631 017</b>	<b>7 516 148</b>
Compensation of employees	4 112 906	(8)	-	4 112 898	3 836 758	276 140	93.3	4 119 992	3 764 069
Salaries and wages	3 638 594	(69 133)	23 061	3 592 522	3 339 530	252 992	93.0	3 577 491	3 266 045
Social contributions	474 312	69 125	(23 061)	520 376	497 228	23 148	95.6	542 501	498 024
Goods and services	4 487 543	(219 024)	55 256	4 323 775	3 707 952	615 823	85.8	4 503 445	3 743 344
Administrative fees	32 375	2 214	-	34 589	34 209	380	98.9	41 462	41 462
Advertising	19 578	(7 257)	-	12 321	11 833	488	96.0	12 941	12 941
Minor assets	47 197	(36 812)	(1 000)	9 385	8 353	1 032	89.0	6 067	6 061
Audit costs:	47 535	(7 867)	-	39 668	39 667	1	100.0	31 113	31 113
External									
Bursaries:	8 952	3 956	-	12 908	12 908	-	100.0	10 011	10 011
Employees									
Catering:	7 032	(4 487)	-	2 545	2 417	128	95.0	1 196	1 196
Departmental activities									
Communication (G&S)	61 760	(21 751)	-	40 009	39 422	587	98.5	55 793	55 822
Computer services	284 389	(34 138)	(10 000)	240 251	239 312	939	99.6	236 625	236 625
Consultants:	430 973	(163 042)	(87 724)	180 207	133 869	46 338	74.3	224 030	222 884
Business and advisory services									
Infrastructure and planning services	265 615	(191 270)	(67 994)	6 351	1 588	4 763	25.0	746	746
Laboratory services	14 933	(14 499)	-	434	434	-	100.0	544	544
Legal services	189 196	69 458	-	258 654	258 654	-	100.0	170 957	169 326
Contractors	218 863	(151 237)	(2 000)	65 626	56 633	8 993	86.3	84 257	84 257
Agency and support / outsourced services	107 367	(49 432)	(12 859)	45 076	44 924	152	99.7	60 031	60 030
Entertainment	27	(25)	-	2	2	-	100.0	1	1
Fleet services (including motor transport)	40 786	(3 834)	-	36 952	36 693	259	99.3	26 664	26 664
Inventory:	4 806	1 927	-	6 733	6 655	78	98.8	1 993	1 965
Clothing material and accessories									
Inventory:	1 250 443	167 308	103 635	1 521 386	992 753	528 633	65.3	1 115 612	358 289
Farming supplies									
Inventory: Food and food supplies	1 704	462	-	2 166	2 166	-	100.0	1 403	1 403
Inventory: Fuel, oil and gas	6 088	5 757	-	11 845	11 844	1	100.0	1 865	1 865
Inventory: Materials and supplies	2 507	23 223	-	25 730	22 561	3 169	87.7	3 883	3 883
Inventory: Medical supplies	3 068	(1 951)	-	1 117	1 117	-	100.0	1 949	1 949
Inventory: Medicine	44 431	8 859	(21 497)	31 793	29 527	2 266	92.9	9 764	9 764



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

**APPROPRIATION STATEMENT  
for the year ended 31 March 2022**

Appropriation per economic classification	2021/22							2020/21	
	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	79 979	78 671	10 452	169 102	163 163	5 939	96.5	935 950	935 950
Consumable supplies	29 781	(13 892)	-	15 889	15 062	827	94.8	28 408	28 404
Consumable: Stationery, printing and office supplies	61 575	(31 690)	(1 000)	28 885	27 544	1 341	95.4	23 133	23 145
Operating leases	273 429	196 259	-	469 688	469 561	127	100.0	528 308	528 308
Property payments	473 891	(20 157)	160 465	614 199	614 199	-	100.0	571 992	571 992
Transport provided: Departmental activity	3 273	(3 236)	-	37	37	-	100.0	458	458
Travel and subsistence	309 759	20 772	(8 813)	321 718	315 868	5 850	98.2	185 718	185 718
Training and development	83 911	(12 675)	(5 409)	65 827	65 154	673	99.0	87 297	87 296
Operating payment	40 891	(26 454)	(1 000)	13 437	11 082	2 355	82.5	13 621	13 619
Venues and facilities	38 233	482	-	38 715	38 384	331	99.1	29 214	29 214
Rental and hiring	3 196	(2 666)	-	530	357	173	67.4	439	439
Interest and rent on land	2	12	-	14	13	1	92.9	7 580	7 580
Interest (including interest on unitary payments (PPP))	1	(1)	-	-	-	-	-	7 579	7 579
Rent on land	1	13	-	14	13	1	92.9	1	1
<b>Transfers and subsidies</b>	<b>8 763 766</b>	<b>(897 977)</b>	<b>(55 256)</b>	<b>7 810 533</b>	<b>7 635 461</b>	<b>175 072</b>	<b>97.8</b>	<b>5 700 302</b>	<b>5 679 039</b>
Provinces and municipalities	2 370 666	92 333	-	2 462 999	2 459 893	3 106	99.9	1 873 006	1 866 384
Provinces	2 238 023	7	-	2 238 030	2 235 264	2 766	99.9	1 695 119	1 688 501
Provincial Revenue Funds	2 238 023	7	-	2 238 030	2 235 264	2 766	99.9	1 695 119	1 688 501
Municipalities	132 643	92 326	-	224 969	224 629	340	99.8	177 887	177 883
Municipal bank accounts	132 643	92 326	-	224 969	224 629	340	99.8	177 887	177 883
Departmental agencies and accounts	2 429 130	(105)	-	2 429 025	2 428 821	204	100.0	2 231 517	2 231 348
Departmental agencies	2 429 130	(105)	-	2 429 025	2 428 821	204	100.0	2 231 517	2 231 348
Foreign governments and international organisations	45 638	-	-	45 638	36 301	9 337	79.5	43 886	29 338
Public corporations and private enterprises	565 820	-	-	565 820	564 194	1 626	99.7	14 002	14 000



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

**APPROPRIATION STATEMENT  
for the year ended 31 March 2022**

Appropriation per economic classification	2021/22							2020/21	
	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	565 819	-	-	565 819	564 194	1 625	99.7	14 001	14 000
Subsidies on products and production (pc)	525 185	-	-	525 185	525 185	-	100.0	1	-
Other transfers to public corporations	40 634	-	-	40 634	39 009	1 625	96.0	14 000	14 000
Private enterprises	1	-	-	1	-	1	-	1	-
Other transfers to private enterprises	1	-	-	1	-	1	-	1	-
Non-profit institutions	4 140	-	-	4 140	4 140	-	100.0	4 035	4 035
Households	3 348 372	(990 205)	(55 256)	2 302 911	2 142 112	160 799	93.0	1 533 856	1 533 934
Social benefits	7 739	9 899	-	17 638	17 636	2	100.0	14 164	14 243
Other transfers to households	3 340 633	(1 000 104)	(55 256)	2 285 273	2 124 476	160 797	93.0	1 519 692	1 519 691
<b>Payments for capital assets</b>	<b>659 043</b>	<b>1 114 764</b>	<b>-</b>	<b>1 773 807</b>	<b>1 748 807</b>	<b>25 000</b>	<b>98.6</b>	<b>916 294</b>	<b>910 609</b>
Buildings and other fixed structures	533 248	521 771	-	1 055 019	1 048 211	6 808	99.4	794 270	788 599
Buildings	383 428	466 238	-	849 666	849 635	31	100.0	460 283	454 612
Other fixed structures	149 820	55 533	-	205 353	198 576	6 777	96.7	333 987	333 987
Machinery and equipment	121 935	(19 876)	-	102 059	84 096	17 963	82.4	93 767	93 753
Transport equipment	5 114	(637)	-	4 477	433	4 044	9.7	7 826	7 826
Other machinery and equipment	116 821	(19 239)	-	97 582	83 663	13 919	85.7	85 941	85 927
Heritage assets	-	-	-	-	-	-	-	96	96
Biological assets	-	-	-	-	-	-	-	27 191	27 191
Land and sub-soil assets	893	615 607	-	616 500	616 500	-	100.0	970	970
Software and other intangible assets	2 967	(2 738)	-	229	-	229	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>2 233</b>	<b>-</b>	<b>2 233</b>	<b>2 233</b>	<b>-</b>	<b>100.0</b>	<b>-</b>	<b>4 442</b>
<b>Total</b>	<b>18 023 260</b>	<b>-</b>	<b>-</b>	<b>18 023 260</b>	<b>16 931 224</b>	<b>1 092 036</b>	<b>93.9</b>	<b>15 247 613</b>	<b>14 109 083</b>



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

**APPROPRIATION STATEMENT  
for the year ended 31 March 2022**

<b>PROGRAMME 1: ADMINISTRATION</b>									
<b>Sub programmes</b>	<b>2021/22</b>							<b>2020/21</b>	
	<b>Adjust ed Approp riation</b>	<b>Shifting of Funds</b>	<b>Virem ent</b>	<b>Final Approp riation</b>	<b>Actual Expend iture</b>	<b>Varianc e</b>	<b>Expen diture as % of final approp riation</b>	<b>Final Approp riation</b>	<b>Actual expend iture</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
1.1 Ministry	<b>71 820</b>	<b>(34 039)</b>	-	<b>37 781</b>	<b>37 781</b>	-	<b>100.0</b>	37 701	37 701
1.2 Departmental Management	153 050	(39 318)	-	113 732	113 731	1	100.0	122 696	122 578
1.3 Internal Audit	60 092	(24 319)	-	35 773	35 773	-	100.0	42 382	42 382
1.4 Financial Management Services	297 853	6 419	-	304 272	304 263	9	100.0	244 672	244 646
1.5 Corporate Support Services	821 827	(24 101)	-	797 726	797 710	16	100.0	859 877	859 875
1.6 Provincial Operation	537 239	115 783	239 335	892 357	892 351	6	100.0	666 719	666 719
1.7 Office Accommodation	962 177	(425)	160 465	1 122 217	1 122 217	-	100.0	1 145 602	1 145 602
<b>Total for sub programmes</b>	<b>2 904 058</b>	<b>-</b>	<b>399 800</b>	<b>3 303 858</b>	<b>3 303 826</b>	<b>32</b>	<b>100.0</b>	<b>3 119 649</b>	<b>3 119 503</b>



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

**APPROPRIATION STATEMENT  
for the year ended 31 March 2022**

<b>PROGRAMME 1: ADMINISTRATION</b>									
<b>Economic classification</b>	<b>2021/22</b>							<b>2020/21</b>	
	<b>Adjusted Appropriation</b>	<b>Shifting of Funds</b>	<b>Virement</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance</b>	<b>Expenditure as % of final appropriation</b>	<b>Final Appropriation</b>	<b>Actual expenditure</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>2 563 931</b>	<b>(11 481)</b>	<b>399 800</b>	<b>2 952 250</b>	<b>2 952 250</b>	-	<b>100.0</b>	<b>2 761 900</b>	<b>2 758 472</b>
Compensation of employees	1 271 509	(6)	239 335	1 510 838	1 510 838	-	100.0	1 321 479	1 318 051
Salaries and wages	1 130 578	(64 066)	239 335	1 305 847	1 305 847	-	100.0	1 133 162	1 133 161
Social contributions	140 931	64 060	-	204 991	204 991	-	100.0	188 317	184 890
Goods and services	1 292 422	(11 488)	160 465	1 441 399	1 441 399	-	100.0	1 437 852	1 437 852
Administrative fees	7 256	(2 881)	-	4 375	4 375	-	100.0	1 908	1 908
Advertising	10 922	(3 389)	-	7 533	7 533	-	100.0	8 284	8 284
Minor assets	18 800	(17 702)	-	1 098	1 098	-	100.0	1 749	1 749
Audit costs:	40 690	(18 010)	-	22 680	22 680	-	100.0	21 888	21 888
External									
Bursaries:	8 910	3 206	-	12 116	12 116	-	100.0	9 153	9 153
Employees									
Catering:	1 253	(799)	-	454	454	-	100.0	296	296
Departmental activities									
Communication (G&S)	36 782	(19 710)	-	17 072	17 072	-	100.0	22 474	22 474
Computer services	215 751	(23 266)	-	192 485	192 485	-	100.0	218 352	218 352
Consultants:	41 962	(24 007)	-	17 955	17 955	-	100.0	17 992	17 992
Business and advisory services									
Legal services	18 883	(288)	-	18 595	18 595	-	100.0	16 245	16 245
Contractors	20 466	14 622	-	35 088	35 088	-	100.0	3 041	3 041
Agency and support / outsourced services	17 643	(16 052)	-	1 591	1 591	-	100.0	1 543	1 543
Entertainment	-	1	-	1	1	-	100.0	-	-
Fleet services (including motor transport)	10 422	(789)	-	9 633	9 633	-	100.0	5 969	5 969
Inventory: Clothing material and accessories	180	(177)	-	3	3	-	100.0	1 152	1 152
Inventory: Farming supplies	-	1	-	1	1	-	100.0	-	-
Inventory: Food and food supplies	20	(20)	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	112	(110)	-	2	2	-	100.0	1	1
Inventory: Materials and supplies	6	(6)	-	-	-	-	-	-	-
Inventory: Other supplies	-	26	-	26	26	-	100.0	77	77
Consumable supplies	12 593	(6 664)	-	5 929	5 929	-	100.0	16 281	16 281
Consumable: Stationery, printing and office supplies	19 364	(10 236)	-	9 128	9 128	-	100.0	6 766	6 766
Operating leases	242 490	190 199	-	432 689	432 689	-	100.0	484 257	484 257
Property payments	445 621	(69 619)	160 465	536 467	536 467	-	100.0	521 723	521 723
Transport provided: Departmental activity	341	(341)	-	-	-	-	-	-	-



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

**APPROPRIATION STATEMENT  
for the year ended 31 March 2022**

<b>PROGRAMME 1: ADMINISTRATION</b>									
<b>Economic classification</b>	<b>2021/22</b>							<b>2020/21</b>	
	<b>Adjusted Appropriation</b>	<b>Shifting of Funds</b>	<b>Virement</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance</b>	<b>Expenditure as % of final appropriation</b>	<b>Final Appropriation</b>	<b>Actual expenditure</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
Travel and subsistence	69 197	23 275	-	92 472	92 472	-	100.0	51 592	51 592
Training and development	34 163	(24 714)	-	9 449	9 449	-	100.0	7 980	7 980
Operating payment Venues and facilities	12 357	(9 560)	-	2 797	2 797	-	100.0	3 853	3 853
Rental and hiring	5 897	5 758	-	11 655	11 655	-	100.0	15 241	15 241
Interest and rent on land	341	(236)	-	105	105	-	100.0	35	35
Interest (including interest on unitary payments (PPP))	-	13	-	13	13	-	100.0	2 569	2 569
Rent on land	-	-	-	-	-	-	-	2 569	2 569
<b>Transfers and subsidies</b>	<b>2 954</b>	<b>3 886</b>	<b>-</b>	<b>6 840</b>	<b>6 808</b>	<b>32</b>	<b>99.5</b>	<b>6 297</b>	<b>6 347</b>
Provinces and municipalities	104	(12)	-	92	75	17	81.5	76	73
Provinces	-	-	-	-	-	-	-	2	2
Provincial Revenue Funds	-	-	-	-	-	-	-	2	2
Municipalities	104	(12)	-	92	75	17	81.5	74	71
Municipal bank accounts	104	(12)	-	92	75	17	81.5	74	71
Departmental agencies and accounts	1 421	1	-	1 422	1 413	9	99.4	1 334	1 308
Departmental agencies	1 421	1	-	1 422	1 413	9	99.4	1 334	1 308
Foreign governments and international organisations	-	-	-	-	-	-	-	5	5
Households	1 429	3 897	-	5 326	5 320	6	99.9	4 882	4 961
Social benefits	1 429	3 892	-	5 321	5 320	1	100.0	4 753	4 832
Other transfers to households	-	5	-	5	-	5	-	129	129
<b>Payments for capital assets</b>	<b>337 173</b>	<b>6 688</b>	<b>-</b>	<b>343 861</b>	<b>343 861</b>	<b>-</b>	<b>100.0</b>	<b>351 452</b>	<b>351 373</b>
Buildings and other fixed structures	290 867	19 870	-	310 737	310 737	-	100.0	303 142	303 063
Buildings	286 740	22 349	-	309 089	309 089	-	100.0	284 106	284 027
Other fixed structures	4 127	(2 479)	-	1 648	1 648	-	100.0	19 036	19 036
Machinery and equipment	46 306	(13 182)	-	33 124	33 124	-	100.0	47 612	47 612
Transport equipment	2 934	(2 934)	-	-	-	-	-	33	33
Other machinery and equipment	43 372	(10 248)	-	33 124	33 124	-	100.0	47 579	47 579
Software and other Intangible assets	-	-	-	-	-	-	-	698	698
<b>Payments for financial assets</b>	<b>-</b>	<b>907</b>	<b>-</b>	<b>907</b>	<b>907</b>	<b>-</b>	<b>100.0</b>	<b>-</b>	<b>3 311</b>
<b>Total</b>	<b>2 904 058</b>	<b>-</b>	<b>399 800</b>	<b>3 303 858</b>	<b>3 303 826</b>	<b>32</b>	<b>100.0</b>	<b>3 119 649</b>	<b>3 119 503</b>



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

**APPROPRIATION STATEMENT  
for the year ended 31 March 2022**

<b>PROGRAMME 2: AGRICULTURAL PRODUCTION, BIOSECURITY AND NATURAL RESOURCES MANAGEMENT</b>									
<b>Sub programmes</b>	<b>2021/22</b>							<b>2020/21</b>	
	<b>Adjusted Appropriation</b>	<b>Shifting of Funds</b>	<b>Virement</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance</b>	<b>Expenditure as % of final appropriation</b>	<b>Final Appropriation</b>	<b>Actual expenditure</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
2.1 Inspection and Quarantine Services	470 287	(11 272)	(7 539)	451 476	443 035	8 441	98.1	591 624	582 325
2.2 Plant Production and Health	162 901	(30 051)	-	132 850	114 513	18 337	86.2	545 539	544 313
2.3 Animal Production and Health	350 342	(7 357)	(67 262)	275 723	271 201	4 522	98.4	310 321	203 919
2.4 Natural Resources and Disaster Management	342 667	48 948	(30 530)	361 085	356 314	4 771	98.7	257 894	247 544
2.5 Biosecurity	4 181	(268)	-	3 913	3 503	410	89.5	-	-
2.6 Agricultural Research Council	1 282 632	-	-	1 282 632	1 282 632	-	100.0	1 249 920	1 249 920
<b>Total for sub programmes</b>	<b>2 613 010</b>	<b>-</b>	<b>(105 331)</b>	<b>2 507 679</b>	<b>2 471 198</b>	<b>36 481</b>	<b>98.5</b>	<b>2 955 298</b>	<b>2 828 021</b>



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

**APPROPRIATION STATEMENT  
for the year ended 31 March 2022**

<b>PROGRAMME 2: AGRICULTURAL PRODUCTION, BIOSECURITY AND NATURAL RESOURCES MANAGEMENT</b>									
<b>Economic classification</b>	<b>2021/22</b>							<b>2020/21</b>	
	<b>Adjusted Appropriation</b>	<b>Shifting of Funds</b>	<b>Virement</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance</b>	<b>Expenditure as % of final appropriation</b>	<b>Final Appropriation</b>	<b>Actual expenditure</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>1 222 190</b>	<b>(21)</b>	<b>(105 331)</b>	<b>1 116 838</b>	<b>1 090 751</b>	<b>26 087</b>	<b>97.7</b>	<b>1 147 192</b>	<b>1 026 463</b>
Compensation of employees	907 603	(4)	(83 834)	823 765	799 949	23 816	97.1	919 496	798 767
Salaries and wages	822 505	(12 465)	(83 834)	726 206	705 240	20 966	97.1	819 027	701 317
Social contributions	85 098	12 461	-	97 559	94 709	2 850	97.1	100 469	97 450
Goods and services	314 586	(16)	(21 497)	293 073	290 802	2 271	99.2	227 696	227 696
Administrative fees	753	(690)	-	63	63	-	100.0	73	73
Advertising	459	(456)	-	3	3	-	100.0	64	64
Minor assets	5 465	(4 454)	-	1 011	1 011	-	100.0	358	358
Bursaries:	-	565	-	565	565	-	100.0	618	618
Employees									
Catering:	10	(8)	-	2	2	-	100.0	2	2
Departmental activities									
Communication (G&S)	1 664	408	-	2 072	2 072	-	100.0	2 859	2 859
Computer services	27 688	(7 042)	-	20 646	20 644	2	100.0	448	448
Consultants:	33 598	(17 883)	-	15 715	15 715	-	100.0	95 409	95 409
Business and advisory services									
Infrastructure and planning services	43	(43)	-	-	-	-	-	-	-
Laboratory services	14 897	(14 463)	-	434	434	-	100.0	542	542
Legal services	8 199	3 901	-	12 100	12 100	-	100	5 915	5 915
Contractors	10 335	(8 909)	-	1 426	1 426	-	100.0	3 754	3 754
Agency and support / outsourced services	39 851	(11 912)	-	27 939	27 938	1	100.0	16 405	16 405
Entertainment	2	(2)	-	-	-	-	-	-	-
Fleet services (including government motor transport)	11 035	3 492	-	14 527	14 527	-	100.0	10 009	10 009
Inventory: Clothing material and accessories	2 064	3 119	-	5 183	5 183	-	100.0	209	209
Inventory: Farming supplies	47 290	48 875	-	96 165	96 164	1	100.0	33 133	33 133
Inventory: Food and food supplies	6	(5)	-	1	1	-	100.0	-	-
Inventory: Fuel, oil and gas	864	(545)	-	319	318	1	99.7	280	280
Inventory: Materials and supplies	1 613	(1 613)	-	-	-	-	-	2	2
Inventory: Medical supplies	3 008	(1 954)	-	1 054	1 054	-	100.0	1 946	1 946
Inventory: Medicine	44 242	8 785	(21 497)	31 530	29 264	2 266	92.8	9 224	9 224
Inventory: Other supplies	4 195	(3 141)	-	1 054	1 054	-	100.0	2 796	2 796
Consumable supplies	5 163	(2 531)	-	2 632	2 632	-	100.0	1 906	1 906
Consumable: Stationery, printing and office supplies	5 194	(2 176)	-	3 018	3 018	-	100.0	2 809	2 809
Operating leases	1 321	(1 257)	-	64	64	-	100.0	71	71



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

**APPROPRIATION STATEMENT  
for the year ended 31 March 2022**

<b>PROGRAMME 2: AGRICULTURAL PRODUCTION, BIOSECURITY AND NATURAL RESOURCES MANAGEMENT</b>									
<b>Economic classification</b>	<b>2021/22</b>							<b>2020/21</b>	
	<b>Adjusted Appropriation</b>	<b>Shifting of Funds</b>	<b>Virement</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance</b>	<b>Expenditure as % of final appropriation</b>	<b>Final Appropriation</b>	<b>Actual expenditure</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
Property payments	2 017	4 249	-	6 266	6 266	-	100.0	14 645	14 645
Travel and subsistence	36 857	6 644	-	43 501	43 501	-	100.0	20 957	20 957
Training and development	999	2 430	-	3 429	3 429	-	100.0	395	395
Operating payment	5 579	(3 899)	-	1 680	1 680	-	100.0	2 724	2 724
Venues and facilities	175	476	-	651	651	-	100.0	143	143
Rental and hiring	-	23	-	23	23	-	100.0	-	-
Interest and rent on land	1	(1)	-	-	-	-	-	-	-
Interest (including interest on unitary payments (PPP))	1	(1)	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>1 367 825</b>	<b>3 811</b>	<b>-</b>	<b>1 371 636</b>	<b>1 368 747</b>	<b>2 889</b>	<b>99.8</b>	<b>1 790 703</b>	<b>1 784 088</b>
Provinces and municipalities	83 380	447	-	83 827	80 938	2 889	96.6	504 671	498 056
Provinces	83 337	-	-	83 337	80 578	2 759	96.7	504 422	497 807
Provincial Revenue Funds	83 337	-	-	83 337	80 578	2 759	96.7	504 422	497 807
Municipalities	43	447	-	490	360	130	73.5	249	249
Municipal bank accounts	43	447	-	490	360	130	73.5	249	249
Departmental agencies and accounts	1 282 862	(109)	-	1 282 753	1 282 753	-	100.0	1 250 162	1 250 162
Departmental agencies	1 282 862	(109)	-	1 282 753	1 282 753	-	100.0	1 250 162	1 250 162
Households	1 583	3 473	-	5 056	5 056	-	100.0	35 870	35 870
Social benefits	1 583	1 265	-	2 848	2 848	-	100.0	6 391	6 391
Other transfers to households	-	2 208	-	2 208	2 208	-	100.0	29 479	29 479
<b>Payments for capital assets</b>	<b>22 995</b>	<b>(3 814)</b>	<b>-</b>	<b>19 181</b>	<b>11 676</b>	<b>7 505</b>	<b>60.9</b>	<b>17 403</b>	<b>17 403</b>
Buildings and other fixed structures	3 407	(1 076)	-	2 331	2 331	-	100.0	1 908	1 908
Buildings	-	-	-	-	-	-	-	365	365
Other fixed structures	3 407	(1 076)	-	2 331	2 331	-	100.0	1 543	1 543
Machinery and equipment	16 621	-	-	16 621	9 345	7 276	56.2	15 399	15 399
Transport equipment	1 275	1 960	-	3 235	51	3 184	1.6	7 779	7 779
Other machinery and equipment	15 346	(1 960)	-	13 386	9 294	4 092	69.4	7 620	7 620
Biological assets	-	-	-	-	-	-	-	96	96
Software and other intangible assets	2 967	(2 738)	-	229	-	229	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>24</b>	<b>-</b>	<b>24</b>	<b>24</b>	<b>-</b>	<b>100.0</b>	<b>-</b>	<b>67</b>
<b>Total</b>	<b>2 613 010</b>	<b>-</b>	<b>(105 331)</b>	<b>2 507 679</b>	<b>2 471 198</b>	<b>36 481</b>	<b>98.5</b>	<b>2 955 298</b>	<b>2 828 021</b>



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

**APPROPRIATION STATEMENT  
for the year ended 31 March 2022**

<b>PROGRAMME 3: FOOD SECURITY, LAND REFORM AND RESTITUTION</b>									
<b>Sub programmes</b>	<b>2021/22</b>							<b>2020/21</b>	
	<b>Adjusted Appropriation</b>	<b>Shifting of Funds</b>	<b>Virement</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance</b>	<b>Expenditure as % of final appropriation</b>	<b>Final Appropriation</b>	<b>Actual expenditure</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
3.1 Food Security	3 070 465	98 617	(38 832)	3 130 250	2 532 747	597 503	80.9	2 224 059	1 440 239
3.2 Land Redistribution and Tenure Reform	949 009	58 034	(199 179)	807 864	753 775	54 089	93.3	853 183	1 015 301
3.3 National Extension Services and Sector Capacity Development	561 469	4 686	(11 066)	555 089	553 274	1 815	99.7	349 806	350 943
3.4 Farmer Support and Development	612 564	(6 220)	(8 311)	598 033	598 032	1	100.0	696	696
3.5 Restitution	3 506 150	(155 117)	(52 184)	3 298 849	3 249 980	48 869	98.5	2 769 534	2 768 809
3.6 Agricultural Land Holdings Account	937 986	-	-	937 986	937 986	-	100.0	448 040	336 030
3.7 Ingonyama Trust Board	23 517	-	-	23 517	23 517	-	100.0	11 145	11 145
3.8 Office of the Valuer-General	131 844	-	-	131 844	131 844	-	100.0	100 000	-
<b>Total for sub programmes</b>	<b>9 793 004</b>	<b>-</b>	<b>(309 572)</b>	<b>9 483 432</b>	<b>8 781 155</b>	<b>702 277</b>	<b>92.6</b>	<b>6 756 463</b>	<b>5 923 163</b>



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

**APPROPRIATION STATEMENT  
for the year ended 31 March 2022**

<b>PROGRAMME 3: FOOD SECURITY, LAND REFORM AND RESTITUTION</b>									
<b>Economic classification</b>	<b>2021/22</b>							<b>2020/21</b>	
	<b>Adjusted Appropriation</b>	<b>Shifting of Funds</b>	<b>Virement</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance</b>	<b>Expenditure as % of final appropriation</b>	<b>Final Appropriation</b>	<b>Actual expenditure</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>2 547 511</b>	<b>216 741</b>	<b>(254 316)</b>	<b>2 509 936</b>	<b>1 976 906</b>	<b>533 030</b>	<b>78.8</b>	<b>3 284 347</b>	<b>2 450 369</b>
Compensation of employees	913 858	1	(157 024)	756 835	756 835	-	100.0	901 072	825 875
Salaries and wages	780 326	8 425	(133 963)	654 788	654 788	-	100.0	776 841	714 867
Social contributions	133 532	(8 424)	(23 061)	102 047	102 047	-	100.0	124 231	111 008
Goods and services	1 633 652	216 740	(97 292)	1 753 100	1 220 071	533 029	69.6	2 378 265	1 619 484
Administrative fees	15 671	4 945	-	20 616	20 616	-	100.0	35 646	35 646
Advertising	6 518	(3 119)	-	3 399	3 396	3	99.9	2 186	2 186
Minor assets	17 262	(12 887)	-	4 375	4 375	-	100.0	1 859	1 859
Audit costs:	3 406	7 402	-	10 808	10 808	-	100.0	7 680	7 680
External									
Bursaries:	42	73	-	115	115	-	100.0	133	133
Employees									
Catering:	4 583	(4 001)	-	582	582	-	100.0	106	106
Departmental activities									
Communication (G&S)	17 868	(1 419)	-	16 449	16 449	-	100.0	22 854	22 882
Computer services	6 308	(3 008)	-	3 300	3 300	-	100.0	1 296	1 296
Consultants:	117 826	(26 220)	(63 724)	27 882	23 612	4 270	84.7	14 405	14 405
Business and advisory services									
Infrastructure and planning services	3 454	(3 174)	-	280	280	-	100.0	-	-
Laboratory services	36	(36)	-	-	-	-	-	2	2
Legal services	162 022	65 743	-	227 765	227 765	-	100.0	148 110	146 479
Contractors	6 495	(3 609)	-	2 886	2 886	-	100.0	67 227	67 227
Agency and support / outsourced services	35 870	(17 833)	(12 859)	5 178	5 178	-	100.0	39 692	39 691
Entertainment	19	(19)	-	-	-	-	-	-	-
Fleet services (including motor transport)	14 253	(5 036)	-	9 217	9 217	-	100.0	6 813	6 813
Inventory:									
Clothing material and accessories	547	195	-	742	742	-	100.0	216	188
Inventory:	997 418	182 659	(7 487)	1 172 590	643 958	528 632	54.9	1 005 942	248 619
Farming supplies									
Inventory: Food and food supplies	1 319	458	-	1 777	1 777	-	100.0	980	980
Inventory: Fuel, oil and gas	118	(69)	-	49	49	-	100.0	284	284
Inventory: Materials and supplies	90	51	-	141	140	1	99.3	302	302
Inventory: Medical supplies	2	3	-	5	5	-	100.0	3	3
Inventory: Medicine	189	(23)	-	166	166	-	100.0	71	71



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

**APPROPRIATION STATEMENT  
for the year ended 31 March 2022**

<b>PROGRAMME 3: FOOD SECURITY, LAND REFORM AND RESTITUTION</b>									
<b>Economic classification</b>	<b>2021/22</b>							<b>2020/21</b>	
	<b>Adjusted Appropriation</b>	<b>Shifting of Funds</b>	<b>Virement</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance</b>	<b>Expenditure as % of final appropriation</b>	<b>Final Appropriation</b>	<b>Actual expenditure</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
Inventory: Other supplies	814	44 263	-	45 077	44 957	120	99.7	886 203	886 203
Consumable supplies	8 758	(3 804)	-	4 954	4 954	-	100.0	7 661	7 673
Consumable: Stationery, printing and office supplies	23 165	(12 933)	-	10 232	10 232	-	100.0	7 339	7 438
Operating leases	20 121	6 000	-	26 121	26 119	2	100.0	25 779	25 779
Property payments	21 865	28 090	-	49 955	49 955	-	100.0	20 610	20 610
Transport provided: Departmental activity	2 932	(2 895)	-	37	37	-	100.0	458	458
Travel and subsistence	89 017	4 672	(7 813)	85 876	85 876	-	100.0	47 866	47 899
Training and development	14 304	(7 776)	(5 409)	1 119	1 119	-	100.0	16 899	16 930
Operating payment	13 040	(9 348)	-	3 692	3 692	-	100.0	3 302	3 301
Venues and facilities	26 262	(8 694)	-	17 568	17 567	1	100.0	6 261	6 261
Rental and hiring	2 058	(1 911)	-	147	147	-	100.0	80	80
Interest and rent on land	1	-	-	1	-	1	-	5 010	5 010
Interest (including interest on unitary payments (PPP))	-	-	-	-	-	-	-	5 010	5 010
Rent on land	1	-	-	1	-	1	-	-	-
<b>Transfers and subsidies</b>	<b>7 183 907</b>	<b>(914 132)</b>	<b>(55 256)</b>	<b>6 214 519</b>	<b>6 055 395</b>	<b>159 124</b>	<b>97.4</b>	<b>3 312 816</b>	<b>3 312 824</b>
Provinces and municipalities	2 287 157	91 899	-	2 379 056	2 378 870	186	100.0	1 368 234	1 368 244
Provinces	2 154 686	7	-	2 154 693	2 154 686	7	100.0	1 190 681	1 190 691
Provincial Revenue Funds	2 154 686	7	-	2 154 693	2 154 686	7	100.0	1 190 681	1 190 691
Municipalities	132 471	91 892	-	224 363	224 184	179	99.9	177 553	177 553
Municipal bank accounts	132 471	91 892	-	224 363	224 184	179	99.9	177 553	177 553
Departmental agencies and accounts	1 093 347	3	-	1 093 350	1 093 350	-	100.0	570 232	570 232
Departmental agencies	1 093 347	3	-	1 093 350	1 093 350	-	100.0	570 232	570 232
Public corporations and private enterprises	525 187	-	-	525 187	525 186	1	100.0	2	-
Public corporations	525 186	-	-	525 186	525 186	1	100.0	1	-



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

**APPROPRIATION STATEMENT  
for the year ended 31 March 2022**

<b>PROGRAMME 3: FOOD SECURITY, LAND REFORM AND RESTITUTION</b>									
<b>Economic classification</b>	<b>2021/22</b>							<b>2020/21</b>	
	<b>Adjusted Appropriation</b>	<b>Shifting of Funds</b>	<b>Virement</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance</b>	<b>Expenditure as % of final appropriation</b>	<b>Final Appropriation</b>	<b>Actual expenditure</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
Subsidies on products and production (pc)	525 185	-	-	525 185	525 185	-	100.0	1	-
Other transfers to public corporations	1	-	-	1	1	-	100.0	-	-
Private enterprises	1	-	-	1	-	1	-	1	-
Other transfers to private enterprises	1	-	-	1	-	1	-	1	-
Households	3 278 216	(1 006 034)	(55 256)	2 216 926	2 057 989	158 937	92.8	1 374 348	1 374 348
Social benefits	2 444	2 409	-	4 853	4 853	-	100.0	1 644	1 644
Other transfers to households	3 275 772	(1 008 443)	(55 256)	2 212 073	2 053 136	158 937	92.8	1 372 704	1 372 704
<b>Payments for capital assets</b>	<b>61 586</b>	<b>696 892</b>	<b>-</b>	<b>758 478</b>	<b>748 355</b>	<b>10 123</b>	<b>98.7</b>	<b>159 300</b>	<b>159 287</b>
Buildings and other fixed structures	37 272	81 254	-	118 556	111 749	6 807	94.3	119 522	119 522
Buildings	30	90 919	-	90 949	90 919	30	100.0	-	-
Other fixed structures	37 242	(9 635)	-	27 607	20 830	6 777	75.5	119 522	119 522
Machinery and equipment	23 421	1	-	23 422	20 106	3 316	85.8	12 587	12 574
Transport equipment	905	337	-	1 242	382	860	30.8	14	14
Other machinery and equipment	22 516	(336)	-	22 180	19 724	2 456	88.9	12 573	12 560
Land and sub-soil assets	893	615 607	-	616 500	616 500	-	100.0	27 191	27 191
Software and other Intangible assets	-	499	-	499	499	-	100.0	-	683
<b>Payments for financial assets</b>	<b>-</b>	<b>499</b>	<b>-</b>	<b>499</b>	<b>499</b>	<b>-</b>	<b>100.0</b>	<b>-</b>	<b>683</b>
<b>Total</b>	<b>9 793 004</b>	<b>-</b>	<b>(309 572)</b>	<b>9 483 432</b>	<b>8 781 155</b>	<b>702 277</b>	<b>92.6</b>	<b>6 756 463</b>	<b>5 923 163</b>



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

**APPROPRIATION STATEMENT  
for the year ended 31 March 2022**

<b>PROGRAMME 4: RURAL DEVELOPMENT</b>									
<b>Sub programmes</b>	<b>2021/22</b>							<b>2020/21</b>	
	<b>Adjusted Appropriation</b>	<b>Shifting of Funds</b>	<b>Virement</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance</b>	<b>Expenditure as % of final appropriation</b>	<b>Final Appropriation</b>	<b>Actual expenditure</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
4.1 National Rural Youth Services Corps	220 440	6 035	1 523	227 998	222 173	5 825	97.4	280 980	280 979
4.2 Rural Infrastructure Development	831 164	1 273	(85 994)	746 443	679 109	67 334	91.0	429 571	420 161
4.3 Technology Research and Development	26 152	(7 308)	-	18 844	18 270	574	97.0	14 575	13 947
<b>Total for sub programmes</b>	<b>1 077 756</b>	<b>-</b>	<b>(84 471)</b>	<b>993 285</b>	<b>919 552</b>	<b>73 733</b>	<b>92.6</b>	<b>725 126</b>	<b>715 087</b>



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

**APPROPRIATION STATEMENT  
for the year ended 31 March 2022**

<b>PROGRAMME 4: RURAL DEVELOPMENT</b>									
<b>Economic classification</b>	<b>2021/22</b>							<b>2020/21</b>	
	<b>Adjusted Appropriation</b>	<b>Shifting of Funds</b>	<b>Transferment</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance</b>	<b>Expenditure as % of final appropriation</b>	<b>Final Appropriation</b>	<b>Actual expenditure</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>826 721</b>	<b>(407 060)</b>	<b>(84 471)</b>	<b>335 190</b>	<b>263 313</b>	<b>71 87</b>	<b>78.6</b>	<b>278 425</b>	<b>274 964</b>
Compensation of employees	125 088	1	1 523	126 612	126 611	1	100.0	152 425	148 965
Salaries and wages	108 593	5 127	1 523	115 243	115 243	-	100.0	134 506	133 945
Social contributions	16 495	(5 126)	-	11 369	11 368	1	100.0	17 919	15 020
Goods and services	701 633	(407 061)	(85 994)	208 578	136 702	71 876	65.5	126 000	124 844
Administrative fees	2 839	(421)	-	2 418	2 139	279	88.5	2 456	2 456
Advertising	279	76	-	355	355	-	100.0	762	762
Minor assets	1 454	(1 007)	-	447	157	290	35.1	156	156
Catering:	138	(14)	-	124	29	95	23.4	14	14
Departmental activities									
Communication (G&S)	373	(243)	-	130	43	87	33.1	1 604	1 604
Computer services	116	2 132	-	2 248	2 247	1	100.0	4	4
Consultants: Business and advisory services	144 196	(82 460)	(18 000)	43 736	4 673	39 063	10.7	3 426	2 271
Infrastructure and planning services	261 923	(187 991)	(67 994)	5 938	1 308	4 630	22.0	743	743
Legal services	92	(92)	-	-	-	-	-	-	-
Contractors	166 775	(158 015)	-	8 760	215	8 545	2.5	225	225
Agency and support / outsourced services	401	(250)	-	151	-	151	-	1 802	1 802
Entertainment	5	(5)	-	-	-	-	-	-	-
Fleet services (including government motor transport)	1 939	(1 129)	-	810	551	259	68.0	576	576
Inventory: Clothing material and accessories	974	(846)	-	128	128	-	100.0	111	111
Inventory: Food and food supplies	194	-	-	194	194	-	100.0	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	111	111
Inventory: Materials and supplies	-	3 168	-	3 168	-	3 168	-	1	1
Inventory: Other supplies	-	6 120	-	6 120	301	5 819	4.9	49	49
Consumable supplies	829	(299)	-	530	399	131	75.3	1 566	1 566
Consumable: Stationery, printing and office supplies	4 528	(1 955)	-	2 573	1 308	1 265	50.8	1 840	1 839
Operating leases	1 451	549	-	2 000	1 974	26	98.7	3 056	3 056
Property payments	110	3 190	-	3 300	3 300	-	100.0	4 584	4 584
Travel and subsistence	78 614	(7 117)	-	71 497	66 032	5 465	92.4	41 230	41 230
Training and development	29 906	19 178	-	49 084	48 411	673	98.6	58 643	58 643
Operating payment	2 366	(520)	-	1 846	420	1 426	22.8	386	386
Venues and facilities	1 665	1 165	-	2 830	2 500	330	88.3	2 382	2 382
Rental and hiring	466	(275)	-	191	18	173	9.4	273	273



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

**APPROPRIATION STATEMENT  
for the year ended 31 March 2022**

<b>PROGRAMME 4: RURAL DEVELOPMENT</b>									
<b>Economic classification</b>	<b>2021/22</b>							<b>2020/21</b>	
	<b>Adjusted Appropriation</b>	<b>Shifting of Funds</b>	<b>Transferment</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance</b>	<b>Expenditure as % of final appropriation</b>	<b>Final Appropriation</b>	<b>Actual expenditure</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Transfers and subsidies</b>	<b>32 224</b>	<b>(1 386)</b>	<b>-</b>	<b>30 838</b>	<b>28 983</b>	<b>1 855</b>	<b>94.0</b>	<b>74 935</b>	<b>74 935</b>
Households	32 224	(1 386)	-	30 838	28 983	1 855	94.0	74 935	74 935
Social benefits	109	155	-	264	264	-	100.0	42	42
Other transfers to households	32 115	(1 541)	-	30 574	28 719	1 855	93.9	74 893	74 893
<b>Payments for capital assets</b>	<b>218 811</b>	<b>408 293</b>	<b>-</b>	<b>627 104</b>	<b>627 103</b>	<b>1</b>	<b>100.0</b>	<b>371 766</b>	<b>366 175</b>
Buildings and other fixed structures	200 081	423 314	-	623 395	623 394	1	100.0	370 216	364 625
Buildings	95 037	354 591	-	449 628	449 627	1	100.0	175 811	170 220
Other fixed structures	105 044	68 723	-	173 767	173 767	-	100.0	194 405	194 405
Machinery and equipment	18 730	(15 021)	-	3 709	3 709	-	100.0	1 550	1 550
Other machinery and equipment	18 730	(15 021)	-	3 709	3 709	-	100.0	1 550	1 550
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>153</b>	<b>-</b>	<b>153</b>	<b>153</b>	<b>-</b>	<b>100.0</b>	<b>-</b>	<b>168</b>
<b>Total</b>	<b>1 077 756</b>	<b>- (84 471)</b>	<b>-</b>	<b>993 285</b>	<b>919 552</b>	<b>73 733</b>	<b>92.6</b>	<b>725 126</b>	<b>715 087</b>



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

**APPROPRIATION STATEMENT  
for the year ended 31 March 2022**

<b>PROGRAMME 5: ECONOMIC DEVELOPMENT, TRADE AND MARKETING</b>									
<b>Sub programmes</b>	<b>2021/22</b>							<b>2020/21</b>	
	<b>Adjusted Appropriation</b>	<b>Shifting of Funds</b>	<b>Virement</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance</b>	<b>Expenditure as % of final appropriation</b>	<b>Final Appropriation</b>	<b>Actual expenditure</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
5.1 International Relations and Trade	213 730	(13 334)	-	200 396	142 518	57 878	71.1	205 603	191 055
5.2 Cooperative Development	80 314	(1 422)	-	78 892	74 289	4 603	94.2	44 091	43 836
5.3 Agro-processing Marketing and Rural Industrial Development	518 298	16 985	121 574	656 857	540 341	116 516	82.3	358 243	255 736
5.4 Development Finance	13 173	(2 229)	-	10 944	-	10 944	-	10 802	8 314
5.5 National Agricultural Marketing Council	47 305	-	-	47 305	47 305	-	100.0	47 422	47 422
<b>Total for sub programmes</b>	<b>872 820</b>	<b>-</b>	<b>121 574</b>	<b>994 394</b>	<b>804 453</b>	<b>189 941</b>	<b>80.9</b>	<b>666 161</b>	<b>546 363</b>



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

**APPROPRIATION STATEMENT  
for the year ended 31 March 2022**

<b>PROGRAMME 5: ECONOMIC DEVELOPMENT, TRADE AND MARKETING</b>									
<b>Economic classification</b>	<b>2021/22</b>							<b>2020/21</b>	
	<b>Adjusted Appropriation</b>	<b>Shifting of Funds</b>	<b>Virement</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance</b>	<b>Expenditure as % of final appropriation</b>	<b>Final Appropriation</b>	<b>Actual expenditure</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>733 376</b>	<b>1 959</b>	<b>121 574</b>	<b>856 909</b>	<b>677 931</b>	<b>178 978</b>	<b>79.1</b>	<b>561 564</b>	<b>456 237</b>
Compensation of employees	344 986	-	-	344 986	166 011	178 975	48.1	309 872	204 707
Salaries and wages	308 519	(1 382)	-	307 137	144 144	162 993	46.9	266 797	177 496
Social contributions	36 467	1 382	-	37 849	21 867	15 982	57.8	43 075	27 211
Goods and services	388 390	1 959	121 574	511 923	511 920	3	100.0	251 692	251 530
Administrative fees	4 450	1 675	-	6 125	6 125	-	100.0	1 129	1 129
Advertising	67	97	-	164	164	-	100.0	1 339	1 339
Minor assets	1 389	(595)	-	794	791	3	99.6	295	295
Audit costs:	1 606	2 741	-	4 347	4 347	-	100.0	1 087	1 087
External									
Bursaries:	-	112	-	112	112	-	100.0	107	107
Employees									
Catering:	990	297	-	1 287	1 287	-	100.0	768	768
Departmental activities									
Communication (G&S)	2 418	(1 049)	-	1 369	1 369	-	100.0	2 103	2 103
Computer services	415	(70)	-	345	345	-	100.0	424	424
Consultants:	12 647	10 899	-	23 546	23 546	-	100.0	61 773	61 773
Business and advisory services									
Legal services	-	193	-	193	193	-	100.0	44	44
Contractors	3 970	4 243	-	8 213	8 213	-	100.0	3 315	3 315
Agency and support / outsourced services	13 602	(3 385)	-	10 217	10 217	-	100.0	589	589
Fleet services (including government motor transport)	1 904	(880)	-	1 024	1 024	-	100.0	1 767	1 767
Inventory: Clothing material and accessories	963	(364)	-	599	599	-	100.0	305	305
Inventory: Farming supplies	205 735	(64 227)	111 122	252 630	252 630	-	100.0	76 537	76 537
Inventory: Food and food supplies	165	29	-	194	194	-	100.0	423	423
Inventory: Fuel, oil and gas	4 994	6 481	-	11 475	11 475	-	100.0	1 189	1 189
Inventory: Materials and supplies	798	21 623	-	22 421	22 421	-	100.0	3 578	3 578
Inventory: Medicine	-	97	-	97	97	-	100.0	469	469
Inventory: Other supplies	74 970	31 403	10 452	116 825	116 825	-	100.0	46 825	46 825
Consumable supplies	903	(594)	-	309	309	-	100.0	93	81
Consumable: Stationery, printing and office supplies	4 692	(3 288)	-	1 404	1 404	-	100.0	1 439	1 354
Operating leases	5 807	(808)	-	4 999	4 999	-	100.0	12 127	12 127
Property payments	3 217	8 130	-	11 347	11 347	-	100.0	4 413	4 413
Travel and subsistence	28 899	(7 370)	-	21 529	21 529	-	100.0	19 637	19 604



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**APPROPRIATION STATEMENT  
for the year ended 31 March 2022**

<b>PROGRAMME 5: ECONOMIC DEVELOPMENT, TRADE AND MARKETING</b>									
<b>Economic classification</b>	<b>2021/22</b>							<b>2020/21</b>	
	<b>Adjusted Appropriation</b>	<b>Shifting of Funds</b>	<b>Virement</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance</b>	<b>Expenditure as % of final appropriation</b>	<b>Final Appropriation</b>	<b>Actual expenditure</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
Training and development	4 510	(1 793)	-	2 717	2 717	-	100.0	3 380	3 348
Operating payment Venues and facilities	5 031	(3 127)	-	1 904	1 904	-	100.0	2 731	2 731
Rental and hiring	3 917	1 756	-	5 673	5 673	-	100.0	3 792	3 792
<b>Transfers and subsidies</b>	<b>331</b>	<b>(267)</b>	<b>-</b>	<b>64</b>	<b>64</b>	<b>-</b>	<b>100.0</b>	<b>14</b>	<b>14</b>
<b>Provinces and municipalities</b>	<b>131 350</b>	<b>428</b>	<b>-</b>	<b>131 778</b>	<b>120 815</b>	<b>10 963</b>	<b>91.7</b>	<b>102 440</b>	<b>87 879</b>
Provinces	5	(1)	-	4	4	-	100.0	17	4
Provincial Revenue Funds	-	-	-	-	-	-	-	14	1
Municipalities	-	-	-	-	-	-	-	14	1
Municipal bank accounts	5	(1)	-	4	4	-	100.0	3	3
Municipal bank accounts	5	(1)	-	4	4	-	100.0	3	3
Departmental agencies and accounts	47 305	-	-	47 305	47 305	-	100.0	47 422	47 422
Departmental agencies	47 305	-	-	47 305	47 305	-	100.0	47 422	47 422
Foreign governments and international organisations	43 028	-	-	43 028	33 691	9 337	78.3	40 975	26 427
Public corporations and private enterprises	40 633	-	-	40 633	39 008	1 625	96.0	14 000	14 000
Public corporations	40 633	-	-	40 633	39 008	1 625	96.0	14 000	14 000
Other transfers to public corporations	40 633	-	-	40 633	39 008	1 625	96.0	14 000	14 000
Households	379	429	-	808	807	1	99.9	26	26
Social benefits	379	429	-	808	807	1	99.9	23	23
Other transfers to households	-	-	-	-	-	-	-	3	3
<b>Payments for capital assets</b>	<b>8 094</b>	<b>(2 615)</b>	<b>-</b>	<b>5 479</b>	<b>5 479</b>	<b>-</b>	<b>100.0</b>	<b>2 157</b>	<b>2 155</b>
Buildings and other fixed structures	1 621	(1 621)	-	-	-	-	-	(518)	(519)
Buildings	1 621	(1 621)	-	-	-	-	-	1	-
Other fixed structures	-	-	-	-	-	-	-	(519)	(519)
Machinery and equipment	6 473	(994)	-	5 479	5 479	-	100.0	2 403	2 402
Other machinery and equipment	6 473	(994)	-	5 479	5 479	-	100.0	2 403	2 402
Software and other Intangible assets	-	-	-	-	-	-	-	272	272
<b>Payments for financial assets</b>	<b>-</b>	<b>228</b>	<b>-</b>	<b>228</b>	<b>228</b>	<b>-</b>	<b>100.0</b>	<b>-</b>	<b>92</b>
<b>Total</b>	<b>872 820</b>	<b>-</b>	<b>121 574</b>	<b>994 394</b>	<b>804 453</b>	<b>189 941</b>	<b>80.9</b>	<b>666 161</b>	<b>546 363</b>



**DEPARTMENT OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT  
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**APPROPRIATION STATEMENT  
for the year ended 31 March 2022**

<b>PROGRAMME 6: LAND ADMINISTRATION</b>									
<b>Sub programmes</b>	<b>2021/22</b>							<b>2020/21</b>	
	<b>Adjusted Appropriation</b>	<b>Shifting of Funds</b>	<b>Virement</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance</b>	<b>Expenditure as % of final appropriation</b>	<b>Final Appropriation</b>	<b>Actual expenditure</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
6.1 National Geomatics Management Services	547 658	15 529	(3 000)	560 187	498 742	61 445	89.0	522 522	483 846
6.2 Spatial Planning and Land Use	204 219	(15 529)	(19 000)	169 690	144 158	25 532	85.0	140 183	131 032
6.3 Deeds Registration	1	-	-	1	-	1	-	358 034	358 033
6.4 SA Council of Planners	4 140	-	-	4 140	4 140	-	100.0	4 035	4 035
6.5 SA Geomatics Council	4 194	-	-	4 194	4 000	194	95.4	142	-
6.6 Integrated Land Administration	2 400	-	-	2 400	-	2 400	-	-	-
<b>Total for sub programmes</b>	<b>762 612</b>	<b>-</b>	<b>(22 000)</b>	<b>740 612</b>	<b>651 040</b>	<b>89 572</b>	<b>87.9</b>	<b>1 024 916</b>	<b>976 946</b>



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**APPROPRIATION STATEMENT  
for the year ended 31 March 2022**

<b>PROGRAMME 6: LAND ADMINISTRATION</b>									
<b>Economic classification</b>	<b>2021/22</b>							<b>2020/21</b>	
	<b>Adjusted Appropriation</b>	<b>Shifting of Funds</b>	<b>Virement</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance</b>	<b>Expenditure as % of final appropriation</b>	<b>Final Appropriation</b>	<b>Actual expenditure</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
<b>Current payments</b>	<b>706 722</b>	<b>(19 158)</b>	<b>(22 000)</b>	<b>665 564</b>	<b>583 572</b>	<b>81 992</b>	<b>87.7</b>	<b>597 589</b>	<b>549 643</b>
Compensation of employees	549 862	-	-	549 862	476 514	73 348	86.7	515 648	467 704
Salaries and wages	488 073	(4 772)	-	483 301	414 268	69 033	85.7	447 158	405 259
Social contributions	61 789	4 772	-	66 561	62 246	4 315	93.5	68 490	62 445
Goods and services	156 860	(19 158)	(22 000)	115 702	107 058	8 644	92.5	81 940	81 938
Administrative fees	1 406	(414)	-	992	891	101	89.8	250	250
Advertising	1 333	(466)	-	867	382	485	44.1	306	306
Minor assets	2 827	(167)	(1 000)	1 660	921	739	55.5	1 650	1 644
Audit costs:	1 833	-	-	1 833	1 832	1	99.9	458	458
External									
Catering:	58	38	-	96	63	33	65.6	10	10
Departmental activities									
Communication (G&S)	2 655	262	-	2 917	2 417	500	82.9	3 899	3 900
Computer services	34 111	(2 884)	(10 000)	21 227	20 291	936	95.6	16 101	16 101
Consultants:	80 744	(23 371)	(6 000)	51 373	48 368	3 005	94.2	31 025	31 034
Business and advisory services									
Infrastructure and planning services	195	(62)	-	133	-	133	-	3	3
Legal services	-	1	-	1	1	-	100.0	643	643
Contractors	10 822	431	(2 000)	9 253	8 805	448	95.2	6 695	6 695
Entertainment	1	-	-	1	1	-	100.0	1	1
Fleet services (including government motor transport)	1 233	508	-	1 741	1 741	-	100.0	1 530	1 530
Inventory: Clothing material and accessories	78	-	-	78	-	78	-	-	-
Inventory: Medical supplies	58	-	-	58	58	-	100.0	-	-
Consumable supplies	1 535	-	-	1 535	839	696	54.7	901	897
Consumable: Stationery, printing and office supplies	4 632	(1 102)	(1 000)	2 530	2 454	76	97.0	2 940	2 939
Operating leases	2 239	1 576	-	3 815	3 716	99	97.4	3 018	3 018
Property payments	1 061	5 803	-	6 864	6 864	-	100.0	6 017	6 017
Travel and subsistence	7 175	668	(1 000)	6 843	6 458	385	94.4	4 436	4 436
Training and development	29	-	-	29	29	-	100.0	-	-
Operating payments	2 518	-	(1 000)	1 518	589	929	38.8	625	624
Venues and facilities	317	21	-	338	338	-	100.0	1 395	1 395
Rental and hiring	-	-	-	-	-	-	-	37	37
Interest and rent on land	-	-	-	-	-	-	-	1	1
Rent on land								1	1
<b>Transfers and subsidies</b>	<b>45 506</b>	<b>9 416</b>	<b>-</b>	<b>54 922</b>	<b>54 713</b>	<b>209</b>	<b>99.6</b>	<b>413 111</b>	<b>412 966</b>



**DEPARTMENT OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT  
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**APPROPRIATION STATEMENT  
for the year ended 31 March 2022**

<b>PROGRAMME 6: LAND ADMINISTRATION</b>									
<b>Economic classification</b>	<b>2021/22</b>							<b>2020/21</b>	
	<b>Adjusted Appropriation</b>	<b>Shifting of Funds</b>	<b>Virement</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance</b>	<b>Expenditure as % of final appropriation</b>	<b>Final Appropriation</b>	<b>Actual expenditure</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>%</b>	<b>R'000</b>	<b>R'000</b>
Provinces and municipalities	20	-	-	20	6	14	30.0	8	7
Municipalities	20	-	-	20	6	14	30.0	8	7
Municipal bank accounts	20	-	-	20	6	14	30.0	8	7
Departmental agencies and accounts	4 195	-	-	4 195	4 000	195	95.4	362 367	362 224
Departmental agencies	4 195	-	-	4 195	4 000	195	95.4	362 367	362 224
Foreign governments and international organisations	2 610	-	-	2 610	2 610	-	100.0	2 906	2 906
Non-profit institutions	4 140	-	-	4 140	4 140	-	100.0	4 035	4 035
Households	34 541	9 416	-	43 957	43 957	-	100.0	43 795	43 794
Social benefits	1 795	1 749	-	3 544	3 544	-	100.0	1 311	1 311
Other transfers to households	32 746	7 667	-	40 413	40 413	-	100.0	42 484	42 483
<b>Payments for capital assets</b>	<b>10 384</b>	<b>9 320</b>	<b>-</b>	<b>19 704</b>	<b>12 333</b>	<b>7 371</b>	<b>62.6</b>	<b>14 216</b>	<b>14 216</b>
Machinery and equipment	10 384	9 320	-	19 704	12 333	7 371	62.6	14 216	14 216
Other machinery and equipment	10 384	9 320	-	19 704	12 333	7 371	62.6	14 216	14 216
<b>Payments for financial assets</b>	<b>-</b>	<b>422</b>	<b>-</b>	<b>422</b>	<b>422</b>	<b>-</b>	<b>100.0</b>	<b>-</b>	<b>121</b>
<b>Total</b>	<b>762 612</b>	<b>-</b>	<b>(22 000)</b>	<b>740 612</b>	<b>651 040</b>	<b>89 572</b>	<b>87.9</b>	<b>1 024 916</b>	<b>976 946</b>



**DEPARTMENT OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT  
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**NOTES TO THE APPROPRIATION STATEMENT  
for the year ended 31 March 2022**

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

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

**2. Detail of specifically and exclusively appropriated amounts voted (after Virement):**

Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.

**3. Detail on payments for financial assets**

Detail of these transactions per programme can be viewed in the note to Payments for financial assets to the Annual Financial Statements.

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

4.1 Per programme	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation R'000
Administration	3 303 858	3 303 826	32	100.0
Agricultural Production, Biosecurity and Natural Resources Management	2 507 679	2 471 198	36 481	98.5
Food Security, Land Reform and Restitution	9 483 432	8 781 155	702 277	92.6
Rural Development.	993 285	919 552	73 733	92.6
Economic Development, Trade and Marketing	994 394	804 453	189 941	80.9
Land Administration	740 612	651 040	89 572	87.9
<b>Total</b>	<b>18 023 260</b>	<b>16 931 224</b>	<b>1 092 036</b>	<b>93.9</b>

**Agricultural Production, Biosecurity and Natural Resources**

Underspending was mainly under compensation of employees classification due to 120 vacant posts.

**Food Security, Land Reform and Restitution**

Underspending was mainly due to; delays in the transfer of funds to support farmers through the Presidential Employment Stimulus Initiative (PESI) due to prolonged verification of applicants process and shortage of suppliers; slow movement of land claims settlement expenditure as a result of delays in finalising valuations process, and disputes by landowners and claimants regarding offered amounts; delays in acquisition of land due to prolonged facilitation and negotiations with landowners; and delays in the filling of vacant posts.

**Rural Development**

The slow movement of expenditure was due to delays in finalising some of the rural infrastructure projects. Contributing factors were slow progress in construction due to factors such as disruptions due to social unrest by local subcontractors and COVID-19 restrictions on the site. Furthermore, some contractors did not deliver as per agreement and some projects were terminated due to non-performance.

**Economic Development, Trade and Marketing**

Underspending was mainly due to vacant posts in South Africa's Missions and local offices. Furthermore, there were outstanding invoices to be paid regarding membership subscriptions fees to international organisations which were not received by close of the financial year.

**Land Administration**

Underspending was mainly due to delays in the filling of vacancies and slow progress in the implementation of spatial planning and land use management projects.

**DEPARTMENT OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT  
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**NOTES TO THE APPROPRIATION STATEMENT  
for the year ended 31 March 2022**

4.2 Per economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
<b>Current payments</b>				
Compensation of employees	4 112 898	3 836 758	276 140	93.3
Goods and services	4 323 775	3 707 952	615 823	85.8
Interest and rent on land	14	13	1	92.9
<b>Transfers and subsidies</b>				
Provinces and municipalities	2 462 999	2 459 893	3 106	99.9
Departmental agencies and accounts	2 429 025	2 428 821	204	100.0
Public corporations and private enterprises	565 820	564 194	1 626	99.7
Foreign governments and international organisations	45 638	36 301	9 337	79.5
Non-profit institutions	4 140	4 140	-	100.0
Households	2 302 911	2 142 112	160 799	93.0
<b>Payments for capital assets</b>				
Buildings and other fixed structures	1 055 019	1 048 211	6 808	99.4
Machinery and equipment	102 059	84 096	17 963	82.4
Land and subsoil assets	616 500	616 500	-	100.0
Software and other intangible assets	229	-	229	-
<b>Payments for financial assets</b>	<b>2 233</b>	<b>2 233</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>18 023 260</b>	<b>16 931 224</b>	<b>1 092 036</b>	<b>93.9</b>
<b>4.3 Per conditional grant</b>	<b>Final Appropriation</b>	<b>Actual Expenditure</b>	<b>Variance</b>	<b>Variance as a % of Final Appropriation</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Comprehensive Agricultural Support Programme (CASP)	1 557 560	1 557 560	-	100.0
Illima/Letsema	597 126	597 126	-	100.0
Infrastructure Development and Poverty Relief (LandCare)	83 337	80 578	2 759	96.7
<b>Total</b>	<b>2 238 023</b>	<b>2 235 264</b>	<b>2 759</b>	<b>99.9</b>



**DEPARTMENT OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT  
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**STATEMENT OF FINANCIAL PERFORMANCE  
as at 31 March 2022**

	<i>Note</i>	2021/22 R'000	2020/21 R'000
<b>REVENUE</b>			
Annual appropriation	1	18 023 260	15 247 613
Departmental revenue	2	311 952	259 763
Aid assistance	3	77 227	-
<b>TOTAL REVENUE</b>		<b>18 412 439</b>	<b>15 507 376</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	4	3 836 758	3 764 069
Goods and services	5	3 707 952	3 743 344
Interest and rent on land	6	13	7 580
Aid assistance	3	5 285	-
<b>Total current expenditure</b>		<b>7 550 008</b>	<b>7 514 993</b>
<b>Transfers and subsidies</b>			
Transfers and subsidies	8	7 635 461	5 679 039
<b>Total transfers and subsidies</b>		<b>7 635 461</b>	<b>5 679 039</b>
<b>Expenditure for capital assets</b>			
Tangible assets	9	1 748 807	909 639
Intangible assets	9	-	970
<b>Total expenditure for capital assets</b>		<b>1 748 807</b>	<b>910 609</b>
<b>Payments for financial assets</b>	7	<b>2 233</b>	<b>4 442</b>
<b>TOTAL EXPENDITURE</b>		<b>16 936 509</b>	<b>14 109 083</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>1 475 930</b>	<b>1 398 293</b>
<b>Reconciliation of Net Surplus/(Deficit) for the year</b>			
Voted funds		1 092 036	1 138 530
Annual appropriation		1 092 036	1 138 530
Departmental revenue and NRF Receipts	15	311 952	259 763
Aid assistance	3	71 942	-
<b>SURPLUS FOR THE YEAR</b>		<b>1 475 930</b>	<b>1 398 293</b>

**DEPARTMENT OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT  
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**STATEMENT OF FINANCIAL POSITION  
as at 31 March 2022**

	<i>Note</i>	<b>2021/22 R'000</b>	<b>2020/21 R'000</b>
<b>ASSETS</b>			
<b>Current assets</b>			
		<b>1 317 459</b>	<b>1 277 251</b>
Cash and cash equivalents	10	1 284 051	1 176 139
Prepayments and advances	11	5 664	62 562
Receivables	12	27 744	38 550
<b>Non-current assets</b>			
		<b>11 375</b>	<b>2 616</b>
Investments	13	1	1
Receivables	12	11 374	2 615
<b>TOTAL ASSETS</b>		<b>1 328 834</b>	<b>1 279 867</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
		<b>1 316 313</b>	<b>1 268 330</b>
Voted funds to be surrendered to the Revenue Fund	14	1 062 973	1 124 808
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	15	11 676	21 652
Payables	16	169 722	121 870
Aid assistance repayable	3	59 743	
Aid assistance unutilised	3	12 199	-
<b>Non-current liabilities</b>			
Payables	17	1	1
<b>TOTAL LIABILITIES</b>		<b>1 316 314</b>	<b>1 268 331</b>
<b>NET ASSETS</b>		<b>12 520</b>	<b>11 536</b>
<b>Represented by:</b>			
Recoverable revenue		12 520	11 536
<b>TOTAL</b>		<b>12 520</b>	<b>11 536</b>



**(DEPARTMENT OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT)  
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**STATEMENT OF CHANGES IN NET ASSETS  
for the year ended 31 March 2022**

<b>NET ASSETS</b>	<b>Note</b>	<b>2021/22 R'000</b>	<b>2020/21 R'000</b>
<b>Recoverable revenue</b>			
Opening balance		11 536	-
Transfers:		<b>984</b>	<b>11 536</b>
Irrecoverable amounts written off	7.2	(441)	(2 922)
Debts recovered (included in departmental receipts)		(1 652)	(1 918)
Debts raised		3 077	16 376
Closing balance		<b>12 520</b>	<b>11 536</b>
<b>TOTAL</b>		<b>12 520</b>	<b>11 536</b>

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**CASH FLOW STATEMENT  
for the year ended 31 March 2022**

	<i>Note</i>	<b>2021/22 R'000</b>	<b>2020/21 R'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts		<b>18 412 439</b>	<b>15 506 664</b>
Annual appropriated funds received	1.1	18 023 260	15 246 901
Departmental revenue received	2	295 991	243 057
Interest received	2.3	15 961	16 706
Aid assistance received	3	77 227	-
Net (increase)/decrease in working capital		115 556	20 758
Surrendered to Revenue Fund		(1 475 799)	(251 121)
Current payments		(7 549 995)	(7 507 413)
Interest paid	6	(13)	(7 580)
Payments for financial assets		(2 233)	(4 442)
Transfers and subsidies paid		(7 635 461)	(5 679 039)
<b>Net cash flow available from operating activities</b>	<b>18</b>	<b><u>1 864 494</u></b>	<b><u>2 077 827</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets	9	(1 748 807)	(910 609)
(Increase)/decrease in investments		-	(1)
(Increase)/decrease in non-current receivables	12	(8 759)	(2 615)
<b>Net cash flows from investing activities</b>		<b><u>(1 757 566)</u></b>	<b><u>(913 225)</u></b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase/(decrease) in net assets		984	11 536
Increase/(decrease) in non-current payables		-	1
<b>Net cash flows from financing activities</b>		<b><u>984</u></b>	<b><u>11 537</u></b>
Net increase/(decrease) in cash and cash equivalents		107 912	1 176 139
Cash and cash equivalents at beginning of period		1 176 139	-
<b>Cash and cash equivalents at end of period</b>	<b>10</b>	<b><u>1 284 051</u></b>	<b><u>1 176 139</u></b>



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**ACCOUNTING POLICIES  
for the year ended 31 March 2022**

<b>Summary of significant accounting policies</b>	
<p>The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the department's primary and secondary information.</p> <p>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.</p> <p>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.</p>	
<b>1</b>	<p><b>Basis of preparation</b> The financial statements have been prepared in accordance with the Modified Cash Standard.</p>
<b>2</b>	<p><b>Going concern</b> The financial statements have been prepared on a going concern basis.</p>
<b>3</b>	<p><b>Presentation currency</b> Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.</p>
<b>4</b>	<p><b>Rounding</b> Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).</p>
<b>5</b>	<p><b>Foreign currency translation</b> Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.</p>
<b>6</b>	<p><b>Comparative information</b></p>
<b>6.1</b>	<p>Prior period comparative information The combined Department of Agriculture, Land Reform and Rural Development need not to present comparative information in the first reporting period in accordance with the Modified Cash Standards, chapter 20 Paragraph 31.</p>
<b>6.2</b>	<p><b>Current year comparison with budget</b> A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.</p>
<b>7</b>	<p><b>Revenue</b></p>
<b>7.1</b>	<p><b>Appropriated funds</b> Appropriated funds comprise of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation). Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective. The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.</p>
<b>7.2</b>	<p><b>Departmental revenue</b> Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise. Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.</p>
<b>7.3</b>	<p><b>Accrued departmental revenue</b> Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:</p> <ul style="list-style-type: none"> <li>• it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and</li> <li>• the amount of revenue can be measured reliably.</li> </ul> <p>The accrued revenue is measured at the fair value of the consideration receivable. Write-offs are made according to the department's debt write-off policy</p>
<b>8</b>	<p><b>Expenditure</b></p>
<b>8.1</b>	<p><b>Compensation of employees</b></p>
<b>8.1.1</b>	<p><b>Salaries and wages</b> Salaries and wages are recognised in the statement of financial performance on the date of payment. Employee costs are capitalised to the cost of a capital project when an employee spends more than 50% of his/her time on the project. These payments form part of the expenditure for capital assets in the statement of financial performance.</p>



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<b>8.1.2</b>	<p><b>Social contributions</b> 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.</p>
<b>8.2</b>	<p><b>Other expenditure</b> Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.</p>
<b>8.3</b>	<p><b>Financial transactions in assets and liabilities</b> Debts are written off when they are identified as irrecoverable. Debts written off are limited to the amount of savings and/or underspending of appropriated funds, with the exception of debt transferred to the department from the Agricultural Debt Account, after the Agricultural Debt Management Act, 2001 (Act No. 45 of 2001) had been repealed during the 2008/09 financial year. Debt written-off is recorded in the notes to the financial statements. No provision is made for irrecoverable amounts, but an estimate is included in the notes to the financial statements. The estimate in respect of the Agricultural Debt Account debtors is based on the calculation of impairments on financial instruments in accordance with Generally Accepted Accounting Practice (GAAP). All other losses are recognised once authorisation has been granted for the recognition thereof.</p>
<b>8.4</b>	<p><b>Accruals and payables not recognised</b> Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.</p>
<b>8.5</b>	<p><b>Leases</b></p>
<b>8.5.1</b>	<p><b>Operating leases</b> 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.</p>
<b>8.5.2</b>	<p><b>Finance leases</b> 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:</p> <ul style="list-style-type: none"> <li>• cost, being the fair value of the asset; or</li> <li>• the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.</li> </ul>
<b>9</b>	<p><b>Aid Assistance</b></p>
<b>9.1</b>	<p><b>Aid assistance received</b> 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.</p>
<b>9.2</b>	<p><b>Aid assistance paid</b> Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.</p>
<b>10</b>	<p><b>Cash and cash equivalents</b> 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.</p>
<b>11</b>	<p><b>Prepayments and advances</b> 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.</p>



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	Advances (payments to government entities) are recognised in the statement of financial performance if the advance is material and was budgeted for as an expense in the year in which the actual advance was made.
<b>12</b>	<b>Loans and receivables</b> 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.
<b>13</b>	<b>Investments</b> Investments are recognised in the statement of financial position at cost.
<b>14</b>	<b>Financial assets</b>
<b>14.1</b>	<b>Financial assets (not covered elsewhere)</b> A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.
<b>14.2</b>	<b>Impairment of financial assets</b> Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements. Impairment will be based on the type of debt according to the applicable policy.
<b>15</b>	<b>Payables</b> Payables recognised in the statement of financial position are recognised at cost.
<b>16</b>	<b>Capital Assets</b>
<b>16.1</b>	<b>Immovable capital assets</b> Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment. 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. Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.
<b>16.2</b>	<b>Movable capital assets</b> 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. Biological assets (plantations) are measured at standing value. The standing value is the value of the standing, marketable timber that is present in a stand at the age when the value is computed. The standing value is determined with reference to the market volume, obtained from a growth model or yield table, which is applicable to a specific species, site and silviculture regime. The department uses the Microforest for managing the growing stock data base. The valuation is performed annually and is recognised in the notes to the financial statements. Biological assets (plantations) 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.
<b>16.3</b>	<b>Intangible assets</b> 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.



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	<p>Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.</p>
<b>16.4</b>	<p><b>Project Costs: Work-in-progress</b></p> <p>Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid.</p> <p>Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use, the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register.</p> <p>Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.</p>
<b>17</b>	<b>Provisions and Contingents</b>
<b>17.1</b>	<p><b>Provisions</b></p> <p>Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.</p>
<b>17.2</b>	<p><b>Contingent liabilities</b></p> <p>Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.</p>
<b>17.3</b>	<p><b>Contingent assets</b></p> <p>Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.</p>
<b>17.4</b>	<p><b>Capital commitments</b></p> <p>Capital commitments are recorded at cost in the notes to the financial statements.</p>
<b>18</b>	<p><b>Unauthorised expenditure</b></p> <p>Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:</p> <ul style="list-style-type: none"> <li>• approved by Parliament or the Provincial Legislature with funding and the related funds are received; or</li> <li>• approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or</li> <li>• transferred to receivables for recovery.</li> </ul> <p>Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.</p>
<b>19</b>	<p><b>Fruitless and wasteful expenditure</b></p> <p>Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred. Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables or written off.</p> <p>Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>
<b>20</b>	<p><b>Irregular expenditure</b></p> <p>Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note.</p> <p>Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery, not condoned and removed or written-off.</p> <p>Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>
<b>21</b>	<b>Changes in accounting estimates and errors</b>



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for the year ended 31 March 2022**

	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.
<b>22</b>	<b>Events after the reporting date</b> 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.
<b>23</b>	<b>Principal-Agent arrangements</b> Where the department is party to a principal-agent arrangement all related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Additional disclosures have been provided in the notes to the financial statements where appropriate.
<b>24</b>	<b>Departures from the MCS requirements</b> The department did not depart from MCS requirements
<b>25</b>	<b>Capitalisation reserve</b> The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National Revenue Fund when the underlying asset is disposed and the related funds are received.
<b>26</b>	<b>Recoverable revenue</b> Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.
<b>27</b>	<b>Related party transactions</b> Related party transactions within the Minister portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length. Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department. Key management personnel include all executive management on level 14 and above. The number of individuals and the full compensation of key management personnel is recorded in the notes to the financial statements.
<b>28</b>	<b>Inventories</b> At the date of acquisition, inventories are recognised at cost in the statement of financial performance. Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition. Inventories are subsequently measured at the lower of cost and net realisable value or where intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge, the lower of cost and current replacement value. The cost of inventories is assigned by using the weighted average cost basis.
<b>29</b>	<b>Public-Private Partnerships</b> Public Private Partnerships are accounted for based on the nature and or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies. A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the department are recorded in the notes to the financial statements.
<b>30</b>	<b>Employee benefits</b> The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.
<b>31</b>	<b>Transfers of functions</b> Transfers of functions are accounted for by the acquirer by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of transfer. Transfers of functions are accounted for by the transferor by derecognising or removing assets and liabilities at their carrying amounts at the date of transfer.
<b>32</b>	<b>Mergers</b> Mergers are accounted for by the combined department by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of the merger. Mergers are accounted for by the combining departments by derecognising or removing assets and liabilities at their carrying amounts at the date of the merger.



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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2022**

**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:

	2021/22			2020/21		
	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Final Appropriation	Appropriation received	Funds not requested/ not received
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	3 303 858	3 303 858	-	2 817 077	2 817 077	-
Agricultural Production, Health, Food Safety, Natural Resources and Disaster Management	2 507 679	2 507 679	-	2 960 049	2 959 990	59
Food Security, Land Reform and Restitution	9 483 432	9 483 432	-	6 986 096	6 985 977	119
Rural Development	993 285	993 285	-	770 405	770 346	59
Economic Development, Trade and Marketing	994 394	994 394	-	656 900	656 544	356
Land Administration	740 612	740 612	-	1 057 086	1 056 967	119
<b>Total</b>	<b>18 023 260</b>	<b>18 023 260</b>	<b>-</b>	<b>15 247 613</b>	<b>15 246 901</b>	<b>712</b>

**2. Departmental revenue**

	Note	2021/22 R'000	2020/21 R'000
Sales of goods and services other than capital assets	2.1	277 520	228 822
Fines, penalties and forfeits	2.2	-	1
Interest, dividends and rent on land	2.3	18 854	18 806
Transactions in financial assets and liabilities	2.4	14 634	12 112
Transfer received	2.5	944	22
Total revenue collected		<u>311 952</u>	<u>259 763</u>
<b>Departmental revenue collected</b>		<u><b>311 952</b></u>	<u><b>259 763</b></u>

**2.1 Sales of goods and services other than capital assets**

	Note	2021/22 R'000	2020/21 R'000
Sales of goods and services produced by the department	2	277 520	228 818
Sales by market establishment		1 401	1 552
Administrative fees		268 224	222 304
Other sales		7 895	4 962
Sales of scrap, waste and other used current goods		-	4
<b>Total</b>		<u><b>277 520</b></u>	<u><b>228 822</b></u>

**2.2 Fines, penalties and forfeits**

	Note	2021/22 R'000	2020/21 R'000
Penalties	2	-	1
<b>Total</b>		<u><b>-</b></u>	<u><b>1</b></u>

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**2.3 Interest, dividends and rent on land**

	Note	2021/22	2020/21
	2	R'000	R'000
Interest		15 961	16 706
Rent on land		2 893	2 100
<b>Total</b>		<b>18 854</b>	<b>18 806</b>

**2.4 Transactions in financial assets and liabilities**

	Note	2021/22	2020/21
	2	R'000	R'000
Receivables		12 830	1 744
Stale cheques written back		-	7 677
Other Receipts including Recoverable Revenue		1 804	2 691
<b>Total</b>		<b>14 634</b>	<b>12 112</b>

**2.5 Transfers received**

	Note	2021/22	2020/21
	2	R'000	R'000
Foreign governments		944	-
Public corporations and private enterprises		-	22
<b>Total</b>		<b>944</b>	<b>22</b>

**2.5.1 Donations received in-kind (not included in the main note or sub note)**

	Note	2021/22	2020/21
	2	R'000	R'000
Gifts and donations		11	-
Training		4 013	-
Travel and subsistence		32	-
Equipment		500	-
<i>Prior year 2020/21</i>			
Food & Agriculture Organisation of the United Nation (FAO)		-	205
Nestle		-	1
Japan International Cooperation Agency (JICA)		-	475
The Technical Centre for Agriculture and Rural Cooperation (CTA)		-	83
Female Entrepreneur Award programme		-	1 350
<b>Total</b>		<b>4 556</b>	<b>2 114</b>

**2.6 Cash received not recognised (not included in the main note) – 2021/22**

Name of entity	Amount received	Amount paid to the revenue fund	2021/22 Balance
	R'000	R'000	R'000
Gauteng Provincial Treasury	6 118	6 118	-
Mpumalanga Provincial Treasury	3 153	3 153	-
Limpopo Provincial Treasury	50 823	50 823	-
KwaZulu-Natal Provincial Treasury	10 970	10 970	-
North West Provincial Treasury	110 378	110 378	-
Eastern Cape Provincial Treasury	5 897	5 897	-
Western Cape Provincial Treasury	3	3	-
Northern Cape Provincial Treasury	16 129	16 129	-
Free State Provincial Treasury	3 908	3 908	-
Office of the Valuer-General	159 622	159 622	-
North West Provincial Treasury	42 103	42 103	-
<b>Total</b>	<b>409 104</b>	<b>409 104</b>	<b>-</b>

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**Cash received not recognised (not included in the main note) – 2020/21**

Name of entity	Amount received	Amount paid to the revenue fund	2020/21 Balance
	R'000	R'000	R'000
Eastern and Western Cape Provincial Treasury	8 758	427	8 331
Northern Cape and Free State Provincial Treasury	7 722	7 722	-
Gauteng Provincial Treasury	6 714	6 714	-
KwaZulu Natal Provincial Treasury	5 736	5 736	-
Mpumalanga and Limpopo Provincial Treasury	20 048	20 048	-
North West Provincial Treasury	90 636	90 636	-
	<b>139 614</b>	<b>131 283</b>	<b>8 331</b>

2021/22:

Cash received represent unspent conditional grants surrendered by the provincial departments for the 2020/21 financial year. Office of the Valuer-General: Surrender of surplus funds for the 2020/21 financial year.

2020/21:

The balance of R8,331 million was refunded to National Treasury on 15 April 2021.

**3. Aid assistance**

	Note	2021/22 R'000	2020/21 R'000
Transferred from statement of financial performance		71 942	-
<b>Closing Balance</b>		<b>71 942</b>	<b>-</b>

**3.1 Analysis of balance by source**

	Note	2021/22 R'000	2020/21 R'000
Aid assistance from RDP		59 743	-
Aid assistance from other sources		12 199	-
<b>Closing balance</b>	3	<b>71 942</b>	<b>-</b>

**3.2 Analysis of balance**

	Note	2021/22 R'000	2020/21 R'000
Aid assistance unutilised		12 199	-
Aid assistance repayable		59 743	-
<b>Closing balance</b>	3	<b>71 942</b>	<b>-</b>

Aid assistance not requested/not received		60 722	6 324
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Biodiversity International informed the department that the funds surrendered in 19/20 of R87 000 is available for the extension of the seed banks project in SA which will run from 1 July 2021 to 30 November 2021.

The Australian Centre for International Agriculture Research (ACIAR).

Funds to the value of R2,888 million is still available at National Treasury for the Small scale and emerging cattle farmers in SA.

The European Union

Fund to the value of R57,747 million is still available at National Treasury for the EU-SADC Economic Partnership programme

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**3.3 Aid assistance expenditure per economic classification**

	<i>Note</i>	<b>2021/22 R'000</b>	<b>2020/21 R'000</b>
Current		5 285	-
<b>Total aid assistance expenditure</b>		<b>5 285</b>	<b>-</b>

**4. Compensation of employees**

**4.1 Salaries and Wages**

	<i>Note</i>	<b>2021/22 R'000</b>	<b>2020/21 R'000</b>
Basic salary		2 570 901	2 629 396
Performance award		25 097	30 191
Service Based		6 792	4 202
Compensative/circumstantial		71 083	45 009
Periodic payments		25 440	11 083
Other non-pensionable allowances		640 217	546 164
<b>Total</b>		<b>3 339 530</b>	<b>3 266 045</b>

**4.2 Social contributions**

	<i>Note</i>	<b>2021/22 R'000</b>	<b>2020/21 R'000</b>
<b>Employer contributions</b>			
Pension		316 221	324 890
Medical		178 535	171 766
Bargaining council		725	729
Insurance		1 747	639
<b>Total</b>		<b>497 228</b>	<b>498 024</b>
<b>Total compensation of employees</b>		<b>3 836 758</b>	<b>3 764 069</b>
Average number of employees		9 012	10 982

*The Directorate: Infrastructure Support has two projects Drilling and FMD of which the COE and Goods and Services expenditure are capitalised.  
Compensation of employees – excludes R9,081 million disclosed as project costs (refer to note 9).  
Decrease in the average of employees are due to lesser appointment of abnormal appointees.*

**5. Goods and services**

	<i>Note</i>	<b>2021/22 R'000</b>	<b>2020/21 R'000</b>
Administrative fees		34 209	41 462
Advertising		11 833	12 941
Minor assets	5.1	8 353	6 061
Bursaries (employees)		12 908	10 011
Catering		2 417	1 196
Communication		39 422	55 822
Computer services	5.2	239 312	236 625
Consultants: Business and advisory services		133 869	222 884
Infrastructure and planning services		1 588	746
Laboratory services		434	544
Legal services		258 654	169 326
Contractors		56 633	84 257
Agency and support / outsourced services		44 924	60 030
Entertainment		2	1
Audit cost – external	5.3	39 667	31 113
Fleet services		36 693	26 664
Inventory	5.4	1 229 786	1 315 068

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	Note	2021/22 R'000	2020/21 R'000
Consumables	5.5	42 606	51 549
Operating leases		469 561	528 308
Property payments	5.6	614 199	571 992
Rental and hiring		357	439
Transport provided as part of the departmental activities		37	458
Travel and subsistence	5.7	315 868	185 718
Venues and facilities		38 384	29 214
Training and development		65 154	87 296
Other operating expenditure	5.8	11 082	13 619
<b>Total</b>		<b>3 707 952</b>	<b>3 743 344</b>

*The Directorate: Infrastructure Support has two projects Drilling and FMD of which the COE and Goods and Services expenditure are capitalised.  
Good & Services – excludes R11,749 million disclosed as project costs (refer to note 9)*

**5.1 Minor assets**

	Note	2021/22 R'000	2020/21 R'000
<b>Tangible assets</b>	5	<b>8 353</b>	<b>6 061</b>
Buildings and other fixed structures		-	199
Machinery and equipment		8 343	5 862
Transport assets		10	-
<b>Total</b>		<b>8 353</b>	<b>6 061</b>

**5.2 Computer services**

	Note	2021/22 R'000	2020/21 R'000
SITA computer services	5	13 364	15 393
External computer service providers		225 948	221 232
<b>Total</b>		<b>239 312</b>	<b>236 625</b>

**5.3 Audit cost – External**

	Note	2021/22 R'000	2020/21 R'000
Regularity audits	5	28 081	28 181
Investigations		11 586	2 932
<b>Total</b>		<b>39 667</b>	<b>31 113</b>

**5.4 Inventory**

	Note	2021/22 R'000	2020/21 R'000
Clothing material and accessories	5	6 655	1 965
Farming supplies		992 753	358 289
Food and food supplies		2 166	1 403
Fuel, oil and gas		11 844	1 865
Materials and supplies		22 561	4 009
Medical supplies		1 117	1 950
Medicine		29 527	9 764
Other supplies	5.4.1	163 163	935 823
<b>Total</b>		<b>1 229 786</b>	<b>1 315 068</b>

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**5.4.1 Other supplies**

	Note 5.4	2021/22 R'000	2020/21 R'000
Assets for distribution		161 974	48 007
Machinery and equipment		144 384	48 007
Other assets for distribution		17 590	-
Other		1 189	887 816
<b>Total</b>		<b>163 163</b>	<b>935 823</b>

**5.5 Consumables**

	Note 5	2021/22 R'000	2020/21 R'000
Consumable supplies		15 062	28 404
Uniform and clothing		1 538	1 853
Household supplies		4 749	5 425
Building material and supplies		3 211	3 858
Communication accessories		4	19
IT consumables		916	628
Other consumables		4 644	16 621
Stationery, printing and office supplies		27 544	23 145
<b>Total</b>		<b>42 606</b>	<b>51 549</b>

**5.6 Property payments**

	Note 5	2021/22 R'000	2020/21 R'000
Municipal services		97 020	152 736
Property management fees		339 219	253 586
Property maintenance and repairs		6 829	13 487
Other		171 131	152 183
<b>Total</b>		<b>614 199</b>	<b>571 992</b>

**5.7 Travel and subsistence**

	Note 5	2021/22 R'000	2020/21 R'000
Local		314 528	183 140
Foreign		1 340	2 578
<b>Total</b>		<b>315 868</b>	<b>185 718</b>

**5.8 Other operating expenditure**

	Note 5	2021/22 R'000	2020/21 R'000
Professional bodies, membership and subscription fees		420	827
Resettlement costs		1 166	1 673
Other		9 496	11 119
<b>Total</b>		<b>11 082</b>	<b>13 619</b>

**5.9 Remuneration of members of a commission or committee (Included in Consultants: Business and advisory services)**  
*(Treasury Regulation 20.2.4)*

Name of Commission / Committee	No. of members	Note 5	2021/22 R'000	2020/21 R'000
Audit committee	4		2 855	2 658
Risk Management	4		407	584
Genetic Resources – Registrat GMO Act, 1997	25		428	561
Grootfontein Agriculture Development Institute	4		72	-
Appeal Board	4		28	-
<b>Total</b>			<b>3 790</b>	<b>3 803</b>

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**6. Interest and rent on land**

	<i>Note</i>	<b>2021/22</b> <b>R'000</b>	<b>2020/21</b> <b>R'000</b>
Interest paid		13	7 580
<b>Total</b>		<b>13</b>	<b>7 580</b>

**7. Payments for financial assets**

	<i>Note</i>	<b>2021/22</b> <b>R'000</b>	<b>2020/21</b> <b>R'000</b>
Other material losses written off	7.1	1 165	1 413
Debts written off	7.2	1 068	3 029
<b>Total</b>		<b>2 233</b>	<b>4 442</b>

**7.1 Other material losses written off**

	<i>Note</i>	<b>2021/22</b> <b>R'000</b>	<b>2020/21</b> <b>R'000</b>
<b>Nature of losses</b>	7		
Damage rental vehicles – officials did not forfeit state cover		1 120	1 367
Other		45	46
<b>Total</b>		<b>1 165</b>	<b>1 413</b>

**7.2 Debts written off**

	<i>Note</i>	<b>2021/22</b> <b>R'000</b>	<b>2020/21</b> <b>R'000</b>
Recoverable revenue written off	7		
Bursary debt		177	2 909
Salary overpayments		154	9
Tax debt		2	3
Traffic fines			1
Leave without pay		13	-
Losses/damages – employees		95	-
<b>Total</b>		<b>441</b>	<b>2 922</b>
Other debt written off			
Salary overpayments		482	87
Tax debt		7	19
Traffic fines			1
Cell phone debt		4	-
Leave without pay		112	-
Losses/damages -employees		22	-
<b>Total</b>		<b>627</b>	<b>107</b>
<b>Total debt written off</b>		<b>1 068</b>	<b>3 029</b>

**8. Transfers and subsidies**

	<i>Note</i>	<b>2021/22</b> <b>R'000</b>	<b>2020/21</b> <b>R'000</b>
Provinces and municipalities	37, 38	2 459 893	1 866 384
Departmental agencies and accounts	<i>Annexure 1B</i>	2 428 821	2 231 348
Foreign governments and international organisations	<i>Annexure 1E</i>	36 301	29 338
Public corporations and private enterprises	<i>Annexure 1D</i>	564 194	14 000
Non-profit institutions	<i>Annexure 1F</i>	4 140	4 035
Households	<i>Annexure 1G</i>	2 142 112	1 533 934
<b>Total</b>		<b>7 635 461</b>	<b>5 679 039</b>

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**9. Expenditure for capital assets**

	<i>Note</i>	<b>2021/22</b> <b>R'000</b>	<b>2020/21</b> <b>R'000</b>
<b>Tangible assets</b>		<b>1 748 807</b>	<b>909 639</b>
Buildings and other fixed structures	34	1 048 211	788 599
Machinery and equipment	32	84 096	93 753
Land and subsoil assets	34	616 500	27 191
Biological assets	32	-	96
<b>Intangible assets</b>		<b>-</b>	<b>970</b>
Software	33	-	970
<b>Total</b>		<b>1 748 807</b>	<b>910 609</b>

The following amounts have been included as project costs in Expenditure for capital assets

Compensation of employees	9 081	9 676
Goods and services	11 749	14 414
<b>Total</b>	<b>20 830</b>	<b>24 090</b>

**9.1 Analysis of funds utilised to acquire capital assets – 2021/22**

	<b>Voted funds</b> <b>R'000</b>	<b>Total</b> <b>R'000</b>
<b>Tangible assets</b>	<b>1 748 807</b>	<b>1 748 807</b>
Buildings and other fixed structures	1 048 211	1 048 211
Machinery and equipment	84 096	84 096
Land and subsoil assets	616 500	616 500
<b>Total</b>	<b>1 748 807</b>	<b>1 748 807</b>

**9.2 Analysis of funds utilised to acquire capital assets – 2020/21**

	<b>Voted funds</b> <b>R'000</b>	<b>Total</b> <b>R'000</b>
<b>Tangible assets</b>	<b>909 639</b>	<b>909 639</b>
Buildings and other fixed structures	788 599	788 599
Machinery and equipment	93 753	93 753
Land and subsoil assets	27 191	27 191
Biological assets	96	96
<b>Intangible assets</b>	<b>970</b>	<b>970</b>
Software	970	970
<b>Total</b>	<b>910 609</b>	<b>910 609</b>

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

	<i>Note</i>	<b>2021/22</b> <b>R'000</b>	<b>2020/21</b> <b>R'000</b>
<b>Tangible assets</b>			
Machinery and equipment		35 733	17 214
<b>Total</b>		<b>35 733</b>	<b>17 214</b>

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**10. Cash and cash equivalents**

	Note	2021/22 R'000	2020/21 R'000
Consolidated Paymaster General Account		1 283 618	1 175 747
Cash on hand		433	392
<b>Total</b>		<b>1 284 051</b>	<b>1 176 139</b>

*Donor funding to the amount of R71,942 million is included in the cash and cash equivalents. Refer to Note 3: Aid assistance.*

**11. Prepayments and advances**

	Note	2021/22 R'000	2020/21 R'000
Travel and subsistence		2 691	1 634
Prepayments (Not expensed)	11.2	-	56 176
Advances paid (Not expensed)	11.1	2 973	4 752
<b>Total</b>		<b>5 664</b>	<b>62 562</b>

**11.1 Advances paid (Not expensed)**

	Note	Balance as at 1 April 2021	Less: Amount expensed in current year	Add or Less: Other	Add: Current Year advances	Balance as at 31 March 2022
		R'000	R'000	R'000	R'000	R'000
National departments	11	4 752	(3 559)	-	1 780	2 973
<b>Total</b>		<b>4 752</b>	<b>(3 559)</b>	<b>-</b>	<b>1 780</b>	<b>2 973</b>

The advance was paid to the Department of Government Communication and Information Systems (GCIS) for purposes of the various media campaigns that GCIS runs on behalf of the department. The funds are advanced based on the pro-forma invoice that the GCIS sends to the department. Once the campaign has run, the final invoice is then sent to the department in order for the department to correctly account for it against expenditure items and at the same time reduce the balance of the advance.

	Note	Balance as at 1 April 2020	Less: Amount expensed in current year	Add or Less: Other	Add: Current Year advances	Balance as at 31 March 2021
		R'000	R'000	R'000	R'000	R'000
National departments	11	-	(11 086)	2 639	13 199	4 752
<b>Total</b>		<b>-</b>	<b>(11 086)</b>	<b>2 639</b>	<b>13 199</b>	<b>4 752</b>

**11.2 Prepayments (Not expensed)**

	Note	Balance as at 1 April 2021	Less: Amount expensed in current year	Add or Less: Other	Add: Current Year prepayments	Balance as at 31 March 2022
		R'000	R'000	R'000	R'000	R'000
Goods and services	11	56 176	(155 864)	-	99 688	-
<b>Total</b>		<b>56 176</b>	<b>(155 864)</b>	<b>-</b>	<b>99 688</b>	<b>-</b>

The department contracted the services of an external firm of attorney for purposes of proving legal services to Land Reform beneficiaries under the Land Rights Management Facility (MLRF). The funds are advanced in line with the MOU that was entered into between the department and the service provider. The funds are expensed monthly. As and when the services are provided, the service provider provide the department with a progress



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report of what has been done and the cost thereof together with the invoices already paid from the advance. These invoices are then captured onto the department's general ledger to correctly reflect expenditure incurred in the department.  
The contract ended during the 2021/22 financial year.

**Prepayments (Not Expensed)**

	Note	Balance as at 1 April 2020	Less: Amount expensed in current year	Add or Less: Other	Add: Current Year prepayments	Balance as at 31 March 2021
	11	R'000	R'000	R'000	R'000	R'000
Goods and services		-	(150 145)	51 911	154 410	56 176
<b>Total</b>		<b>-</b>	<b>(150 145)</b>	<b>51 911</b>	<b>154 410</b>	<b>56 176</b>

**11.3 Prepayments (Expensed)**

	Balance as at 1 April 2021	Less: Received in the current year	Add or Less: Other	Add: Current Year prepayments	Amount as at 31 March 2022
	R'000	R'000	R'000	R'000	R'000
Goods and services	240 964	-	(335 603)	601 704	507 065
<b>Total</b>	<b>240 964</b>	<b>-</b>	<b>(335 603)</b>	<b>601 704</b>	<b>507 065</b>

*These funds were advanced in line with the Presidential Employment Stimulus Initiatives (PESI) that was introduced in order to provide relief to distressed farmers affected by the COVID-19 pandemic. The assistance is provided through the issue of e-vouchers to the farmers. The department did not have the resources to administer the e-voucher function, thus the services of an external service provider (Vodacom) were sought in order to administer the vouchers. Funds are dispersed to Vodacom in line with the department approval process. Vodacom will in return disperse the vouchers to the approved farmers through the Connected Farmer e-voucher solution.*

**Prepayment (Expensed)**

	Balance as at 1 April 2020	Less: Received in the current year	Add or Less: Other	Add: Current Year prepayments	Amount as at 31 March 2021
	R'000	R'000	R'000	R'000	R'000
Goods and services	-	-	(706)	241 670	240 964
<b>Total</b>	<b>-</b>	<b>-</b>	<b>(706)</b>	<b>241 670</b>	<b>240 964</b>

**11.4 Advances paid (Expensed)**

	Balance as at 1 April 2021	Less: Received in the current year	Add or Less: Other	Add: Current Year advances	Amount as at 31 March 2022
	R'000	R'000	R'000	R'000	R'000
National departments	4 296	(1 196)	(2 380)	33 000	33 720
Public entities	911 919	-	(446 789)	565 818	1 030 948
Other Institutes	69 107	-	(42 376)	276 016	302 747
<b>Total</b>	<b>985 322</b>	<b>(1 196)</b>	<b>(491 545)</b>	<b>874 834</b>	<b>1 367 415</b>

*National departments: Government Communication and Information System and Statistics South Africa  
Public Entities: The Land Bank and Agricultural Research Council.  
Other institutions: Fruit SA and Human Research Council, and SA Farmers Development Association.  
The funds are dispersed to these entities in line with the MOU's that the department has concluded with these entities. Refer to note 35.1 on the word template of the service provided.*



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**Advances paid (Expensed)**

	Balance as at 1 April 2020	Less: Received in the current year	Add or Less: Other	Add: Current Year advances	Amount as at 31 March 2021
	R'000	R'000	R'000	R'000	R'000
National departments	-	11 488	(7 270)	78	4 296
Public entities	-	1 014 355	(116 436)	14 000	911 919
Other Institutions	-	59 033	(25 783)	35 857	69 107
<b>Total</b>	<b>-</b>	<b>1 084 876</b>	<b>(149 489)</b>	<b>49 935</b>	<b>985 322</b>

**12. Receivables**

	<i>Note</i>	2021/22			2020/21		
		Current R'000	Non- current R'000	Total R'000	Current R'000	Non-current R'000	Total R'000
Claims recoverable	12.1	2 881	123	3 004	4 042	-	4 042
Recoverable expenditure	12.2	7 326	7 703	15 029	18 054	-	18 054
Staff debt	12.3	15 963	3 043	19 006	14 669	2 615	17 284
Fruitless and wasteful expenditure	12.5	1 574	-	1 574	1 337	-	1 337
Other receivables	12.4	-	505	505	448	-	448
<b>Total</b>		<b>27 744</b>	<b>11 374</b>	<b>39 118</b>	<b>38 550</b>	<b>2 615</b>	<b>41 165</b>

**12.1 Claims recoverable**

	<i>Note</i> 12	2021/22 R'000	2020/21 R'000
National departments		3 004	3 009
Provincial departments		-	34
Public entities		-	999
<b>Total</b>		<b>3 004</b>	<b>4 042</b>

**12.2 Recoverable expenditure (disallowance accounts)**

	<i>Note</i> 12	2021/22 R'000	2020/21 R'000
Damage vehicles		7 878	8 201
Disallowance damage and losses		35	6 900
Salary: Reversal control		1 652	1 053
Salary: Tax debt		49	80
Disallowance: Dishonoured cheques		-	1
Salary: Deduction disallowance		101	68
Agency: Services: NSF		1 109	1 751
Salary: Medical Aid		1	-
Pension Recoverable Account		51	-
Salary: GEHS refund control		4 153	-
<b>Total</b>		<b>15 029</b>	<b>18 054</b>

*Agency Services: NSF – An amount of R9,052 million was received during April 2022.*

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**12.3 Staff debt**

	Note 12	2021/22 R'000	2020/21 R'000
Bursary debt		6 848	6 181
Student debt – GADI		6 193	4 649
Leave without pay		1 167	1 308
Salary debt		2 970	3 038
GG accident		336	340
Losses/damages – Employees and non-employees		839	995
Tax debt		155	151
Suppliers		337	356
Other staff debt		161	215
Pension Recoverable Account		-	51
<b>Total</b>		<b>19 006</b>	<b>17 284</b>

<b>Other staff debt</b>	<b>2020/21</b>
Subsidised motor scheme – R37 000	R52 000
Telephone debt – R0.00	R1 000
Breach of Contract employees – R0.00	R36 000
Cell phone debt – R71 000	R66 000
State Guarantee – R12 000	R12 000
Breach of Contract non-employees – R0.00	R5 000
Travel and Subsistence – R41 000	R43 000
Total R161 000	R215 000

**12.4 Other receivables**

	Note 12	2021/22 R'000	2020/21 R'000
Transport payment suspense		505	448
<b>Total</b>		<b>505</b>	<b>448</b>

**12.5 Fruitless and wasteful expenditure**

	Note 12	2021/22 R'000	2020/21 R'000
Opening balance		1 337	-
Less amounts recovered		-	(50)
Transfers from note 32 Fruitless and Wasteful Expenditure		-	1 387
Interest		237	-
<b>Total</b>		<b>1 574</b>	<b>337</b>

**12.6 Impairment of receivables**

	Note	2021/22 R'000	2020/21 R'000
Estimate of impairment of receivables		20 676	19 985
<b>Total</b>		<b>20 676</b>	<b>85</b>

**13. Investments**

	Note	2021/22 R'000	2020/21 R'000
<b>Non-Current</b>			
<b>Shares and other equity</b>			
Onderstepoort Biological Products Ltd		1	1
<b>Total non-current</b>		<b>1</b>	<b>1</b>
		2021/22 R'000	2020/21 R'000
<b>Analysis of non-current investments</b>			
Opening balance		1	1
Closing balance		1	1

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**14. Voted funds to be surrendered to the Revenue Fund**

	<i>Note</i>	<b>2021/22 R'000</b>	<b>2020/21 R'000</b>
Opening balance		1 124 808	-
As restated		1 124 808	-
Transfer from statement of financial performance (as restated)		1 092 036	1 138 530
Voted funds not requested/not received	1.1	-	(712)
Paid during the year		(1 153 871)	(13 010)
<b>Closing balance</b>		<b>1 062 973</b>	<b>1 124 808</b>

**14.1 Prior period error**

	<i>Note</i>	<b>2020/21 R'000</b>
<b>Nature of prior period error</b>		
Relating to 2019/20 <i>[affecting the opening balance]</i>	14	<b>13 010</b>
Reversal of claim – CRLR		13 010
Relating to 2020/21		<b>16 052</b>
Reversal of claim – CRLR		16 052
<b>Total</b>		<b>29 062</b>

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

	<i>Note</i>	<b>2021/22 R'000</b>	<b>2020/21 R'000</b>
Opening balance		21 652	-
As restated		21 652	-
Transfer from Statement of Financial Performance (as restated)		311 952	259 763
Paid during the year		(321 928)	(238 111)
<b>Closing balance</b>		<b>11 676</b>	<b>21 652</b>

**15.1 Prior period error**

	<i>Note</i>	<b>2020/21 R'000</b>
Relating to 2020/21	15	726
Reversal of Restitution claim – Revenue refer to note 3 and 3.5		726
<b>Total</b>		<b>726</b>

**16. Payables – current**

	<i>Note</i>	<b>2021/22 R'000</b>	<b>2020/21 R'000</b>
Advances received	16.1	58	311
Clearing accounts	16.2	10 105	10 758
Other payables	16.3	159 559	110 801
<b>Total</b>		<b>169 722</b>	<b>121 870</b>

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**16.1 Advances received**

	<i>Note</i> 16	<b>2021/22</b> <b>R'000</b>	<b>2020/21</b> <b>R'000</b>
Other institutions	<i>Annex</i> <i>8B</i>	58	311
<b>Total</b>		<b>58</b>	<b>311</b>

**16.2 Clearing accounts**

	<i>Note</i> 16	<b>2021/22</b> <b>R'000</b>	<b>2020/21</b> <b>R'000</b>
Salary: Income tax		3 385	7 616
Salary: Pension fund		21	357
Salary: ACB recalls		742	294
Telephone control account		260	260
Salary: Reversal account		627	649
Salary: GEHS refund control		5 008	1 568
Salary: Bargaining Control		3	2
Salary: Medical Aid		-	12
Sal Deduction Disallowance		59	-
<b>Total</b>		<b>10 105</b>	<b>10 758</b>

**16.3 Other payables**

	<i>Note</i> 16	<b>2021/22</b> <b>R'000</b>	<b>2020/21</b> <b>R'000</b>
Disallowance damages and losses		41	11 045
Restitution unclaimed vouchers		73 292	75 392
Payable: Advance National Department/Public Entities		-	13
Restitution Bank Account		86 175	24 351
Transport payment suspense		51	-
<b>Total</b>		<b>159 559</b>	<b>110 801</b>

**17. Payables – non-current**

	<i>Note</i>	<b>2021/22</b>			<b>Total</b> R'000	<b>2020/21</b> <b>Total</b>
		<b>One to two years</b> R'000	<b>Two to three years</b> R'000	<b>More than three years</b> R'000		R'000
Other payables	17.1			1	1	1
<b>Total</b>		<b>-</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>1</b>

**17.1 Other payables**

	<i>Note</i> 17	<b>2021/22</b> <b>R'000</b>	<b>2020/21</b> <b>R'000</b>
Description			
Onderstepoort Biological Products Ltd		1	1
<b>Total</b>		<b>1</b>	<b>1</b>

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

	Note	2021/22 R'000	2020/21 R'000
Net surplus/(deficit) as per Statement of Financial Performance		1 475 930	1 398 293
Add back non cash/cash movements not deemed operating activities		388 564	679 534
(Increase)/decrease in receivables		10 806	(38 550)
(Increase)/decrease in prepayments and advances		56 898	(62 562)
Increase/(decrease) in payables – current		47 852	121 870
Expenditure on capital assets		1 748 807	910 609
Surrenders to Revenue Fund		(1 475 799)	(251 121)
Voted funds not requested/not received		-	(712)
<b>Net cash flow generated by operating activities</b>		<b>1 864 494</b>	<b>2 077 827</b>

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

	Note	2021/22 R'000	2020/21 R'000
Consolidated Paymaster General account		1 283 618	1 175 747
Cash on hand		433	392
<b>Total</b>		<b>1 284 051</b>	<b>1 176 139</b>

**20. Contingent liabilities and contingent assets**

**20.1 Contingent liabilities**

	Note	2021/22 R'000	2020/21 R'000
<b>Liable to</b>			
<b>Nature</b>			
Housing loan guarantees Employees	Annex 3A	-	57
Claims against the department	Annex 3B	2 253 679	2 306 950
Intergovernmental payables (unconfirmed balances)	Annex 5	-	431 035
Other	Annex 3B	444 175	-
<b>Total</b>		<b>2 697 854</b>	<b>2 738 042</b>

*Interest and legal cost that may arise from claims against the State are not disclosed as contingent liability as the occurrence obligation depends on the handing down of an order by a court that the department is liable for payment of interest and legal costs, and it is only in instances where the department is not appealing or reviewing in order.*

There are some claims brought against the department that are not sounding in money and which are therefore not quantifiable due to the nature of the claims not sounding in money.

The cases reported under contingent liabilities in Annexure 3B represent legal cases instituted against the Department of Agriculture, Land Reform and Rural Development which are in various stages of investigation/legal actions. Also included are Occupation Specific Dispensation (OSD's) claims, that are unpaid and are subject to approval.

**20.2 Contingent assets**

	Note	2021/22 R'000	2020/21 R'000
Asset seized by AFU		13 010	13 010
Legal		29 167	29 167
<b>Total</b>		<b>42 177</b>	<b>42 177</b>

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**21. Capital commitments**

	<i>Note</i>	<b>2021/22</b> <b>R'000</b>	<b>2020/21</b> <b>R'000</b>
Buildings and other fixed structures		1 288 795	1 442 010
Machinery and equipment		33 321	14 231
<b>Total</b>		<b>1 322 117</b>	<b>1 456 241</b>

*Included in commitments are projects that are between 1 to 3 years and projects that are older than 3 years 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.*

**22. Accruals and payables not recognised**

**22.1 Accruals**

	<b>2021/22</b> <b>R'000</b>			<b>2020/21</b> <b>R'000</b>
<b>Listed by economic classification</b>	<b>30 Days</b>	<b>30+ Days</b>	<b>Total</b>	<b>Total</b>
Goods and services	144 861	44 740	189 601	80 618
Interest and rent on land	13	-	13	-
Transfers and subsidies	36 183	13 435	49 618	7 161
Capital assets	6000	3 037	9 037	-
Other	10 962	2 114	13 076	2 041
<b>Total</b>	<b>198 019</b>	<b>63 326</b>	<b>261 345</b>	<b>89 820</b>

<i>Note</i>	<b>2021/22</b> <b>R'000</b>	<b>2020/21</b> <b>R'000</b>
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**Listed by programme level**

Programme 1	109 154	61 390
Programme 2	45 337	10 269
Programme 3	67 159	7 581
Programme 4	5 920	9 296
Programme 5	32 446	151
Programme 6	1 329	1 133
<b>Total</b>	<b>261 345</b>	<b>89 820</b>

**22.2 Payables not recognised**

	<b>2021/22</b> <b>R'000</b>			<b>2020/21</b> <b>R'000</b>
<b>Listed by economic classification</b>	<b>30 Days</b>	<b>30+ Days</b>	<b>Total</b>	<b>Total</b>
Goods and services	31 821	12 100	43 921	87 818
Transfers and subsidies	29 129	1 042	30 171	355
Capital assets	10 626	859	11 485	12 689
Other	2 247	148	2 395	2 716
<b>Total</b>	<b>73 823</b>	<b>14 149</b>	<b>87 972</b>	<b>103 578</b>

<i>Note</i>	<b>2021/22</b> <b>R'000</b>	<b>2020/21</b> <b>R'000</b>
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**Listed by programme level**

Programme 1	15 573	26 335
Programme 2	8 582	32 058
Programme 3	28 443	32 797
Programme 4	6 083	2 151
Programme 5	28 737	9 223
Programme 6	554	1 014
<b>Total</b>	<b>87 972</b>	<b>103 578</b>

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<i>Included in the above totals are the following:</i>	Note	2021/22 R'000	2020/21 R'000
Confirmed balances with other departments	Annex 5	6 620	-
Confirmed balances with other government entities	Annex 5	26 305	8 022
<b>Total</b>		<b>32 925</b>	<b>8 022</b>

**23. Employee benefits**

	Note	2021/22 R'000	2020/21 R'000
Leave entitlement		228 343	283 830
Service bonus		98 809	100 519
Capped leave		46 807	50 609
Other		3 190	3 226
<b>Total</b>		<b>377 149</b>	<b>438 184</b>

*Leave entitlement balance has been considered and the negative balances of R1,142 million which resulted from the following:  
At the beginning of the year, officials are allocated 22 or 30 days of vacation leave for the whole year which is pro-rated from month to month. Sometimes officials take leave that is more than the leave accumulated for a particular period which then result in the pro-rated days of that particular period being exceeded hence the negative balance.*

**24. Lease commitments**

**24.1 Operating leases**

2021/22	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	1	620 790	14 118	634 909
Later than 1 year and not later than 5 years	3	1 318 744	1 428	1 320 175
Later than five years	40	7 589		7 629
<b>Total lease commitments</b>	<b>44</b>	<b>1 947 123</b>	<b>15 546</b>	<b>1 962 713</b>

2020/21	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	1	468 410	61 780	530 191
Later than 1 year and not later than 5 years	3	904 338	10 216	914 557
Later than five years	41	7 157	-	7 198
<b>Total lease commitments</b>	<b>44</b>	<b>1 379 905</b>	<b>71 996</b>	<b>1 451 945</b>

*Existing lease agreements: The lease commitments for lease office accommodation/ buildings/facilities/land were based on the actual lease tariff and escalation rate per annum, as outlined in the signed lease agreements/cost analyses per building/facility/land.*

*Leases extended by NDPWI (month-to-month basis): The National Department of Public Works and Infrastructure (NDPWI) extends the leases on a month-to-month basis to allow monthly rental payments until the finalisation of the lease renewals or acquisition of alternative office space as per Procurement Instruction (PI) and the Department of Agriculture, Land Reform and Rural Development's "Confirmation of period of continued use of leasehold schedule" dated Monday 25 October 2021 (Agriculture Component) as well as the Department of Agriculture, Land Reform and Rural Development's "Lease Renewal Confirmation Schedule" dated Sunday, 27 September 2021 (Rural Development Component). Refer to enclosed schedules in this regard.*

*State owned accommodation charges: The State-owned accommodation charges over the MTEF period are included in the above figure. Refer to enclosed schedules in this regard.*

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*Existing lease agreements: The lease commitments for lease office accommodation/buildings/facilities/land were based on the actual lease tariff and escalation rate per annum, as outlined in the signed lease agreement/cost analyses per building/facility/land.*

*GG vehicles:*

*The lease has expired yet the department still uses the vehicles. The process of renewing the lease has not begun. The lease thus continues month to month and management has not decided to continue with the lease or not.*

**24.2 Finance leases \*\***

2021/22	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000
Not later than 1 year			6 376	6 376
Later than 1 year and not later than 5 years			3 595	3 595
<b>Total lease commitments</b>	-	-	<b>9 971</b>	<b>9 971</b>

2020/21	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	7 881	7 881
Later than 1 year and not later than 5 years	-	-	7 101	7 101
<b>Total lease commitments</b>	-	-	<b>14 982</b>	<b>14 982</b>

\*\*This note excludes leases relating to public private partnership as they are separately disclosed in note no. 30.

*The finance leases consist of photocopy machines leases.*

**24.3 Operating lease future revenue\*\***

2021/22	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000
Not later than 1 year	7 228			7 228
Later than 1 year and not later than 5 years	43 498			43 498
Later than five years	2 150 888			2 150 888
<b>Total operating lease revenue receivable</b>	<b>2 201 614</b>	-	-	<b>2 201 614</b>

2020/21	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000
Not later than 1 year	5 817			5 817
Later than 1 year and not later than 5 years	30 630			30 630
Later than five years	1 989 871			1 989 871
<b>Total operating lease revenue receivable</b>	<b>2 026 318</b>	-	-	<b>2 026 318</b>



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**25. Accrued departmental revenue**

	<i>Note</i>	<b>2021/22 R'000</b>	<b>2020/21 R'000</b>
Sales of goods and services other than capital assets		34 854	19 548
Interest, dividends and rent on land		201 022	160 872
<b>Total</b>		<b>235 876</b>	<b>180 420</b>

**25.1 Analysis of accrued departmental revenue**

	<i>Note</i>	<b>2021/22 R'000</b>	<b>2020/21 R'000</b>
Opening balance		180 420	-
Less: amounts received		161 031	138 008
Less: services received in lieu of cash			-
Add: amounts recognised		217 784	320 510
Less: amounts written-off/reversed as irrecoverable		1 297	2 082
<b>Closing balance</b>		<b>235 876</b>	<b>180 420</b>

**25.2 Accrued department revenue written off**

	<i>Note</i>	<b>2021/22 R'000</b>	<b>2020/21 R'000</b>
<b>Nature of losses</b>			
Trade debtors		11	2 082
Lease debtors		1 286	-
<b>Total</b>		<b>1 297</b>	<b>2 082</b>

**25.3 Impairment of accrued departmental revenue**

	<i>Note</i>	<b>2021/22 R'000</b>	<b>2020/21 R'000</b>
Estimate of impairment of accrued departmental revenue		97 972	100 837
<b>Total</b>		<b>97 972</b>	<b>100 837</b>

**26. Irregular expenditure**

**26.1 Reconciliation of irregular expenditure**

	<i>Note</i>	<b>2021/22 R'000</b>	<b>2020/21 R'000</b>
Opening balance		203 297	-
As restated		203 297	-
Add: Irregular expenditure – relating to prior year	26.2	1 179	173 684
Add: Irregular expenditure – relating to current year	26.2	4 268	29 977
Less: Amounts recoverable (current and prior year)	12	-	(364)
<b>Closing balance</b>		<b>208 744</b>	<b>203 297</b>

**Analysis of closing balance**

Current year	4 268	29 977
Prior years	204 476	173 320
<b>Total</b>	<b>208 744</b>	<b>203 297</b>

**26.2 Details of current and prior year irregular expenditure – added current year (under determination and investigation)**

<b>Incident</b>	<b>Disciplinary steps taken/criminal proceedings</b>	<b>2021/22 R'000</b>
Non-Compliance with Supply Chain		5 447
<b>Total</b>		<b>5 447</b>

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**26.3 Details of irregular expenditures under assessment (not included in the main note)**

<b>Incident</b>	<b>2021/22</b>
	<b>R'000</b>
Non compliance with policies Land Acquisition	33 578
<b>Total</b>	<b>33 578</b>

**26.4 Prior period error**

	<i>Note</i>	<b>2020/21</b>
		<b>R'000</b>
Relating to 2020/21		(545)
Recovered		(314)
Removed		(231)
<b>Total</b>		<b>(545)</b>

**27. Fruitless and wasteful expenditure**

**27.1 Reconciliation of fruitless and wasteful expenditure**

	<i>Note</i>	<b>2021/22</b>	<b>2020/21</b>
		<b>R'000</b>	<b>R'000</b>
Opening balance		41 024	-
As restated		41 024	-
Fruitless and wasteful expenditure – relating to prior year	27.2	-	30 115
Fruitless and wasteful expenditure – relating to current year	27.2	33	10 909
Less: Amounts written off	27.3	(4 953)	-
<b>Closing balance</b>		<b>36 104</b>	<b>41 024</b>

**Analysis of awaiting resolution per economic classification**

	<i>Note</i>	<b>2021/22</b>	<b>2020/21</b>
		<b>R'000</b>	<b>R'000</b>
Current		36 104	41 024
<b>Total</b>		<b>36 104</b>	<b>41 024</b>

**27.2 Details of current and prior year fruitless and wasteful expenditure – added current year (under determination and investigation)**

<b>Incident</b>	<b>Disciplinary steps taken/criminal proceedings</b>	<b>2021/22</b>
		<b>R'000</b>
Interest paid on late payments of invoices		10
Interest on late pension payment		3
Spa treatment		20
<b>Total</b>		<b>33</b>

**27.3 Details of fruitless and wasteful expenditure written off**

<b>Incident</b>	<b>2021/22</b>
	<b>R'000</b>
Interest paid as per court order	4 944
Other interest	9
<b>Total</b>	<b>4 953</b>

**27.4 Prior period error**

	<i>Note</i>	<b>2020/21</b>
		<b>R'000</b>
Relating to 2020/21		(3 524)
Interest paid as a result of court order		(3 524)
<b>Total</b>		<b>(3 524)</b>

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<b>27.5 Details of fruitless and wasteful expenditures under investigation (not in the main note)</b>		
<b>Incident</b>		<b>2021/22 R'000</b>
Non-compliance with policies		56 586
<b>Total</b>		<b>56 586</b>

**28. Related party transactions**

	<i>Note</i>	<b>2021/22 R'000</b>	<b>2020/21 R'000</b>
<b>Year end balances arising from revenue/payments</b>			
Receivables from related parties		2	-
<b>Total</b>		<b>2</b>	<b>-</b>

	<i>Note</i>	<b>2021/22 R'000</b>	<b>2020/21 R'000</b>
<b>In kind goods and services provided/received</b>			
The department paid for the office space for the Deeds		(64 212)	(71 941)
Deeds Registration Trading account has rendered services		8 020	6 417
The Agricultural Land Holdings Account		(13 604)	(13 721)
GG vehicles paid by the department on behalf of Deeds		(1 950)	(1 702)
Commission on Restitution of Land Rights		(14 847)	(16 052)
The department paid for the office space for the OVG		(963)	(983)
<b>Total</b>		<b>(87 556)</b>	<b>(97 982)</b>

<i>Ministerial portfolio:</i> <i>Department:</i> <i>Public Entity schedule</i> <i>Agricultural Research Council</i> <i>National Agricultural Marketing Council</i> <i>Perishable Products Export Control Board</i> <i>Onderstepoort Biological Products</i> <i>Deeds Registration Trading Entity</i> <i>Agricultural Land Holdings Account</i> <i>Office of the Valuer General</i> <i>Commission of Restitution of Land Rights</i> <i>Ingonyama Trust Board</i>
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**29. 31.**

	<b>No. of Individuals</b>	<b>2021/22 R'000</b>	<b>2020/21 R'000</b>
Political office bearers (provide detail below)	4	6 377	6 357
Officials:			
Level 15 to 16	20	32 301	39 361
Level 14	76	99 895	103 778
Family members of key management personnel	7	6 062	5 806
<b>Total</b>		<b>144 635</b>	<b>155 302</b>

**30. Public Private Partnership**

	<b>2021/22 R'000</b>	<b>2020/21 R'000</b>
<b>Capital / (Liabilities)</b>	787 887	497 773
Property	787 887	497 773
<b>Total</b>	<b>787 887</b>	<b>497 773</b>

Any guarantees issued by the department are disclosed in Note 20.1

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

PPP is between DALRRD and Tshala Bese Uyavuna Consortium.

The Status of PPP:

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

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

Treasury Approval I : Design Procurement Processes

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

Treasury Approval IIB: Negotiations with the preferred bidder.

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

**PROPOSED PPP PROJECT PLAN**

a) The PPP building will accommodate all Pretoria based offices including the Gauteng: PSSC, National Office, Deeds and Restitution.

b) The building will have 82 434 square meters, 1 124 parking bays and will accommodate 2 400 staff members.

c) The building will be fully services which will include the provision of the following services by Private Party:

- Printing services
- Cleaning services
- Catering services
- Maintenance service
- Furniture

d) Note: The private party will operate the building for a period of 25 years and thereafter the building becomes state property.

**31. Provisions**

	Note	2021/22 R'000	2020/21 R'000
Legal cases: Interest		1 706	-
<b>Total</b>		<b>1 706</b>	<b>-</b>

**31.1 Reconciliation of movement in provisions – 2021/22**

	Provision 1 R'000	Provision 2 R'000	Provision 3 R'000	Total provisions R'000
Increase in provision	1 706			1 706
<b>Closing balance</b>	<b>1 706</b>	<b>-</b>	<b>-</b>	<b>1 706</b>

**Reconciliation of movement in provisions – 2020/21**

	Provision 1 R'000	Provision 2 R'000	Provision 3 R'000	Total provisions R'000
Increase in provision	-			-
<b>Closing balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Legal cases: Interest and cost – Department awaits the claim from Department of Justice and Constitutional Development. Department of Justice and Constitutional Development is responsible for the final determination of cost and interest and to pay the claimants.

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**32. Movable Tangible Capital Assets**

**MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022**

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>1 203 507</b>		<b>36 150</b>	<b>9 031</b>	<b>1 230 626</b>
Transport assets	173 294		433	74	173 653
Computer equipment	641 925		22 103	8 461	655 567
Furniture and office equipment	143 727		5 194	172	148 749
Other machinery and equipment	244 561		8 420	324	252 657
<b>BIOLOGICAL ASSETS</b>	<b>445</b>	-	-	<b>27</b>	<b>418</b>
Biological assets	445	-	-	27	418
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>1 203 952</b>	-	<b>36 150</b>	<b>9 058</b>	<b>1 231 044</b>

*The non-cash disposals amongst other represents assets destroyed, lost assets donated and transferred.*

**Movable Tangible Capital Assets under investigation**

	Number	Value R'000
<b>Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:</b>		
Machinery and equipment	98	1 758

**32.1 Movement for 2020/21**

**MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021**

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
<b>HERITAGE ASSETS</b>			<b>197</b>	<b>197</b>	-
Heritage assets			197	197	-
<b>MACHINERY AND EQUIPMENT</b>		<b>4 193</b>	<b>1 285 694</b>	<b>86 380</b>	<b>1 203 507</b>
Transport assets		741	221 481	48 928	173 294
Computer equipment		1 609	653 396	13 080	641 925
Furniture and office equipment		1 049	146 852	4 174	143 727
Other machinery and equipment		794	263 965	20 198	244 561
<b>BIOLOGICAL ASSETS</b>			<b>776 253</b>	<b>775 808</b>	<b>445</b>
Biological assets			776 253	775 808	445
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>		<b>4 193</b>	<b>2 062 144</b>	<b>862 385</b>	<b>1 203 952</b>

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**32.1.1 Prior period error**

	<i>Note</i>	<b>2020/21</b> <b>R'000</b>
<b>Nature of prior period error</b>		
Relating to 2019/20 <i>[affecting the opening balance]</i>		4 193
Other machinery and equipment LOGIS		4 193
Relating to 2020/21		62
Other machinery and equipment LOGIS		60
Biological Assets		2
<b>Total prior period errors</b>		<b>4 255</b>

*Majority adjustment are due to data corrections and classification from assets to consumables*

**32.2 Minor assets**

	<b>Intangible assets R'000</b>	<b>Machinery and equipment R'000</b>	<b>Biological assets R'000</b>	<b>Total R'000</b>
Opening balance	43	166 575	1 193	167 811
Value adjustments	-	-	25	25
Additions	-	3 608	600	4 208
Disposals	-	1 158	611	1 769
<b>TOTAL MINOR ASSETS</b>	<b>43</b>	<b>169 025</b>	<b>1 207</b>	<b>170 275</b>

	<b>Intangible assets</b>	<b>Machinery and equipment</b>	<b>Biological assets</b>	<b>Total</b>
Number of R1 minor assets	-	39 877	-	39 877
Number of minor assets at cost	16	96 641	777	97 434
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>16</b>	<b>136 518</b>	<b>777</b>	<b>137 311</b>

**Minor Capital Assets under investigation**

	<b>Number</b>	<b>Value R'000</b>
<b>Included in the above total of the minor capital assets per the asset register are assets that are under investigation:</b>		
Machinery and equipment	441	567

Assets not verified during asset verification but under investigation.

**MINOR ASSETS**

**MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2021**

	<b>Intangible assets R'000</b>	<b>Machinery and equipment R'000</b>	<b>Biological assets R'000</b>	<b>Total R'000</b>
Prior period error	-	714	-	714
Additions	49	172 828	1 815	174 692
Disposals	6	6 967	622	7 595
<b>TOTAL MINOR ASSETS</b>	<b>43</b>	<b>166 575</b>	<b>1 193</b>	<b>167 811</b>



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	Intangible assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Number of R1 minor assets	-	50 369	5	50 374
Number of minor assets at cost	16	96 184	729	96 929
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>16</b>	<b>146 553</b>	<b>734</b>	<b>147 303</b>

**32.2.1 Prior period error**

	Note	2020/21 R'000
<b>Nature of prior period error</b>		
Relating to 2019/20 [affecting the opening balance]		714
Machinery and equipment LOGIS		(130)
Machinery and equipment BAUD		844
Relating to 2020/21		
Relating to 2020/21 [affecting the opening balance]		(41)
Machinery and equipment LOGIS		4
Machinery and equipment BAUD		(45)
Relating to 2020/21		
<b>Total</b>		<b>673</b>

The majority of the errors are due to data corrections and classification from assets to consumables. The amount of R45 792,59 is due to the incorrect classification, the amount represents capital book not minor. The amount of (R130 113,33) represents a data fixes done by NT – LOGIK due to errors. The amount of R834 560,81 represents prior period errors in BAUD, the total included commission paid of R10 405,20 = R844 967.01.

**32.3 Movable assets written off**

	Intangible assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Assets written off		10 029	638	10 667
<b>TOTAL MOVABLE ASSETS WRITTEN OFF</b>		<b>10 029</b>	<b>638</b>	<b>10 667</b>

	Intangible assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Assets written off	4	3 803	737	4 544
<b>TOTAL MOVABLE ASSETS WRITTEN OFF</b>	<b>4</b>	<b>3 803</b>	<b>737</b>	<b>4 544</b>

Written off assets are due to assets destroyed and losses

**33. Intangible Capital Assets**

	Opening balance R'000	Additions R'000	Disposals R'000	Closing Balance R'000
<b>SOFTWARE</b>	75 639	497	-	76 136
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>75 639</b>	<b>497</b>	<b>-</b>	<b>76 136</b>

The additions are three IT systems that are finalised and ready for use by the department, they are on the departmental asset register.

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**33.1 Movement for 2020/21**

**MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021**

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
SOFTWARE	-	-	76 656	1 017	75 639
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>-</b>	<b>-</b>	<b>76 656</b>	<b>1 017</b>	<b>75 639</b>

**34. Immovable Tangible Capital Assets**

**Movement in immovable tangible capital assets per asset register for the year ended 31 March 2022**

	Opening balance R'000	Additions R'000	Disposals R'000	Closing Balance R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>675 258</b>	<b>382 576</b>	<b>112 109</b>	<b>945 725</b>
Dwellings	631	-	-	631
Non-residential buildings	800	2 755	2 755	800
Other fixed structures	673 827	379 821	109 354	944 294
<b>LAND AND SUBSOIL ASSETS</b>	<b>1 042 075</b>	<b>198 539</b>	<b>448 993</b>	<b>791 621</b>
Land	1 042 075	198 539	448 993	791 621
<b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>1 717 333</b>	<b>581 115</b>	<b>561 102</b>	<b>1 737 346</b>

**Immovable Tangible Capital Assets under investigation**

	Number	Value R'000
<b>Included in the above total of the immovable tangible capital assets per the asset register are assets that are under investigation:</b>		
Buildings and other fixed structures	1	92

*Mobile house at Grootfontein Agricultural Development Institute with serial T464867/1 and bar code 24344 was not found during asset verification.*

**34.1 Movement for 2020/21**

**MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021**

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>-</b>	<b>-</b>	<b>1 054 017</b>	<b>378 759</b>	<b>675 258</b>
Dwellings	-	-	1 523	892	631
Non-residential buildings	-	-	800	-	800
Other fixed structures	-	-	1 051 694	377 867	673 827



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<b>LAND AND SUBSOIL ASSETS</b>	-	-	<b>1 054 235</b>	<b>12 160</b>	<b>1 042 075</b>
Land	-	-	1 054 235	12 160	1 042 075
<b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b>	-	-	<b>2 108 252</b>	<b>390 919</b>	<b>1 717 333</b>

**34.1.1 Prior period error**

	<i>Note</i>	<b>2020/21 R'000</b>
Relating to 2020/21		30 921
Land		(294)
Other fix structures: LAM		31 215
<b>Total</b>		<b>30 921</b>

**34.2 Capital Work-in-progress**

**CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2022**

	<i>Note</i>	Opening balance 1 April 2021	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2022
	<i>Annexure 7</i>	R'000	R'000	R'000	R'000
Buildings and other fixed structures		1 607 833	1 305 975	207 898	2 705 910
Machinery and equipment		26 854	-	-	26 854
Specialised military assets		-	-	-	-
Intangible assets		8 507	4 310	941	11 876
<b>TOTAL</b>		<b>1 643 194</b>	<b>1 310 285</b>	<b>208 839</b>	<b>2 744 640</b>

**Payables not recognised relating to Capital WIP**

	<i>Note</i>	2021/22 R'000	2020/21 R'000
LAM: Amount relating to invoices received for WCS project 053304 and 052805 but not paid at year end and therefore not included in capital work-in-progress			950
<b>Total</b>		-	<b>950</b>

**CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2021**

	<i>Note</i>	Opening balance 1 April 2020	Prior period error	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2021
	<i>Annexure 7</i>	R'000	R'000	R'000	R'000	R'000
Buildings and other fixed structures		-	-	2 060 951	453 118	1 607 833
Machinery and equipment		-	-	26 854	-	26 854
Intangible assets		-	-	9 358	851	8 507
<b>TOTAL</b>		-	-	<b>2 097 163</b>	<b>453 969</b>	<b>1 643 194</b>

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**34.3 Immovable assets (additional information)**

	<i>Note</i>	<b>2021/22</b>	<b>2020/21</b>
<b>Properties deemed vested</b>	<i>Annexure 9</i>	<b>Number</b>	<b>Number</b>
<b>Land parcels</b>		2 450	2 545

SUPPLIERS NAME	CONTRACT NAME	ASSET	PROJECT VALUE R	REASONS FOR TERMINATION OF CONTRACT
<b>MPUMALANGA</b>				
Chrysellda Building Construction	Construction of tractor shed in Dundonald Village in Chief Albert Luthuli Local Municipality in Mpumalanga	Tractor Shed	3 488 509,48	Terminated due to contractor poor performance, non-compliance and abandoned site.
Chrysellda Building Construction	Construction of tractor shed at Huttington in Bushbuckridge Local Municipality, Ehlanzeni District in Mpumalanga	Tractor Shed	3 739 940,88	Terminated due to contractor poor performance, non-compliance, and abandoned site.
<b>NORTH WEST</b>				
Nkomaba Trading & Projects	Construction of feed-mill at Springbokpan Agri-Hub	Feed-Mill	66 331 976,54	Non-performance, cashflows, etc
<b>LIMPOPO</b>				
Diphatse Consulting	Construction of 12 classroom blocks for Ndivheni Primary School (PSP)	PSP	7 728 233,96	Terminated due to protests delayed the PSP & has left the site
Mohwibidu Construction	Construction of internal street paving in Muyexe Village	Street Paving	24 950 378,79	Terminated due to cash flow problems by contractor
Tychofied	PSP construction of Madzivhandila College access road	Road	9 454 552,07	Terminated due to financial problems
<b>KWAZULU-NATAL</b>				
Gridon T/A Sinethemba Construction	Drought emergency: Tangeni feedlot	Dams	14 677 537,68	Project put on hold due to an internal conflict in which the asset forfeiture was involved. The SP was then suspended.
MBB Consulting	Tangeni feedlot	Feedlot	580 602,00	Project put on hold due to an internal conflict in which the asset forfeiture was involved. The SP was then suspended.
EVN Africa	Design and feasibility for Biyela irrigation	PSP	3 723 261,57	Service provider withdrawn
<b>FREE STATE</b>				
The Bright Future	Construction of Makholokoeng mechanisation centre	Mechanisation Centre	4 719 806,80	Poor performance by the contractor. Slow progress, contract period had lapsed, penalties were going to affect the cashflows
Sesbuyile Projects	Construction of Boiketlong Community Hall in Bethlehem	Community Hall	5 686 443,15	Disruption by community members relating to

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<b>SUPPLIERS NAME</b>	<b>CONTRACT NAME</b>	<b>ASSET</b>	<b>PROJECT VALUE R</b>	<b>REASONS FOR TERMINATION OF CONTRACT</b>
				appointment of local labourers
<b>NORTHERN CAPE</b>				
Fem Plan Consortium	Dikgatlong Priel bridge	PSP: BRIDGE	6 986 043,12	Poor performance
<b>GAUTENG</b>				
Sinned Construction	20 tunnels and 1 borehole Bekkersdal	Tunnels & Boreholes	6 646 177,93	Non-performance due to cashflow
Sinned Construction	Supply and installation of 20 production tunnels Carmel Estate	Production Tunnels	7 118 210,91	Non-performance due to cashflow
Mlokotwa Construction	Construction of 800m2 warehouse in Bekkersdal	Warehouse	7 659 223,67	Non-performance due to cashflow
<b>EASTERN CAPE</b>				
Xesibe	Construction of Ncera Macadamia phase-2	Irrigation System	49 082 624,08	Xesibe contract terminated due to poor performance and slow progress on site with the contract period lapsing without extension of time.
Nebavest	Construction of a high throughput cattle and sheep abattoir in Butterworth	Cattle and Sheep Abattoir	59 999 999,99	Nebavest contract terminated due to contract period lapsing without extension of time.
Sizeya Consulting	Design and monitor construction of Multi-Purpose Centre in Qutubeni	PSP	2 574 148,50	The project had experienced continues and lengthy delays in getting past design development due to continuous changes and delays being made by the architect representing the community, who was not appointed by the department but was designated the role for design oversight by the community.
Montseng/ Mapitsi JV	Construction of a river crossing bridge and 10km access road at Gqunu	Bridge Road	72 616 629,06	Montseng/ Mapitsi JV contract terminated due to poor performance and slow progress on site with the contract period lapsing without extension of time.
Indyebo Consulting	Zuurberg Heritage Tourism Memorial and Youth Centre	PSP	10 452 747,36	Non-performance failed to deliver as per the contract agreement.
Razzmatazz	Architectural service for the construction of a heritage memorial & youth training centre in Zuurberg	Heritage Memorial	63 487 578,46	Terminated due to psp non-performance and contract expired.
Luphawu Trading	Supply, delivery and erection of 28km fencing at Ntlavuka Village in Lambasi in Hill Local Municipality under OR Tambo District in the Eastern Cape	28km Fencing	1 531 345,70	Non-performance, failed to deliver as per the contract agreement.



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<b>SUPPLIERS NAME</b>	<b>CONTRACT NAME</b>	<b>ASSET</b>	<b>PROJECT VALUE R</b>	<b>REASONS FOR TERMINATION OF CONTRACT</b>
Element Consulting	Design review and construction monitoring for 16.1km road in Ncora in Intsika Yethu LM	PSP	2 583 838,50	Non-performance, failed to deliver as per the contract agreement.
Aecom SA (Pty) Ltd	Professional service for construction of a river crossing bridge & 10 km access road	Road & Bridge	6 358 091,54	Furthermore, to the Montseng/ Mapitsi JV contract terminated due to poor performance and slow progress on site with the contract period lapsing without extension of time. The project scope will be reduced to minimally provide project objectives as opposed to the proposed costs for completion of the project which has escalated over time and has since proved to be expensive.
BVI Consulting	Civil engineering services for the design and monitoring of 5km road in the Dumalisile	PSP	1 262 407,50	Project cost estimate indications were that it would be too expensive- the project was at planning and design stage
BVI Consulting	Engineering services for the installation of irrigation system at Bumbane Great Place	PSP	714 780,00	Project abandoned following the reprioritisation process. It was at planning and design stage. Project to be considered for implementation in future years.

**PROJECT LONGER THAN 5 YEARS**

<b>Suppliers Name</b>	<b>Project Name</b>	<b>Status</b>
<b>EASTERN CAPE</b>		
LDM Quantity Surveyors	Construction of a high throughput cattle and sheep abattoir in Butterworth	There has been slow progress on site due to work stoppages, delays because of redesigning, regulatory and compliance issues, community unrest.  Contract expired and has therefore been transferred to an Implementing agent for completion.
Element consulting	Design of irrigation system for agricultural land and other infrastructure in Mvezo and Ludondolo	DSW was to assist with reserve determination but ran out funds. Project to be abandoned following the reprioritisation process. It was at planning and design stage
RAZZMATAZZ	Architectural service for the construction of a heritage memorial & youth training centre in Zuurberg	Terminated due to psp non-performance and contract expired.
Indyebo Consulting	Zuurberg Heritage Tourism Memorial and Youth Centre	The service provider (PSP) will be terminated due to poor performance.
ARUP	Architectural service for the construction of a heritage	The contractor depends on the PSP which is Indyebo to complete the project. Indyebo is in a process of being terminated.



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<b>Suppliers Name</b>	<b>Project Name</b>	<b>Status</b>
	memorial & youth training centre in Zuurberg	
Nebavest	Construction of a high throughput cattle and sheep abattoir in Butterworth	Nebavest contract terminated due to contract period lapsing without extension of time.
Xesibe	Construction of Ncera Macadamia Phase-2	Xesibe contract terminated due to poor performance and slow progress on site with the contract period lapsing without extension of time.
Sizeya Consulting	Design and monitor construction of Multi-Purpose Centre in Qutubeni	The project had experienced continues and lengthy delays in getting past design development due to continuous changes and delays being made by the architect representing the community, who was not appointed by the department but was designated the role for design oversight by the community.
Montseng/Mapitsi Jv	Construction of a river crossing bridge and 10km access road at Gqunu	Montseng/ Mapitsi JV contract terminated due to poor performance and slow progress on site with the contract period lapsing without extension of time.
AECOM SA (PTY) LTD	Professional service for construction of a river crossing bridge&10 km access road	Furthermore, to the Montseng/ Mapitsi JV contract terminated due to poor performance and slow progress on site with the contract period lapsing without extension of time. The project scope will be reduced to minimally provide project objectives as opposed to the proposed costs for completion of the project which has escalated over time and has since proved to be expensive.
BVI Consulting	Civil engineering services for the designed and monitoring of 5km road in the Dumalisile	Project cost estimate indications were that it would be too expensive- the project was at planning and design stage
BVI Consulting	Engineering services for the installation of irrigation system at Bumbane Great Place	Project abandoned following the reprioritisation process. It was at planning and design stage. Project to be considered for implementation in future years.
<b>NORTHERN CAPE</b>		
Fem Plan Consortium	Dikgatlong Pniel Bridge	To be terminated due to non-performance.
<b>GAUTENG</b>		
Sinned Construction	Construction of a concrete water tower for the Mamello low cost housing development in Vaal Marina, Midvaal Local	The Mamello pressure tower failed the water tightness, practical completion could not be reached as the contractor could not complete the remedial works proposed and a handrailing item which he completely under-priced. When he priced R14 000, the item required R160 000.00. the department is still in discussion with the contractor
<b>KWAZULU-NATAL</b>		
Element Consulting	PSP Mooi River	Phase 1 was terminated; it will be re-advertised. Therefore phase 2 cannot be completed, it depends on phase 1
Gridon T/A Sinethemba Construction	Drought emergency: Tangeni feedlot	Project put on hold due to an internal conflict in which the asset forfeiture was involved. The SP was then suspended
MBB Consulting	Tangeni feedlot	Project put on hold due to an internal conflict in which the asset forfeiture was involved. The SP was then suspended.
Element Consulting	Design & construction monitoring for chicken abattoir & piggeries	Non-performance



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Suppliers Name	Project Name	Status
Element Consulting	PSP REID Phase 2	Delays due Eskom connection.
<b>FREE STATE</b>		
SMEC South Africa Pty Ltd	PSP for Agri-Parks Project	There was an extension of time approved.
<b>LIMPOPO</b>		
Tychofied	PSP construction of Madzivhandila College access road	Terminated due to financial problems
Mohwibidu Construction	Construction of internal street paving in Muyexe Village	Terminated due to cash flow problems by contractor
Ranti & Associates	PSP for a construction of internal street paving for Dingamanzi	The contractor underestimated the material and resulted in him under quoting. The money he needs to finish the project is too much. As a result, the matter is going to be presented to NBAC.
Diphatse Consulting	Construction of 12 classroom block for Ndivheni Primary School (PSP)	Terminated due to protests delayed the PSP & has left the site

**35. Principal-agent arrangements**

**35.1 Department acting as the principal**

	<b>2021/22</b>	<b>2020/21</b>
	<b>R'000</b>	<b>R'000</b>
Nkosi Sabelo Incorp	32 325	32 325
Heifer project (HPSA)	500	500
CSIR	-	153
Vodacom	18 453	1 007
The Land & Agricultural Development Bank of SA	7 029	-
SAFDA	6 324	-
Entsika	623	-
Other	6 323	-
<b>Total</b>	<b>71 577</b>	<b>33 985</b>

Cotton SA - R298 000  
 Potatoes South Africa – R358 000  
 Peulwana Agricultural Financial Services R337 000  
 PSJ group R159 000  
 Normax Holding R1,682 million  
 Second Generation and Call Bix trading R35 000  
 Seriti Institute R52 000  
 Thuso Enviro and Agric Development R2,312 million  
 RKM Consultancy R147 000  
 IT Mirror Consulting R579 000  
 Kgokagano Trading R154 000  
 Indalo Agriconsulting and Projects R210 000

Name of Public Entity	Description	Achievements of the Public Entity
<b>CSIR</b>	Provision of agro-biotechnology research. Procurement and installation of ICT equipment at 24 rural schools, development of training manuals and training to educators. iSchool Africa Rural Development Programme and ICT for education project. Operational support and maintenance of infrastructure installed under the digital	Provision of agro-biotechnology research. Procurement and installation of ICT equipment at 24 rural schools, development of training manuals and training to educators. iSchool Africa Rural Development Programme and ICT for education project. Operational support and maintenance of infrastructure installed under the digital doorways and schools connectivity and ICT educational



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Name of Public Entity	Description	Achievements of the Public Entity
	doorways and schools connectivity and ICT educational projects.	projects. There were no projects during 2021/22 financial year.
<b>NKOSI</b>	Refer cases and matters to members of legal and mediation panels, and other experts on behalf of the department and the Commission of Restitution Land Rights. Also perform all necessary administration duties and training programmes to panel members and departmental officials.	All cases and matters during the year under review were referred to members of legal and mediation panels. Administration fees were paid during this financial year, as per the Service Level Agreement. A total of R98,992 million was paid during the 2021/22 financial year, of which, R32,325 million was for Administration fees.
<b>HEIFER PROJECT (HPSA)</b>	Umdukatshane rural development project - implementation of KZN goat agribusiness in five prioritised districts of KwaZulu Natal province.	CAHWs pilot training and facilitation has taken place. Project administration fees were paid during this financial year. A total of R3,682 million was paid during the 2021/22 financial year, of which, R500k was for management fees.
<b>ECDC</b>	To coordinate the implementation of the Agri-Parks programme across the country. The Department of Agriculture, Land Reform and Rural Development will contribute funds towards the development of the Zanyokhwe production site renovations/ repairs of existing buildings and mechanisation centre, Zanyokhwe construction of hydroponic tunnels, Mnqumashe Abattoir completion and commissioning of the abattoir and Mbodla heritage facility.	ECDC appointed as the implementing agent to ensure successful implementation of projects. There were no projects during the 2021/22 financial year.
<b>The Land and Agriculture Development Bank of South Africa</b>	AgriBEE fund: Support the economic empowerment and successful entry of black people into the agriculture sector in accordance with the objectives of the AgriBEE Charter. The Land Bank and the Department of Agriculture, Forestry and Fisheries shall manage, disburse and monitor the funds as per MoU and Operational plan.	R40,166 million, R42,496 million, R43,754 million, R14 million and R43,633 million were respectively transferred to the Land Bank in the 2017/18, 2018/19, 2019/20, 2020/21 and 2021/22 financial years. The Land Bank compile quarterly and annual qualitative evaluation reports that is monitored and evaluated by the Directorate: Business and Entrepreneurial. The Land Bank AGRIBEE had a balance of R204,963 million in their books at the end of 2021/22.
	BPCP: The objective is to create a partnership to provide blended support to Black Commercial Producers in the agriculture, land reform and rural development sectors in an attempt to accelerate agricultural development and to transform these sectors. The support will include blended funding, skills and technical support required by these producers. The Land Bank will be the implementing agency	R100 million, R120 million, R360,019 million and R525, 185 million were respectively transferred to the Land Bank in the 2017/18, 2018/19, 2019/20 and 2021/22 financial years. The funds were appropriated in the ENE as transfer payments – earmarked amounts. The Land Bank is responsible to provide monthly and quarterly reports. The Joint Steering Committee is responsible for the co-ordination, performance of parties, monitoring and report activities. The Land Bank BPCP had a balance of R721, 337



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Name of Public Entity	Description	Achievements of the Public Entity
	for managing the Grant Funding in an interesting bearing account.	million in their books at the end of 2021/22.
	MAFISA: The purpose of the MAFISA project is to provide micro and retail agricultural financial services in the rural areas for agriculture activities. The Land Bank has been appointed during 2008 by the Department of Agriculture, Forestry and Fisheries to implement the MAFISA project. The Land Bank will use the funds only when written instruction is given by the Director-General-DAFF. The agreement lapsed in 2013	The former Department of Agriculture, Forestry and Fisheries further entered into agreements with intermediaries. The Land Bank was responsible for transferring MAFISA funds to the intermediaries to expense in terms of the agreement. The former Department of Agriculture, Forestry and Fisheries did not transfer any funds to the Land Bank in the 2017/18, 2018/19, 2019/20 financial years. The Department of Agriculture, Land Reform and Rural Development did not transfer any funds in the 2020/21 and 2021/22 financial year. The Land Bank had a balance of R15,192 million in their books at the end of 2021/22. The intermediaries had balances of R79,16, R80,61, R72,49 and R79, 280 million respectively in the 2018/19, 2019/20, 2020/21 and 2021/22 financial years.
	COVID-19:	A R100 million was paid from the 2019/20 budget to the Land Bank. The Land Bank COVID-19 fund had a balance of R89,098 million in their books at the end of 2021/22.
<b>Vodacom</b>	The Connected farmer eVoucher solution is a Vodacom solution aimed at assisting the Department of Agriculture, Land Reform and Rural Development with the distribution of electronic vouchers to their farmers. The proposal has been prepared by Vodacom SA with the assistance of Mezzanine, a wholly owned subsidiary of Vodacom Group based in SA.	The eVoucher solution is designed for configurability and scalability. The objective is to support a cost-effective, long-term solution that can adapt to client requirements over time.
<b>SAFDA</b>	Provide training, advice, strategy leadership and capacity building to farmers and the sugar industry to ensure success of the sector and maintain profitability. Upon termination of the agreement, the implementing entity shall take immediate steps to bring the service to a close within 3 months from the ruminant date.	Training, advice, and strategy leadership were provided. The SAFDA will be entitled to 2% management fees of the total budget approved for each project/farm. A total of R316, 224 million was paid during the 21/22 fy.
<b>AFRIVET Training services</b>	The main aim of the Programme is to support the growth and development of the previously disadvantaged producers to substantially contribute towards the achievement of the national development objectives, ie poverty eradication; economic growth and job creation.	Training, advice, and strategy leadership were provided. DALRRD will pay within the benchmark of up to a maximum of 7.2% management fee per project allocated as per the Bid submitted. The contractor will be paid their management fees based on services rendered. There were no payments made during the 2021/22 financial year.
<b>ENTSIKA</b>	The main objective is to support the growth and development of	Training, advice, and strategy leadership were provided. DALRRD will pay within



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Name of Public Entity	Description	Achievements of the Public Entity
	marginalised categories of producers to substantially contribute towards the achievement of the national development objectives, ie poverty eradication; economic growth and job creation.	the benchmark of up to a maximum of 7.2% management fee per project allocated as per the Bid submitted. The contractor will be paid their management fees based on services rendered. A total of R8,6 million was paid during the 21/22 financial year.
<b>NWGA</b>	Provision of animal and veld infrastructure to rural communities to participate in the livestock (rams) improvement programme.	Genetic improvement programme. The NWGA will be entitled to 2% management fees of the total budget approved for each project/farm. There were no payments made during the 2021/22 financial year.
<b>COTTON SA</b>	This programme aims to foster local food security by addressing food production sustainability as agricultural intensification progresses, health and income generation, and the global economy through supporting Black farmers.	Training, advice, and strategy leadership were provided. Cotton SA will be entitled to 2% management fees of the total budget for each project/farm. There was payment of R14, 923 million during the 2021/22 financial year.
<b>POTATOES SOUTH AFRICA</b>	Ensuring integration of farmers into the agricultural value chain.	Providing appropriate skills development and mentorship support to agricultural. PSA will be entitled to 2% management fees of the total budget for each project/farm. There was payment of R17, 892 million during the 2021/22 f/y.
<b>PEULWANA AGRICULTURAL FIN SERVICES</b>	Previously disadvantaged producers will be assisted with resources that will enable them to meet the market requirements and build stronger commodity value chains.	Training, advice, and strategy leadership were provided. DALRRD will pay within the benchmark of up to a maximum of 7.2% management fee per project allocated as per the Bid submitted. There was payment of R4,683 million during the 2021/22 financial year.
<b>PSJ GROUP</b>	The main aim of the Programme is to support the growth and development of the previously disadvantaged producers to substantially contribute towards the achievement of the national development objectives, ie poverty eradication; economic growth and job creation.	Training, advice, and strategy leadership were provided. DALRRD will pay within the benchmark of up to a maximum of 7.2% management fee per project allocated as per the Bid submitted. There was payment of R2, 208 million during the 2021/22 financial year.
<b>NORMAX HOLDING</b>	Previously disadvantaged producers will be assisted with resources that will enable them to meet the market requirements and build stronger commodity value chains.	Training, advice, and strategy leadership were provided. DALRRD will pay within the benchmark of up to a maximum of 7.2% management fee per project allocated as per the Bid submitted. There was payment of R23, 365 million during the 2021/22 financial year.
<b>SECOND GENERATION/CALL BIX</b>	The main aim of the Programme is to support the growth and development of the previously disadvantaged producers to substantially contribute towards the achievement of the national development objectives, i.e. poverty eradication; economic growth and job creation.	Training, advice, and strategy leadership were provided. DALRRD will pay within the benchmark of up to a maximum of 7.2% management fee per project allocated as per the Bid submitted. There was payment of R488 thousand during the 2021/22 financial year.
<b>SERITI INSTITUTE</b>	The main aim of the Programme is to support the growth and	Training, advice, and strategy leadership were provided. DALRRD will pay within



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Name of Public Entity	Description	Achievements of the Public Entity
	development of the previously disadvantaged producers to substantially contribute towards the achievement of the national development objectives, i.e. poverty eradication; economic growth and job creation.	the benchmark of up to a maximum of 7.2% management fee per project allocated as per the Bid submitted. There was payment of R724 thousand during the 2021/22 financial year.
<b>THUSO ENVIRO</b>	The main aim of the Programme is to support the growth and development of the previously disadvantaged producers to substantially contribute towards the achievement of the national development objectives, i.e. poverty eradication; economic growth and job creation.	Training, advice, and strategy leadership were provided. DALRRD will pay within the benchmark of up to a maximum of 7.2% management fee per project allocated as per the Bid submitted. There was payment of R32, 107 million during the 2021/22 financial year.
<b>RKM CONSULTANCY</b>	The main objective is to support the growth and development of marginalised categories of producers to substantially contribute towards the achievement of the national development objectives, i.e. poverty eradication; economic growth and job creation.	Training, advice, and strategy leadership were provided. DALRRD will pay within the benchmark of up to a maximum of 7.2% management fee per project allocated as per the Bid submitted. There was payment of R2,038 million during the 2021/22 financial year.
<b>IT MIRROR</b>	The main aim of the Programme is to support the growth and development of the previously disadvantaged producers to substantially contribute towards the achievement of the national development objectives, i.e. poverty eradication; economic growth and job creation.	Training, advice, and strategy leadership were provided. DALRRD will pay within the benchmark of up to a maximum of 7.2% management fee per project allocated as per the Bid submitted. There was payment of R8, 041 million during the 2021/22 financial year.
<b>KGOKAGANO</b>	The main aim of the Programme is to support the growth and development of the previously disadvantaged producers to substantially contribute towards the achievement of the national development objectives, i.e. poverty eradication; economic growth and job creation.	Training, advice, and strategy leadership were provided. DALRRD will pay within the benchmark of up to a maximum of 7.2% management fee per project allocated as per the Bid submitted. There was payment of R2,135 million during the 2021/22 financial year
<b>INDALO</b>	The main objective is to support the growth and development of marginalised categories of producers to substantially contribute towards the achievement of the national development objectives, i.e. poverty eradication; economic growth and job creation.	Training, advice, and strategy leadership were provided. DALRRD will pay within the benchmark of up to a maximum of 7.2% management fee per project allocated as per the Bid submitted. There was payment of R2,921 million during the 2021/22 financial year.
<b>MANEKWANE BUSINESS</b>	The main aim of the Programme is to support the growth and development of the previously disadvantaged producers to substantially contribute towards the achievement of the national development objectives, i.e. poverty eradication; economic growth and job creation.	Training, advice, and strategy leadership were provided. DALRRD will pay within the benchmark of up to a maximum of 7.2% management fee per project allocated as per the Bid submitted. There were no payments made during the 2021/22 financial year.



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<b>Name of Public Entity</b>	<b>Description</b>	<b>Achievements of the Public Entity</b>
<b>MASUMINI CAPITAL/ NKWELE</b>	The main objective is to support the growth and development of marginalised categories of producers to substantially contribute towards the achievement of the national development objectives, i.e. poverty eradication; economic growth and job creation.	Training, advice, and strategy leadership were provided. DALRRD will pay within the benchmark of up to a maximum of 7.2% management fee per project allocated as per the Bid submitted. There were no payments made during the 2021/22 financial year.
<b>KMA BUSINESS</b>	The main aim of the Programme is to support the growth and development of the previously disadvantaged producers to substantially contribute towards the achievement of the national development objectives, i.e. poverty eradication; economic growth and job creation.	Training, advice, and strategy leadership were provided. DALRRD will pay within the benchmark of up to a maximum of 7.2% management fee per project allocated as per the Bid submitted. There were no payments made during the 2021/22 financial year.



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**35.2 Department acting as the agent**

**35.2.1 Revenue received for agency activities**

	2021/22 R'000	2020/21 R'000
DHE – National Skills Fund		-
<b>Total</b>		-

**35.2.2 Reconciliation of funds and disbursements – 2021/22**

Category of revenue or expenditure per arrangement	Total funds received	Expenditure incurred against funds
	R'000	R'000
DHE – National Skills fund	45 171	46 280
<b>Total</b>	<b>45 171</b>	<b>46 280</b>

**Reconciliation of funds and disbursements – 2020/21**

Category of revenue or expenditure per arrangement	Total funds received	Expenditure incurred against funds
	R'000	R'000
DHE – National Skills Fund	14 091	15 842
<b>Total</b>	<b>14 091</b>	<b>15 842</b>

*The balance of R1,109 million will be recovered from the April 2022 advance paid by DHE National Skills fund.*

**35.2.3 Reconciliation of carrying amount of receivables and payables – 2021/22**

**Payables**

Name of principal entity	Opening balance 1 Apr 2021	Expenses incurred on behalf of the principal	Cash paid on behalf of the principal	Closing Balance 31 Mar 2022
	R'000	R'000	R'000	R'000
DHE – National Skills fund	-	46 280	-	46 280
<b>Total</b>	-	46 280	-	46 280

**Payables**

Name of principal entity	Opening balance 1 Apr 2020	Expenses incurred on behalf of the principal	Cash paid on behalf of the principal	Closing Balance 31 Mar 2021
	R'000	R'000	R'000	R'000
DHE – National Skills Fund	-	15 842	-	15 842
<b>Total</b>	-	15 842	-	15 842

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**36. Prior period errors**

**36.1 Correction of prior period errors**

	<i>Note</i>	<b>Amount before error correction 2020/21 R'000</b>	<b>Prior period error 2020/21 R'000</b>	<b>Restated Amount 2020/21 R'000</b>
<b>Revenue: (E.g. Annual appropriation, departmental revenue, Aid assistance, etc.)</b>				
Departmental Revenue – Transactions in Financial assets and liabilities – Receivables	2	260 489	(726)	259 763
Related party transactions	2.4	(81 930)	(16 052)	(97 982)
Principal Agents	28	35 825	(1 840)	33 985
	35			
<b>Net effect</b>		<b>214 384</b>	<b>(18 618)</b>	<b>195 766</b>

	<i>Note</i>	<b>Amount before error correction 2020/21 R'000</b>	<b>Prior period error 2020/21 R'000</b>	<b>Restated Amount 2020/21 R'000</b>
<b>Expenditure: (E.g. Compensation of employees, Goods and services, Tangible capital assets, etc.)</b>				
Compensation of Employees	4	3 753 613	10 456	3 764 069
Goods and services	5	3 737 854	5 490	3 743 344
Expenditure for capital assets: Tangible assets	9	909 533	106	909 639
<b>Net effect</b>		<b>8 401 000</b>	<b>16 052</b>	<b>8 417 052</b>

*The claim instituted during 2020/21 financial year against the Commission of Restitution of Land Rights, relating to the expenditure for Commissioners was reversed.*

	<i>Note</i>	<b>Amount before error correction 2020/21 R'000</b>	<b>Prior period error 2020/21 R'000</b>	<b>Restated Amount 2020/21 R'000</b>
<b>Assets: (E.g. Receivables, Investments, Accrued departmental revenue, Movable tangible capital assets, etc.)</b>				
Prepayments (expensed)	11.3	169 736	71 228	240 964
Tangible Assets	32.1.1	1 199 697	4 255	1 203 952
Accrued departmental revenue	25	155 567	24 853	180 420
Minor	32.2.1	167 138	673	167 811
Current Asset – Receivables	12	68 338	(29 788)	38 550
Prepayment and advances expend	11.4	(7 663)	393	(7 270)
Operating lease revenue	24	1 947 107	79 211	2 026 318
<b>Net effect</b>		<b>3 699 920</b>	<b>150 825</b>	<b>3 850 745</b>

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	<i>Note</i>	<b>Amount before error correction 2020/21 R'000</b>	<b>Prior period error 2020/21 R'000</b>	<b>Restated Amount 2020/21 R'000</b>
<b>Liabilities: (E.g. Payables current, Voted funds to be surrendered, Commitments, Provisions, etc.)</b>				
Line item 1 affected by the change				
Contingent liabilities	3B	1 089 397	1 217 553	2 306 950
Contingent assets	20.2	39 864	2 313	42 177
State Guarantees Housing	3A	127	(70)	57
Current Liabilities: Voted funds to be surrendered to the Revenue	14	1 153 870	(29 062)	1 124 808
Departmental revenue receipts to be surrendered to the National Revenue Fund	15	22 378	(726)	21 652
Operating leases Building	24	934 723	445 181	1 379 904
Finance leases photocopy machines	24.2	12 590	2 392	14 982
Commitments (Contracts)	21	578 437	7 089	585 526
Commitments (Restitution)	21	847 100	384	847 484
<b>Net effect</b>		<b>4 678 486</b>	<b>1 645 054</b>	<b>6 323 540</b>

	<i>Note</i>	<b>Amount before error correction 2020/21 R'000</b>	<b>Prior period error 2020/21 R'000</b>	<b>Restated Amount 2020/21 R'000</b>
<b>Other: (E.g. Irregular expenditure, Fruitless and wasteful expenditure, etc.)</b>				
Irregular expenditure	26	203 842	(545)	203 297
Fruitless & wasteful expenditure	27	44 548	(3 524)	41 024
Gift and Donation received in kind	Annex 1 H	764	1 350	2 114
Immovable assets: Other Fix Structure	34	642 612	31 215	673 827
Immovable assets: Land	34	1 042 369	(294)	1 042 075
CWIP	34.2	1 621 557	(13 724)	1 607 833
<b>Net effect</b>		<b>3 555 692</b>	<b>14 478</b>	<b>3 570 170</b>



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**37. STATEMENT OF CONDITIONAL GRANTS PAID TO THE PROVINCES**

NAME OF PROVINCE / GRANT	GRANT ALLOCATION				TRANSFER			SPENT				2020/21	
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National department	Amount received by department	Amount spent by department	Unspent funds	% of available funds spent by department	Division of Revenue Act	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
<b>Summary by province</b>													
Eastern Cape	333 690	-	-	333 690	333 690	-	-	333 690	327 602	6 088	98	240 420	240 420
Free State	265 612	-	-	265 612	265 612	-	-	265 612	235 186	30 426	89	200 743	200 743
Gauteng	140 588	-	-	140 588	137 829	-	-	137 829	118 381	19 448	86	111 868	109 292
Kwazulu-Natal	300 874	-	-	300 874	300 874	-	-	300 874	300 874	-	100	227 909	227 909
Limpopo	320 236	-	-	320 236	320 236	-	-	320 236	230 749	89 487	72	237 301	234 862
Mpumalanga	239 459	-	-	239 459	239 459	-	-	239 459	239 459	-	100	187 394	187 392
Northern Cape	197 059	-	-	197 059	197 059	-	-	197 059	196 959	100	100	157 397	157 397
North West	260 580	-	-	260 580	260 580	-	-	260 580	161 842	98 738	62	196 911	195 310
Western Cape	179 925	-	-	179 925	179 925	-	-	179 925	176 683	3 242	98	135 174	135 174
<b>TOTAL</b>	<b>2 238 023</b>	<b>-</b>	<b>-</b>	<b>2 238 023</b>	<b>2 235 264</b>	<b>-</b>	<b>-</b>	<b>2 235 264</b>	<b>1 987 735</b>	<b>247 529</b>	<b>-</b>	<b>1 695 117</b>	<b>1 688 499</b>
<b>Summary by grant</b>													
Compre- hensive Agricultural Support Programme (CASP)	1 557 560	-	-	1 557 176	1 557 560	-	-	1 557 560	1 354 392	203 168	87	1 190 695	1 190 692
Ilima/Letsema Infrastructure Development and Poverty Relief (LandCare)	597 126	-	-	597 126	597 126	-	-	597 126	557 541	39 585	93	422 983	422 983
	83 337	-	-	83 337	80 578	-	-	80 578	75 802	4 776	94	81 439	74 824
<b>Sub total</b>	<b>2 238 023</b>	<b>-</b>	<b>-</b>	<b>2 238 023</b>	<b>2 235 264</b>	<b>-</b>	<b>-</b>	<b>2 235 264</b>	<b>1 987 735</b>	<b>247 529</b>	<b>-</b>	<b>1 695 117</b>	<b>1 688 499</b>
<b>Comprehensive Agricultural Support Programme (CASP)</b>													
Eastern Cape	246 610	-	-	246 610	246 610	-	-	246 610	241 353	5 257	98	177 836	177 836



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Free State	185 645	-	-	185 645	185 645	-	-	185 645	164 731	20 914	89	141 745	141 745
Gauteng	99 113	-	-	99 113	99 113	-	-	99 113	79 754	19 359	80	81 735	81 735
Kwazulu-Natal	214 053	-	-	214 053	214 053	-	-	214 053	214 053	-	100	161 086	161 086
Limpopo	233 511	-	-	233 511	233 511	-	-	233 511	160 211	73 300	69	172 254	172 254
Mpumalanga	161 005	-	-	161 005	161 005	-	-	161 005	161 005	-	100	130 982	130 980
Northern Cape	120 382	-	-	120 382	120 382	-	-	120 382	120 382	-	100	99 140	99 140
North West	180 488	-	-	180 488	180 488	-	-	180 488	99 391	81 097	55	136 616	136 615
Western Cape	116 753	-	-	116 753	116 753	-	-	116 753	113 512	3 241	97	89 301	89 301
<b>TOTAL</b>	<b>1 557 560</b>	<b>-</b>	<b>-</b>	<b>1 557 560</b>	<b>1 557 560</b>	<b>-</b>	<b>-</b>	<b>1 557 560</b>	<b>1 354 392</b>	<b>203 168</b>	<b>-</b>	<b>1 190 695</b>	<b>1 190 692</b>
<i><b>Ilima/ Letsema</b></i>													
Eastern Cape	74 567	-	-	74 567	74 567	-	-	74 567	73 737	830	99	50 360	50 360
Free State	71 601	-	-	71 601	71 601	-	-	71 601	62 381	9 220	87	50 720	50 720
Gauteng	36 459	-	-	36 459	36 459	-	-	36 459	36 377	82	100	25 403	25 403
Kwazulu-Natal	73 799	-	-	73 799	73 799	-	-	73 799	73 799	-	100	54 273	54 273
Limpopo	73 709	-	-	73 709	73 709	-	-	73 709	61 997	11 712	84	52 231	52 231
Mpumalanga	68 980	-	-	68 980	68 980	-	-	68 980	68 980	-	100	46 487	46 487
Northern Cape	68 980	-	-	68 980	68 980	-	-	68 980	68 880	100	100	50 733	50 733
North West	71 310	-	-	71 310	71 310	-	-	71 310	53 669	17 641	75	51 888	51 888
Western Cape	57 721	-	-	57 721	57 721	-	-	57 721	57 721	-	100	40 888	40 888
<b>TOTAL</b>	<b>597 126</b>	<b>-</b>	<b>-</b>	<b>597 126</b>	<b>597 126</b>	<b>-</b>	<b>-</b>	<b>597 126</b>	<b>557 541</b>	<b>39 585</b>	<b>-</b>	<b>422 983</b>	<b>422 983</b>



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NAME OF PROVINCE / GRANT	GRANT ALLOCATION				TRANSFER			SPENT				2020/21	
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National department	Amount received by department	Amount spent by department	Unspent funds	% of available funds spent by department	Division of Revenue Act	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
<b>Infrastructure Development and Poverty Relief (LandCare)</b>													
Eastern Cape	12 513	-	-	12 513	12 513	-	-	12 513	12 512	1	100	12 224	12 224
Free State	8 366	-	-	8 366	8 366	-	-	8 366	8 074	292	97	8 278	8 278
Gauteng	5 016	-	-	5 016	2 257	-	-	2 257	2 250	7	100	4 730	2 154
Kwazulu-Natal	13 022	-	-	13 022	13 022	-	-	13 022	13 022	-	100	12 550	12 550
Limpopo	13 016	-	-	13 016	13 016	-	-	13 016	8 541	4 475	66	12 816	10 377
Mpumalanga	9 474	-	-	9 474	9 474	-	-	9 474	9 474	-	100	9 925	9 925
Northern Cape	7 697	-	-	7 697	7 697	-	-	7 697	7 697	-	100	7 524	7 524
North West	8 782	-	-	8 782	8 782	-	-	8 782	8 782	-	100	8 407	6 807
Western Cape	5 451	-	-	5 451	5 451	-	-	5 451	5 450	1	100	4 985	4 985
<b>TOTAL</b>	<b>83 337</b>	<b>-</b>	<b>-</b>	<b>83 337</b>	<b>80 578</b>	<b>-</b>	<b>-</b>	<b>80 578</b>	<b>75 802</b>	<b>4 776</b>	<b>-</b>	<b>81 439</b>	<b>74 824</b>



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**38. STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES**

NAME OF MUNICIPALITY	2021/22								2020/21	
	GRANT ALLOCATION					TRANSFER			Division of Revenue Act	Actual transfer
	DoRA and other transfers	Roll Overs	Adjustments	Fund shift	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National department		
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Mun B/Acc: Mun Rates and taxes</b>										
Amatole District Municipality Eastern Cape	-	-	-	-	-	-	-	-	-	111
Eastern Cape: Whole Province	-	-	7 628	-	7 628	39 903	-	-	7 087	24 140
Ehlanzeni District Municipality Mpumalanga	-	-	-	-	-	-	-	-	33 976	49 813
Free State: Whole Province	-	-	9 257	-	9 257	13 245	-	-	973	25 460
Gert Sibande District Municipality Mpumalanga	-	-	-	-	-	-	-	-	15 000	21 669
Gauteng: Whole Province	-	-	647	-	647	14	-	-	572	413
Gauteng: Metro	-	-	-	-	-	1	-	-	-	-
KwaZulu-Natal: Whole Province	-	-	3 536	-	3 536	3 684	-	-	4 428	4 371
Limpopo: Whole Province	-	-	12 992	-	12 992	37 821	-	-	2 950	6 465
Mpumalanga: Whole Province	-	-	71 782	-	71 782	1	-	-	7 112	130
Mpumalanga: Municipalities	-	-	-	-	-	86 452	-	-	-	-



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**38. STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES**

NAME OF MUNICIPALITY	2021/22								2020/21	
	GRANT ALLOCATION					TRANSFER			Division of Revenue Act	Actual transfer
	DoRA and other transfers	Roll Overs	Adjustments	Fund shift	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National department		
R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Northern Cape: Whole Province	-	-	4 139	-	4 139	48	-	-	3 138	7 598
Nkangala District Municipality Mpumalanga	-	-	-	-	-	-	-	-	15 021	24 015
North West: Whole Province	-	-	20 101	-	20 101	40 662	-	-	1 767	11 017
City of Tshwane	-	-	-	-	-	-	-	-	3	2
Uthungule District Municipality KwaZulu-Natal	-	-	-	-	-	-	-	-	16	16
Western Cape: Whole Province	-	-	1 661	-	1 661	1 639	-	-	2 339	1 839
<b>TOTAL</b>	-	-	<b>131 743</b>	-	<b>131 743</b>	<b>223 470</b>	-	-	<b>94 382</b>	<b>177 059</b>



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**38. STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES**

NAME OF MUNICIPALITY	2021/22								2020/21		
	GRANT ALLOCATION					TRANSFER			Division of Revenue Act	Actual transfer	
	DoRA and other transfers	Roll Overs	Adjustments	Fund shift	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National department			
R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
<b>Mun B/ACC: Vehicle Licences Mun</b>											
Domestic Whole Country	-	-	608	-	608	1 040	-	-	213	237	
Eastern Cape: Whole Province	-	-	90	-	90	89	-	-	7	6	
Free State: Whole Province	-	-	6	-	6	26	-	-	26	-	
Gauteng: Whole Province	-	-	9	-	9	-	-	-	51	7	
Inxuba Yethemba	-	-	-	-	-	-	-	-	8	8	
KwaZulu-Natal: Whole Province	-	-	81	-	81	2	-	-	23	6	
Limpopo: Whole Province	-	-	6	-	6	1	-	-	3	6	
Mpumalanga: Whole Province	-	-	-	-	-	-	-	-	-	6	
Northern Cape: Whole Province	-	-	5	-	5	-	-	-	5	-	
North West: Whole Province	-	-	50	-	50	-	-	-	1	-	
City of Tshwane	-	-	-	-	-	-	-	-	395	526	
Western Cape: Whole Province	-	-	45	-	45	1	-	-	34	24	
<b>SUB TOTAL</b>	-	-	<b>900</b>	-	<b>900</b>	<b>1 159</b>	-	-	<b>766</b>	<b>826</b>	
<b>TOTAL</b>			<b>132 643</b>	-	<b>132 643</b>	<b>224 629</b>	-	-	<b>95 148</b>	<b>177 885</b>	



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39. COVID-19 Response Expenditure

	<i>Note Annexure 11</i>	<b>2021/2022 R'000</b>	<b>2020/21 R'000</b>
Goods and services		<u>3 556</u>	<u>19 742</u>
<b>Total</b>		<u><b>3 556</b></u>	<u><b>19 742</b></u>

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**Annexure 1A**

**STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES**

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2020/21	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
<b>Mun B/ Acc: Mun Rates and Taxes</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
Amatole District Municipality	-	-	-	-	-	-	-	-	-	-	-	111	111
Eastern Cape: Whole Province	-	-	7 628	7 628	39 903	-	-	-	-	-	-	7 087	24 140
Ehlanzeni District Municipality	-	-	-	-	-	-	-	-	-	-	-	33 976	49 813
Mpumalanga	-	-	-	-	-	-	-	-	-	-	-	-	-

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**ANNEXURE 1A  
STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES**

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2020/21	
	DoR A and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Free State: Western Province	-	-	9 257	9 257	13 245	-	-	-	-	-	-	973	25 460
Gert Sibande District Municipality	-	-	-	-	-	-	-	-	-	-	-	15 000	21 669
Mpumalanga	-	-	647	647	14	-	-	-	-	-	-	572	413
Gauteng: Whole Province	-	-	3 536	3 536	3 684	-	-	-	-	-	-	4 428	4 371
Gauteng: Metros	-	-	-	-	-	-	-	-	-	-	-	-	-
KwaZulu-Natal: Whole Province	-	-	-	-	-	-	-	-	-	-	-	-	-



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**ANNEXURE 1A  
STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES**

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2020/21	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Limpopo: Whole Province	-	-	12 992	12 992	37 821	-	-	-	-	-	-	2 950	6 465
Mpumalanga: Whole Province	-	-	71 782	71 782	1	-	-	-	-	-	-	7 112	130
Mpumalanga: Municipality Northern	-	-	-	-	86 452	-	-	-	-	-	-	-	-
Cape: Whole Province	-	-	4 139	4 139	48	-	-	-	-	-	-	3 138	7 598
Nkangala District Municipality Mpumalanga North West: Whole Province	-	-	-	-	-	-	-	-	-	-	-	15 021	24 015
	-	-	20 101	20 101	40 662	-	-	-	-	-	-	1 767	11 017

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**ANNEXURE 1A  
STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES**

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2020/21	
	Do R A and other transfers	R oll O vers	Adjust ments	Total Avail able	Actual Transf er	Fu nd s Wi th he ld	Re- allo cations by Nati onal Trea sury or Nati onal dep artm ent	Amo unt recei ved by muni cipal ity	Am ount spe nt by mun icip ality	Un sp ent fun ds	% of ava ilab le fun ds spe nt by mu nicip ality	Divisio n of Reven ue Act	Actual transfer
	R' 00 0	R' 00 0	R'000	R'000	R'000	R' 00 0	%	R'00 0	R'00 0	R'0 00	%	R'000	R'000
City of Tshwane	-	-	-	-	-	-	-	-	-	-	-	3	2
Uthungule District Municipality	-	-	-	-	-	-	-	-	-	-	-	16	16
KwaZulu-Natal	-	-	1 661	1 661	1 639	-	-	-	-	-	-	2 339	1 839
Western Cape: Whole Province	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	-	-	<b>131 743</b>	<b>131 743</b>	<b>223 470</b>	-	-	-	-	-	-	<b>94 493</b>	<b>177 059</b>

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**ANNEXURE 1A  
STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES**

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2020/21	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
<b>Mun B/Acc: Vehicle License Mun</b>													
Domestic Whole Country	-	-	608	608	1 040	-	-	-	-	-	-	213	237
Eastern Cape: Whole Province	-	-	90	90	89	-	-	-	-	-	-	7	6
Free State: Whole Province	-	-	6	6	26	-	-	-	-	-	-	26	-
Gauteng: Whole Province	-	-	9	9	-	-	-	-	-	-	-	51	7
Inxuba Yethemba	-	-	-	-	-	-	-	-	-	-	-	8	8

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**ANNEXURE 1A**

**STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES**

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER				SPENT			2020/21	
	DoR A and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds With held	Re - all oc ations by Na tion al Tre a su ry or Na tion al de part ment	Am oun t rec eiv ed by mu nicip ality	A m o u n t s p e n t b y m u n i c i p a l i t y	Un s p e n t f u n d s	% of a v a i l a b l e f u n d s s p e n t b y m u n i c i p a l i t y	Divisio n of Reven ue Act	Actual transfer
	R'00 0	R'0 00	R'000	R'000	R'000	R'00 0	%	R'0 00	R'0 00 0	R'0 00	%	R'000	R'000
KwaZulu-Natal: Whole Province	-	-	81	81	1	-	-	-	-	-	-	23	6
Limpopo: Whole Province	-	-	6	6	1	-	-	-	-	-	-	3	6
Mpumalanga: Whole Province	-	-	-	-	-	-	-	-	-	-	-	-	6
Northern Cape: Whole Province	-	-	5	5	-	-	-	-	-	-	-	5	-
North West: Whole Province	-	-	50	50	-	-	-	-	-	-	-	1	-
City of Tshwane	-	-	-	-	-	-	-	-	-	-	-	395	526
Western Cape: Whole Province	-	-	45	45	1	-	-	-	-	-	-	34	24
<b>Subtotal</b>	-	-	<b>900</b>	<b>900</b>	<b>1 158</b>	-	-	-	-	-	-	<b>766</b>	<b>826</b>
<b>TOTAL</b>	-	-	<b>132 643</b>	<b>132 643</b>	<b>224 628</b>	-	-	-	-	-	-	<b>95 259</b>	<b>177 885</b>

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**ANNEXURE 1B  
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS**

DEPARTMENTAL AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2020/21
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
Agri sector education and training authority	1 394	-	-	1 394	1 394	100	1 308
Agricultural Land Holdings	937 986	-	-	937 986	937 986	100	448 040
Agricultural Research Council	1 282 632	-	-	1 282 632	1 282 632	100	1 249 920
Ingonyama Trust Board	23 517	-	-	23 517	23 517	100	22 192
National Agricultural Marketing Council	47 305	-	-	47 305	47 305	100	47 422
Registration of Deeds Trade Account	1	-	-	1	-	-	358 034
Office of the Valuer General	131 844	-	-	131 844	131 844	100	100 000
SA Geomatics Council	4 194	-	-	4 194	4 000	95	4 333
Departmental Agency: Donations and gifts	230	-	-	230	121	53	242
COM: Licences	30	-	-	30	22	73	26
<b>TOTAL</b>	<b>2 429 133</b>	<b>-</b>	<b>-</b>	<b>2 429 133</b>	<b>2 428 821</b>	<b>-</b>	<b>2 231 517</b>

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

NAME OF PUBLIC CORPORATION/ PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2020/21
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of available funds transferred	Capital	Current	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
<b>Public Corporations</b>									
<b>Transfers</b>	564 193	-	-	564 193	564 193	100	-	-	<b>14 001</b>
Black Business Supplier Development Programme (BBSDP)	-	-	-	-	-	-	-	-	1
Land and Agri Development Bank of SA	564 193	-	-	564 193	564 193	100	-	-	14 000
<b>Sub-Total: Public Corporations</b>	<b>564 193</b>	<b>-</b>	<b>-</b>	<b>564 193</b>	<b>564 193</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>14 001</b>
<b>Private Enterprises</b>									
<b>Transfers</b>	1	-	-	1	1	100	-	-	<b>1</b>
Red Meat Industry Forum	1	-	-	1	1	100	-	-	1
<b>Sub-Total: Private Enterprises</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>1</b>
<b>TOTAL</b>	<b>564 194</b>	<b>-</b>	<b>-</b>	<b>564 194</b>	<b>564 194</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>14 002</b>

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**ANNEXURE 1E  
STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS**

FOREIGN GOVERNMENT/ INTERNATIONAL ORGANISATION	TRANSFER ALLOCATION				EXPENDITURE		2020/21
	Adjusted Appropriation Act	Roll overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Transfers</b>							
Foreign Rates and Taxes (FIGO)	452	-	-	452	147	33	240
Sub fees: Con Group Inter Agr Res	9 728	-	-	9 728	-	-	9 000
Sub fees: CW Agric Bureau Inter	394	-	-	394	-	-	400
Sub fees: Food and Agric Org UN	26 522	-	-	26 522	19 437	73	25 795
Sub fees: Int Un Pre New VAR Plant	883	-	-	883	-	-	1 031
Sub fees: Inter Comm Agric Engine	21	-	-	21	10	48	21
Sub fees: Inter Cotton Adv Cncil	394	-	-	394	891	226	400
Sub fees: Inter Dairy Federation	49	-	51	100	50	50	50
Sub fees: Inter Grains Council	311	-	-	311	-	-	250
Sub fees: Inter Org Vine & Wine	1 076	-	-	1 076	1 124	104	1 205
Sub fees: Inter Seed Testing Assoc	214	-	-	214	189	88	213
Sub fees: Org Econ Coop & Developmt	404	-	-	404	1 332	330	652
Sub fees: Cen Mapping of Res Dev	2 944	-	(334)	2 610	2 610	100	2 009
Sub fees: World Org Animal Health	2 529	-	-	2 529	-	-	2 620
Sub fees: CARDESA	-	-	-	-	10 511	-	-
<b>TOTAL</b>	<b>45 921</b>	<b>-</b>	<b>(283)</b>	<b>45 638</b>	<b>36 301</b>		<b>43 886</b>

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**ANNEXURE 1F  
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS**

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2020/21
	Adjusted Appropriation Act	Roll overs	Adjustments	Total Available	Actual Transferred	% of Available funds transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Transfers</b>							
SA Council for Planners	4 140	-	-	4 140	4 140	100	4 035
<b>TOTAL</b>	<b>4 140</b>	<b>-</b>	<b>-</b>	<b>4 140</b>	<b>4 140</b>		<b>4 035</b>

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**ANNEXURE 1G  
STATEMENT OF TRANSFERS TO HOUSEHOLDS**

HOUSEHOLD S	TRANSFER ALLOCATION				EXPENDITURE		2020/21
	Adjusted Appropriation Act	Roll Over s	Adjustmen ts	Total Available	Actual Transfer	% of Available funds Transferr ed	Final Appropriatio n
	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Transfers</b>							
Claims against the State	3 603	-	-	3 603	2 600	72	2 735
Leave Gratuities	12 185	-	-	12 185	17 636	145	14 242
Bursaries for non- employees	60 657	-	-	60 657	66 966	110	69 004
Farmer Support (Agricultural Production)	-	-	-	-	-	-	27 522
Restitution Grants	3 151 549	-	-	3 151 549	2 024 802	64	1 345 539
Gifts and Donations	486	-	-	486	-	-	-
HH: Other/t: Rural Development	35 120	-	-	35 120	30 108	86	74 893
<b>TOTAL</b>	<b>3 263 600</b>	<b>-</b>	<b>-</b>	<b>3 263 600</b>	<b>2 142 112</b>		<b>1 533 935</b>

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**ANNEXURE 1H  
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED**

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2021/22	2020/21
		R'000	R'000
<b>Received in cash</b>			
<b>Current financial year 2021/22</b>			
International Poverty Reduction centre in China (IPRCC)	Training	944	-
<b>Prior year 2020/21</b>			
SADC Plant Genetic Resources Centre (SPGRC)	SPGRC data management workshop	-	7
United Nations Women	Sixth session of the regional forum for sustainable development	-	15
<b>Subtotal</b>		<b>944</b>	<b>22</b>
<b>Received in kind</b>			
<b>Current financial year 2021/22</b>			
Perishable Products Export Control Board (PPECB)	Travelling cost	5	-
Sanlam	Promotional items	3	-
Johannesburg Fresh Producers Market	Promotional items	2	-
Embassy of Vietnam	Promotional items	1	-
Food and Agriculture Organisation of the United Nation (FAO)	Workshop	2	-

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**ANNEXURE 1H  
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED**

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2021/22	2020/21
		R'000	R'000
AgriSeta	Wifi access	499	-
Perishable Products export Control Board (PPECB)	Travelling cost	4	-
South African Veterinary Council & South African Society of Veterinary Epidemiology	Promotional items	5	-
Afrivet Business Management/Dykers van Heerden/SA Beekeepers Industry	Promotional items	1	-
South African Veterinary Council (SAVC)	Honorarium	45	-
Dairy Products Embassy of China, Germany & Taiwan	Travelling costs	3	-
Agnes Food and Agriculture organisation of United Nations	Travelling	3 768	-
CTA	Meeting	5	-
Deutsche Gesellschaft fur internationale Zusammenabat (GIZ)	Training	75	-
Zusammenabat (GIZ)	Training	9	-
Perishable Products Export Control Board (PPECB)	Training	125	-
	Travelling costs	4	-

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**ANNEXURE 1H  
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED**

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2021/22	2020/21
		R'000	R'000
<b>Prior year 2020/21</b>			
Food & Agriculture Organisation of the United Nation (FAO)	Survey equipment		205
Nestle	Gift		1
Japan International Cooperation Agency (JICA)	Computer equipment		475
The Technical Centre for Agriculture and Rural Cooperation (CTA)	Honorariums and expenses		83
Total SA	Female Entrepreneur Award programme		1 350
<b>Subtotal</b>		<b>4 556</b>	<b>2 114</b>
<b>TOTAL</b>		<b>5 500</b>	<b>2 136</b>

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**ANNEXURE 11  
STATEMENT OF AID ASSISTANCE RECEIVED**

NAME OF DONOR	PURPOSE	OPENING BALANCE	REVENUE	EXPENDITURE	PAID BACK ON/BY 31 MARCH	CLOSING BALANCE
		R'000	R'000	R'000	R'000	R'000
<b>Received in cash</b>						
The Australian Centre for International Agriculture Research (ACIAR)	Small scale and emerging beef cattle farmers in SA	-	6 237	-	-	6 237
European Union	Economic Partnership Agreement implementation support programme in SA	-	53 506	-	-	53 506
Department of Small Business	ECO System Development for Small Enterprises (EDSE)	-	17 484	5 285	-	12 199
<b>TOTAL</b>		<b>-</b>	<b>77 227</b>	<b>5 285</b>	<b>-</b>	<b>71 942</b>

Bioversity International informed the department that the funds surrendered in 2019/20 of R87 000 is available for the extension of the seed banks project in South Africa which will run from 1 July 2021 to 30 November 2021. Funds to the value of R1,050 million is still available at National Treasury for the Small scale and emerging cattle farmers in South Africa.

Funds to the value of R995 000 is still available at National Treasury for the Small scale and emerging cattle farmers in South Africa.

Funds to the value of R843 000 is still available at National Treasury for the Small scale and emerging cattle farmers in South Africa.

Funds to the value of R57 747 023.73 is still available at National Treasury for the Economic Partnership Agreement implementation support programme in South Africa.

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**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 21/22	% Held 20/21	Number of shares held		Cost of investment		Net Asset value of investment		Profit/(Loss) for the year		Losses guaranteed Yes/No
						R'000		R'000		R'000		
				2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	
<b>National/Provincial Public Entity</b> Onderstepoort Biological Products (Pty) Ltd	Manufacturing of vaccines and related products	-	-	1	1	-	-	-	-	-	-	No
<b>TOTAL</b>		-	-	1	1	-	-	-	-	-	-	

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**ANNEXURE 3A  
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2022 – LOCAL**

Guarant or institutio n	Guarant ee in respect of	Original guar anted capit al amo unt	Openi ng balan ce 1 April 2021	Guarant ees drawo wns during the year	Guarant ees repayme nts/ cancelle d/ reduced during the year	Revaluat ion due to foreign currenc y moveme nts	Closi ng balan ce 31 Marc h 2022	Revaluati ons due to inflation rate moveme nts	Accrue d guarant eed interest for year ended 31 March 2022
		R'00 0	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Standard Bank	Housing	-	57	-	57	-	-	-	-
<b>TOTAL</b>		-	<b>57</b>	-	<b>57</b>	-	-	-	-

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**ANNEXURE 3B  
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2022**

Nature of Liability	Opening Balance 1 April 2021	Liabilities incurred during the year	Liabilities paid/ cancel- led/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance 31 March 2022
	R'000	R'000	R'000	R'000	R'000
<b>Claims against the department</b>					
Breach of contract and compelling specific performance	44	-	-	-	44
Claim on property	30 859	-	-	-	30 859
Claimant dispute claim of just and equitable compensation	28 470	-	-	-	28 470
Commission disputes feasibility and claim for specific performance	15 678	-	-	-	15 678
Current owner wants to be paid more than the valuation amount on an approved S42D matt	4 500	-	-	-	4 500
Department dispute Alexcor claim of just equitable compensation	164 896	-	-	-	164 896
Liquidator issued summons against commission matter is apposed breach contract	15 252	-	-	-	15 252
Mr Vermaas, claims compensation be received was not just and equitable	67 989	-	-	-	67 989
This is a direct access case for under compensation	5 377	-	-	-	5 377
Claim damages due to failure to comply with contractual obligations in the form of mora interest on the amount of R15 750 000.00	6 522	-	-	-	6 522
Claim for compensation	1 437 338	-	-	-	1 437 338
Avontuur 725 JT that was expropriated by the Minister with an Expropriation Notice dated 19 September 2013 (MP)	48 050	-	-	-	48 050
Claims Financial Compensation not received	2 732	-	-	-	2 732
Mahlangu Family claim (Vanggatfontein 251 IR), the funds were paid to the family, but the claimant allegedly did not receive her share (MP)					
Claims Financial Compensation – Tramways	1 500	-	-	-	1 500
Collision claim	203	-	-	-	203



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**ANNEXURE 3B  
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2022**

Nature of Liability	Opening Balance 1 April 2021	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance 31 March 2022
	R'000	R'000	R'000	R'000	R'000
Commission is disputing validity of the contract with applicant	3 491	-	-	-	3 491
Compensation for loss of income	25 031	-	-	-	25 031
Contractual claim	9 096	3 204	5 800	-	6 500
Damage motor vehicle	54	374	54	-	374
Payment due to services rendered	20 250	-	-	-	20 250
Farm Fire	11 626	-	-	-	11 626
Dispute within family regarding award. Plaintiff request compensation as per valuation report	881	-	-	-	881
A contractor appointed by the CRLR subcontracted the work to the Applicant and failed to pay the applicant. Now instead of the Applicant claiming money from the contractor they are claiming from CRLR	1 000	-	-	-	1 000
Applicant compelling referral and seeking payment of grants	848	-	-	-	848
Offer was made by official without consent of RLCC. Office explained to claimants not entitled to double SSO as we are paying financial compensation and resorting land	13 757	-	13 757	-	-
Defamation or alternatively, injury in the sum set out hereunder and seek an order in the following terms: An order that the defendants jointly and severally the one paying the order to absolved, pay to the plaintiffs	7 000	-	-	-	7 000
The Minister should decide if she will restore the claimed land with the leases. If the land is restored without leases the 6 <sup>th</sup> and 7 <sup>th</sup> Applicant want to receive R80 000 000,00 each for damages. Trial date set 18 till 28 June 2019	160 000	-	-	-	160 000

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**ANNEXURE 3B  
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2022**

Nature of Liability	Opening Balance 1 April 2021	Liabilities incurred during the year	Liabilities paid/ cancelled/reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance 31 March 2022
	R'000	R'000	R'000	R'000	R'000
Fire losses claim	27 423	-	27 423	-	-
Goods sold delivered	161	-	161	-	-
Labour dispute	653	-	-	-	653
Labour matter	1 845	-	-	-	1 845
Malicious prosecution, Unlawful Arrest and Detention	590	-	590	-	-
Negligence	662	-	-	-	662
Non-payment of employment benefits	8	-	-	-	8
Not issuing import permits	53 315	-	-	-	53 315
OSD	125 395	15 815	19 568	-	121 642
Payment due to service rendered	20 250	-	-	-	20 250
Prohibition of movement of animals	8 426	-	-	-	8 426
Services could not be confirmed	5 325	-	5 325	-	-
Vehicle accidents	703	239	224	-	717
<b>Subtotal</b>	<b>2 306 950</b>	<b>19 632</b>	<b>72 902</b>	<b>-</b>	<b>2 253 679</b>
QCC	-	444 175	-	-	444 175
<b>Subtotal</b>	<b>-</b>	<b>444 175</b>	<b>-</b>	<b>-</b>	<b>444 175</b>
<b>TOTAL</b>	<b>2 306 950</b>	<b>463 807</b>	<b>72 902</b>	<b>-</b>	<b>2 697 854</b>

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**ANNEXURE 4  
CLAIMS RECOVERABLE**

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2021/22 *	
	31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
<b>Department National Departments</b>								
Department of Environmental, Forestry and Fisheries	-	-	1 821	2 410	1 821	2 410	-	-
Department of Public Works	-	-	-	599	-	599	-	-
Department of Justice	-	-	48	-	48	-	-	-
Department of Labour	-	-	43	-	43	-	-	-
<b>Provincial Departments</b>								
Department of Agriculture and Agrarian Reform (Eastern Cape)	-	-	-	34	-	34	-	-
	-	-	1 912	3 043	1 912	3 043	-	-
<b>Other Government Entities</b>								
Deeds Registration	1 092	-	-	998	1 092	998	-	-
Trading Account Land Commission Restitution	-	-	-	13 010	-	13 010	-	-
	-	-	-	16 779	-	16 779	-	-
	1 092	-	-	30 787	1 092	30 787	-	-
<b>TOTAL</b>	<b>1 092</b>	<b>-</b>	<b>1 912</b>	<b>33 830</b>	<b>3 004</b>	<b>33 830</b>	<b>-</b>	<b>-</b>



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**ANNEXURE 5  
INTER-GOVERNMENT PAYABLES**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2021/22	
	31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021	Payment date up to six (6) working days before year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
<b>DEPARTMENTS</b>								
<b>Current</b>								
Department of Justice and Constitutional Development	6 551	-	-	-	6 551	-		
Department of Rural Development and Infrastructure	13	-	-	-	-	-		
Government motor transport – Western Cape	57	-	-	-	57	-		
<b>TOTAL DEPARTMENTS</b>	<b>6 620</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6 608</b>	<b>-</b>		<b>-</b>
<b>OTHER GOVERNMENT ENTITY</b>								
<b>Current</b>								
Department of Public Works (Property Management trading Entity)	2 248	2 619	-	408 830	2 248	411 449		
Telkom SA	1 228	1 248	-	-	1 228	1 248		
Eastern Cape Rural Development Agency	22 205	-	-	22 205	22 205	22 205		
Agricultural Research Council	-	144	-	-	-	144		
The Office of the Auditor-General	624	-	-	-	624	-		
<b>TOTAL OTHER GOVERNMENT ENTITIES</b>	<b>26 305</b>	<b>4 011</b>	<b>-</b>	<b>431 035</b>	<b>26 304</b>	<b>435 046</b>		<b>-</b>
<b>TOTAL INTER-GOVERNMENT PAYABLES</b>	<b>32 925</b>	<b>4 011</b>	<b>-</b>	<b>431 035</b>	<b>32 912</b>	<b>435 046</b>		

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**ANNEXURE 6  
INVENTORIES**

Inventories for the year ended 31 March 2022	Clothing material & accessories	Farming supplies	Food and supplies	Fuel, oil and gas	Materials and supplies	Medical supplies	Medicine	Machine ry and equipment	Bio-logic al Assets	Others	TOTAL
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	-	-	-	-	-	-	-	-	-	-
Add/(Less): Adjustments to prior year balances											
Add: Additions/Purchases – Cash	6 654	972 872	2 166	11 843	41 089	1 116	29 527	124 285	7 743	1 136	1 198 431
Add: Additions - Non-cash											
(Less): Disposals	(6 654)	(972 872)	(2 166)	(11 843)	(41 089)	(1 116)	(29 527)	(124 285)	(7 743)	(1 136)	(1 198 431)
(Less): Issues											
Add/(Less): Received current, not paid (Paid current year, received prior year)											
Add/(Less): Adjustments											
<b>Closing balance</b>	-	-	-	-	-	-	-	-	-	-	-

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Inventories for the year ended 31 March 2021	Clothing material & accessories	Farming supplies	Food and supplies	Fuel, oil and gas	Materials and supplies	Medical supplies	Medicine	Machinery and equipment	Biological Assets	Others	TOTAL
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	-	-	-	-	-	-	-	-	-	-
Add/(Less): Adjustments to prior year balances											
Add: Additions /Purchases – Cash	1 965	358 289	1 403	1 865	4 009	1 950	9 764	48 007	-	887 816	1 315 068
Add: Additions - Non-cash											
(Less): Disposals (Less): Issues	(1 965)	(358 289)	(1 403)	(1 865)	(4 009)	(1 950)	(9 764)	(48 007)	-	(887 816)	(1 315 068)
Add/(Less): Received current, not paid (Paid current year, received prior year)											
Add/(Less): Adjustments											
<b>Closing balance</b>	-	-	-	-	-	-	-	-	-	-	-

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**ANNEXURE 7  
MOVEMENT IN CAPITAL WORK IN PROGRESS**

**MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2022**

	Opening balance	Current Year Capital WIP	Ready for use (Asset register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	26 854	-	-	26 854
Transport assets	26 854	-	-	26 854
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	<b>1 592 906</b>	<b>873 591</b>	<b>207 898</b>	<b>2 258 599</b>
Dwellings	306 653	88 336	-	394 989
Non-residential buildings	497 773	290 114	-	787 887
Other fixed structures	788 480	495 141	207 898	1 075 723
<b>LAND AND SUBSOIL ASSETS</b>	<b>14 927</b>	<b>432 384</b>	-	<b>447 311</b>
Land	14 927	432 384	-	447 311
<b>SOFTWARE</b>	<b>8 507</b>	<b>4 310</b>	<b>941</b>	<b>11 876</b>
Computer software	8 507	4 310	941	11 876
<b>TOTAL</b>	<b>1 643 194</b>	<b>1 310 285</b>	<b>208 839</b>	<b>2 744 640</b>

*Transport assets represent seven Mercedes mobile clinics.  
Computer Software represents the self-developed in-house systems.*

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**ANNEXURE 7  
MOVEMENT IN CAPITAL WORK IN PROGRESS**

**MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2021**

	Opening balance	Prior period error	Current Year Capital WIP	Ready for use (Asset register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	-	-	26 854	-	26 854
Transport assets	-	-	26 854	-	26 854
<b>BUILDINGS AND OTHER FIXED STRUCTURES</b>	-	-	1 977 111	(384 205)	1 592 906
Dwellings	-	-	306 653	-	306 653
Non-residential buildings	-	-	497 773	-	497 773
Other fixed structures	-	-	1 172 685	(384 205)	788 480
<b>LAND AND SUBSOIL ASSETS</b>	-	-	83 840	(68 913)	14 927
Land	-	-	83 840	(68 913)	14 927
<b>COMPUTER SOFTWARE</b>	-	-	8 507	-	8 507
Computer Software	-	-	8 507	-	8 507
<b>TOTAL</b>	-	-	<b>2 096 312</b>	<b>(453 118)</b>	<b>1 643 194</b>

*The prior period represents expenditure towards equipping of boreholes in NW by Service Provider, SV Bricks, this amount was omitted only in the Annexure 7.  
Transport assets represent seven Mercedes mobile clinics.  
Computer Software represents the self-developed in-house systems. The EmailFile Transfer System is deployed and ready for use.  
Other fixed structures represent different capital projects as per attached spreadsheet.*

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**ANNEXURE 8A  
INTER-ENTITY ADVANCES PAID (note 11)**

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021
	R'000	R'000	R'000	R'000	R'000	R'000
<b>NATIONAL DEPARTMENTS</b>						
Government Communication (GCIS)	-	1 021	2 973	3 731	2 973	4 752
<b>Subtotal</b>	<b>-</b>	<b>1 021</b>	<b>2 973</b>	<b>3 731</b>	<b>2 973</b>	<b>4 752</b>
<b>OTHER INSTITUTIONS</b>						
Private enterprises	-	-	-	56 176	-	56 176
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>56 176</b>	<b>-</b>	<b>56 176</b>
<b>TOTAL</b>	<b>-</b>	<b>1 021</b>	<b>2 973</b>	<b>59 907</b>	<b>2 973</b>	<b>60 928</b>

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**ANNEXURE 8B  
INTER-ENTITY ADVANCES RECEIVED (note 16)**

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021
	R'000	R'000	R'000	R'000	R'000	R'000

An advance of R45,171 million was received from Department of Higher Education and Training for the Department of Agriculture, Land Reform and Rural Development's Development of Young Procedures, Enterprise and Skills Development programme to optimise the Job Opportunities and the Improve Livelihoods project. An amount of R46,280 million was set-off against the advance during the 2021/22 financial year. The balance of R1,109 million will be recovered from the April 2022 advance received. The advance is administered under the Agency Services: NSF: Growth & Strat Dev Expenditure.

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021
	R'000	R'000	R'000	R'000	R'000	R'000

**OTHER INSTITUTIONS**

**Current**

PPECB	-	-	-	253	-	253
Citrus Growers Association	-	58	58	-	58	58
<b>TOTAL</b>	<b>-</b>	<b>58</b>	<b>58</b>	<b>253</b>	<b>58</b>	<b>311</b>

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2022

**ANNEXURE 9**  
**ADDITIONAL INFORMATION ON IMMOVABLE ASSETS**

*The detail for note 41.3 may be included in this annexure.  
Wording to suit their specific circumstances in order to comply with the Immovable Asset Guide can be inserted here.*

*In addition to the detail for note 34.3 the department should address the information regarding:  
Surveyed unregistered land parcels*

*There are 1 394 land parcels that are surveyed but not yet registered at the Deeds Office.*

*State Land held in Trust*

*There are 809 land parcels that are held in Trust for communities.*

*Deemed Vested Properties*

*There are 2 450 land parcels that must still be vested.*

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

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2022**

**ANNEXURE 11  
COVID 19 RESPONSE EXPENDITURE  
Per quarter and in total**

Expenditure per economic classification	2021/22					2020/21
	Q1	Q2	Q3	Q4	Total	Total
	R'000	R'000	R'000	R'000	R'000	R'000

**Compensation of employees**

**Goods and services**

**1 614    1 133    434    375    3 556    19 742**

*List all applicable SCOA level 4 items*

<i>Communication</i>	-	-	-	-	-	4
<i>Cons Supplies</i>	654	787	282	154	1 877	14 514
<i>Cons: STA, Print &amp; Off sup</i>	-	-	-	-	-	1
<i>Contractors</i>	-	-	3	-	3	43
<i>Inv: Other Sup</i>	-	-	-	-	-	49
<i>Property payments</i>	946	345	149	220	1 660	5 025
<i>Rental &amp; Hiring</i>	14	-	-	-	14	106
<i>Inv: Medical supplies</i>	-	1	-	1	2	-

**TOTAL COVID 19 RESPONSE EXPENDITURE**

<b>1 614</b>	<b>1 133</b>	<b>434</b>	<b>375</b>	<b>3 556</b>	<b>19 742</b>
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## Report on the audit of the financial statements

### Qualified opinion

1. I have audited the financial statements of the Agricultural Land Holdings Account set out on pages 274 to 305, which comprise the statement of financial position as at 31 March 2022, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the possible effects of the matter described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Agricultural Land Holdings Account as at 31 March 2022, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

### Basis for the qualified opinion

#### Trade and other receivables from non-exchange transactions

3. I was unable to obtain sufficient appropriate audit evidence for trade and other receivables from non-exchange transactions and the related provision for impairment, if any, as the trading account did not adequately assess the recapitalisation and development grants to determine the grants that had to be repaid and recognised as receivables. I could not confirm the amount of the trade and other receivables from non-exchange transactions and the resultant impact on the prior period error disclosure by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to trade and other receivables from non-exchange transactions stated at R530 043 000 (2020-21: R614 375 000) and the prior period error disclosure for the recapitalisation and development grants in notes 6 and 24 of the financial statements, respectively.

### Context for the opinion

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

### Emphasis of matters

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

#### Impairment of trade receivables from exchange

8. As disclosed in note 5 to the financial statement, the trading account had trade receivables from exchange transactions of R591 753 000 (2020-21: R514 087 000), with an impairment provision for doubtful debts of R582 083 000 (2020-21: R507 584 000) as at 31 March 2022. The receivables relate to operating leases on farms leased out to beneficiaries.

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

9. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the GRAP and the requirements of the PFMA, and for such internal control as the

## Report of the auditor-general to Parliament on the Agricultural Land Holdings Account

accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

### Report on the audit of the annual performance report

13. Section 40(3) (a) of the PFMA for departments, trading entities and constitutional institutions requires the trading entity to prepare an annual performance report. The trading entity's performance information was reported in the annual performance report of the Department of Agriculture, Land Reform and Rural Development. The usefulness and reliability of the reported performance information was tested as part of the audit of the Department of Agriculture, Land Reform and Rural Development and any audit findings are included in the management and auditor's report of the Department of Agriculture, Land Reform and Rural Development.

### Report on the audit of compliance with legislation

#### Introduction and scope

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

#### Annual financial statements

16. The financial statements submitted for auditing were not supported by full and proper records as required by section 40(1) (a) of the PFMA.
17. Material misstatements identified by the auditors in the submitted financial statements were not adequately corrected and supporting records could not be subsequently provided, which resulted in the financial statements receiving a qualified opinion.

#### Expenditure management

18. Effective and appropriate steps were not taken to prevent irregular expenditure of R9 089 000, as disclosed in note 22 to the annual financial statements, as required by section 38(1) (c) (ii) of the PFMA and treasury regulation 9.1.1. The irregular expenditure was caused by non-compliance with supply chain management processes.

## Report of the auditor-general to Parliament on the Agricultural Land Holdings Account

### Other information

19. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements and the auditor's report.
20. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
21. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit or otherwise appears to be materially misstated.
22. If, based on the work I have performed, I conclude that there is a material misstatement in the other information, I am required to report that fact.
23. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

### Internal control deficiencies

24. I considered internal control relevant to my audit of the financial statements and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion and the findings on compliance with legislation included in this report.
25. Compliance with legislation was not properly reviewed and monitored, resulting in financial statements that were not prepared in accordance with the prescribed reporting framework of the entity.
26. Monitoring and oversight were not adequate to ensure compliance with legislation to prevent the irregular expenditure incurred by the trading entity and to ensure that the money due to the entity was collected.
27. Management has no effective controls in place to detect and correct errors to ensure that accurate and complete financial statements are prepared in accordance with GRAP reporting requirements. Trade receivables non-exchange in the financial statements were misstated.

Auditor-General

Pretoria

31 July 2022



AUDITOR-GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## Annexure - Auditor-general's responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and on the trading account's compliance with respect to the selected subject matters.

### Financial statements

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

### Communication with those charged with governance

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

## AGRICULTURAL LAND HOLDINGS ACCOUNT

Annual Financial Statements for the year ended 31 March 2022

### General information

**Country of incorporation and domicile** South Africa

**Nature of business and principal activities** Land Acquisition and Management

**Business address** No 184 Jeff Masemola Street, Pretoria, 0001

**Postal address** Private Bag X 833, Pretoria, 0001

**Bankers** ABSA

**Auditors** Auditor General of South Africa

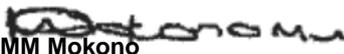
**AGRICULTURAL LAND HOLDINGS ACCOUNT**  
Annual Financial Statements for the year ended 31 March 2022

**Index**

The reports and statements set out below comprise the annual financial statements presented to the parliament:

Report of the auditor-general  
Audit Committee Report  
Statement of Financial Position  
Statement of Financial Performance  
Statement of Changes in Net Assets  
Cash Flow Statement  
Statement of Comparison of Budget and Actual Amounts  
Accounting Policies  
Notes to the Annual Financial Statements

The annual financial statements set out on pages 274 to 305, which have been prepared on the going concern basis, were approved by the accounting authority on 31 July 2022 and were signed on its behalf by:

  
MM Mokono  
Chief Director: PLAS

  
T Ndove  
Deputy Director General: LRTR

  
R Sadiki  
Chief Financial Officer

  
M Ramasodi  
Director General

## AGRICULTURAL LAND HOLDINGS ACCOUNT

Annual Financial Statements for the year ended 31 March 2022

### **Audit committee members:**

Ms SP Mzizi (Chairperson)  
Ms SJ Sekgobela  
Ms AMM Badimo  
Ms MK Mbonambi

### Audit committee responsibility

The audit committee reports that it has complied with its responsibilities arising from section 38(10)(1) of the PFMA and Treasury Regulation 3.1.

The audit committee also reports that it has adopted appropriate formal terms of reference as its audit committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

**AGRICULTURAL LAND HOLDINGS ACCOUNT**  
Annual Financial Statements for the year ended 31 March 2022

**Statement of Financial Position as at 31 March 2022**

	Note(s)	2022 R'000	2021 Restated* R'000
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4	682 077	375 506
Trade and other receivables from exchange transactions	5	104 366	99 819
Trade and other receivables from non-exchange transactions	6	530 043	614 375
Prepayments	8	11 740	6 240
		<b>1 328 226</b>	<b>1 095 940</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	3	14 268 569	13 987 962
<b>Total Assets</b>		<b>15 596 795</b>	<b>15 083 902</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables from exchange transactions	7	65 370	97 445
Other Provisions	9	696 886	624 710
		<b>762 256</b>	<b>722 155</b>
<b>Total Liabilities</b>		<b>762 256</b>	<b>722 155</b>
<b>Net Assets</b>		<b>14 834 539</b>	<b>14 361 747</b>
Accumulated surplus		14 834 539	14 361 747

\* See Note 24

**AGRICULTURAL LAND HOLDINGS ACCOUNT**  
Annual Financial Statements for the year ended 31 March 2022

**Statement of Financial Performance**

		2022	2021
	Note(s)	R'000	Restated* R'000
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Rental income on lease receivable	10	69 455	71 947
Interest on lease receivable	10	21 172	21 636
Interest on servitude	10	-	1
Interest income	10	16 237	26 297
<b>Total revenue from exchange transactions</b>		<b>106 864</b>	<b>119 881</b>
<b>Revenue from non-exchange transactions</b>			
<b>Transfer revenue</b>			
Grant income – non-exchange	10	937 986	448 040
Donation received	10	3 922	6 062
Other revenue		29 605	6 629
<b>Total revenue from non-exchange transactions</b>		<b>971 513</b>	<b>460 731</b>
<b>Total revenue</b>	10	<b>1 078 377</b>	<b>580 612</b>
<b>Expenditure</b>			
Depreciation and amortisation		(81 752)	(82 090)
Impairment	13	(142 709)	(97 376)
Interest expense		(1 892)	(4 672)
Grant expense farmers	12	(185 431)	(859 012)
General Expenses	11	(181 799)	(219 442)
<b>Total expenditure</b>		<b>(593 583)</b>	<b>(1 262 592)</b>
<b>Operating surplus (deficit)</b>		<b>484 794</b>	<b>(681 980)</b>
Gain/Loss on disposal of assets		(12 003)	(6 071)
<b>Surplus (deficit) for the year</b>		<b>472 791</b>	<b>(688 051)</b>

## AGRICULTURAL LAND HOLDINGS ACCOUNT

Annual Financial Statements for the year ended 31 March 2022

### Statement of Changes in Net Assets

	Accumulated surplus R'000	Total net assets R'000
Opening balance as previously reported	15 437 519	15 437 519
Adjustments		
Prior year adjustments - Note 24	(33 426)	(33 426)
<b>Balance at 01 April 2020 as restated*</b>	<b>15 404 093</b>	<b>15 404 093</b>
Changes in net assets		
Gains/(Losses) from transfer of function under common control - Ref Note 26	(354 295)	(354 295)
Net income (losses) recognised directly in net assets	(354 295)	(354 295)
Surplus for the year	(688 051)	(688 051)
Total recognised income and expenses for the year	(1 042 346)	(1 042 346)
Total changes	(1 042 346)	(1 042 346)
<b>Restated* Balance at 01 April 2021</b>	<b>14 361 748</b>	<b>14 361 748</b>
Changes in net assets		
Surplus/ (deficit) for the year	472 791	472 791
Total changes	472 791	472 791
<b>Balance at 31 March 2022</b>	<b>14 834 539</b>	<b>14 834 539</b>

## AGRICULTURAL LAND HOLDINGS ACCOUNT

Annual Financial Statements for the year ended 31 March 2022

### Cash Flow Statement

		2022	2021
	Note(s)	R'000	Restated* R'000
<b>Cash flows from operating activities</b>			
<b>Cash receipts</b>			
Sale of goods and services		18 714	16 126
Grant income		937 986	448 040
Interest income		15 876	20 262
Other operating revenue		-	-
		<u>972 576</u>	<u>484 428</u>
<b>Cash paid to suppliers and employees</b>			
Suppliers and other payables		(290 685)	(1 330 985)
<b>Net cash flows from operating activities</b>	14	<u><b>681 891</b></u>	<u><b>(846 557)</b></u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	3	(387 880)	(250 910)
Proceeds from sale of assets	3	12 559	-
<b>Net cash flows from investing activities</b>		<u><b>(375 321)</b></u>	<u><b>(250 910)</b></u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>306 570</b>	<b>(1 097 467)</b>
Cash and cash equivalents at the beginning of the year		375 506	1 472 973
<b>Cash and cash equivalents at the end of the year</b>	4	<u><b>682 076</b></u>	<u><b>375 506</b></u>

## AGRICULTURAL LAND HOLDINGS ACCOUNT

Annual Financial Statements for the year ended 31 March 2022

### Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis						
	Approved budget	Adjustments	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
	R'000	R'000	R'000	R'000	R'000	
<b>Statement of Financial Performance</b>						
<b>Revenue</b>						
<b>Revenue from exchange transactions</b>						
Rental income on lease receivable	88 777	(37 565)	51 212	69 455	18 243	36% - 1
Interest (outstanding debtors)	27 676	(4 260)	23 416	21 172	(2 244)	(10%) - 2
Interest income	31 779	-	31 779	16 237	(15 542)	(49%) - 3
<b>Total revenue from exchange transactions</b>	<b>148 232</b>	<b>(41 825)</b>	<b>106 407</b>	<b>106 864</b>	<b>457</b>	
<b>Revenue from non-exchange transactions</b>						
<b>Transfer revenue</b>						
Government grants & subsidies	937 986	-	937 986	937 986	-	0%
Donation received	4 202	2 760	6 962	3 922	(3 040)	(43%) - 4
Other revenue	-	71 673	71 673	29 605	(42 068)	(59%) - 5
<b>Total revenue from non-exchange transactions</b>	<b>942 188</b>	<b>74 433</b>	<b>1 016 621</b>	<b>971 513</b>	<b>(45 108)</b>	
<b>Total revenue</b>	<b>1 090 420</b>	<b>32 608</b>	<b>1 123 028</b>	<b>1 078 377</b>	<b>(44 651)</b>	
<b>Expenditure</b>						
Depreciation and amortisation	(77 261)	(3 331)	(80 592)	(81 752)	(1 160)	(1%)
Impairment	(56 578)	27 609	(28 969)	(142 709)	(113 740)	393% - 6
Interest expense	-	-	-	(1 892)	(1 892)	(100%) - 7
Bad Debts Written Off	(24 364)	(1 350)	(25 714)	-	25 714	100% - 8
Grant expense farmers	(749 632)	275 719	(473 913)	(185 431)	288 482	61% - 9
General expense	(148 899)	(104 061)	(252 960)	(181 799)	71 161	28% - 10
<b>Total expenditure</b>	<b>(1 056 734)</b>	<b>194 586</b>	<b>(862 148)</b>	<b>(593 583)</b>	<b>268 565</b>	
<b>Operating surplus</b>	<b>33 686</b>	<b>227 194</b>	<b>260 880</b>	<b>484 794</b>	<b>223 914</b>	
Gain/Loss on disposal of assets	(20 000)	15 000	(5 000)	(12 003)	(7 003)	140% - 11
<b>Surplus before taxation</b>	<b>13 686</b>	<b>242 194</b>	<b>255 880</b>	<b>472 791</b>	<b>216 911</b>	
<b>Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement</b>	<b>13 686</b>	<b>242 194</b>	<b>255 880</b>	<b>472 791</b>	<b>216 911</b>	

**AGRICULTURAL LAND HOLDINGS ACCOUNT**  
 Annual Financial Statements for the year ended 31 March 2022  
**Statement of Comparison of Budget and Actual Amounts**

Budget on Accrual Basis						
	Approved budget	Adjustments	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
	R'000	R'000	R'000	R'000	R'000	

- Rental income on lease receivable – 36%** variance is as a result of lease contracts that were not concluded as anticipated which resulted to under performance.
- Interest on Outstanding lease debt – (10%)** variance is as a result of an improvement in collection that resulted into an improvement in the interest charged.
- Interest income – (49%)** variance is as a result of low cash balance at the beginning of the financial year compared to previous financial year which resulted into low interest income.
- Donation received - (43%)** variance is as a result of anticipated donations that were not realised due to some properties sale agreements not concluded within the financial year. The donation budgeted, relates to movable properties charged at nominal value by the seller during the procurement of property, plant and equipment.
- Other revenue - (59%)** low variance is as a result of anticipated billing for recovery of water rights levies from lessees after settlement of water rights levies account by the entity. The entity has the right to recover such costs as per signed lease agreement with the lessees.
- Impairment – 393%** variance on over expenditure is as a result of an increase in impairment of receivable from non-exchange (other debtors) that were not initially budgeted for.
- Interest expense – (100%)** variance is due to interest expense and provision on rates and taxes that was not budgeted for, as the entity targets to settle all outstanding invoices within the prescribed period to avoid interest charges.
- Bad debts written off – 100%** no write off of debts was done in the current financial year.
- Grant expense farmers – 61%** variance is as a result of low grant expenditure by beneficiaries which is attributable to late approval and transfer of grant funds to beneficiaries.
- General expense - 28%** the variance relates to rates and taxes actual expense calculated based on acquired portfolio against the budget.
- Gain/Loss on disposal of assets – 140%** variance is as a result of an increase in disposal of properties to farm labourers.



**AGRICULTURAL LAND HOLDINGS ACCOUNT**  
Annual Financial Statements for the year ended 31 March 2022  
**Statement of Comparison of Budget and Actual Amounts**

Budget on Accrual Basis						
	Approved budget	Adjustments	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
	R'000	R'000	R'000	R'000	R'000	
<b>Statement of Financial Position</b>						
<b>Assets</b>						
<b>Current Assets</b>						
Trade and other receivables from exchange transactions	153 064	(42 005)	<b>111 059</b>	104 366	<b>(6 693)</b>	6% - 12
Trade and other receivables from non-exchange transactions	436 567	68 387	<b>504 954</b>	530 043	<b>25 089</b>	5% - 13
Prepayments	-	-	-	11 740	<b>11 740</b>	100% - 14
Cash and cash equivalents	290 915	27 370	<b>318 285</b>	682 077	<b>363 792</b>	114% - 15
	<b>880 546</b>	<b>53 752</b>	<b>934 298</b>	<b>1 328 226</b>	<b>393 928</b>	
<b>Non-Current Assets</b>						
Property, plant and equipment	13 834 951	51 717	<b>13 886 668</b>	14 268 569	<b>381 901</b>	3%
Other financial assets	200 901	(200 901)	-	-	-	
	<b>14 035 852</b>	<b>(149 184)</b>	<b>13 886 668</b>	<b>14 268 569</b>	<b>381 901</b>	
<b>Total Assets</b>	<b>14 916 398</b>	<b>(95 432)</b>	<b>14 820 966</b>	<b>15 596 795</b>	<b>775 829</b>	
<b>Liabilities</b>						
<b>Current Liabilities</b>						
Trade and other payables from exchange transactions	32 163	-	<b>32 163</b>	65 370	<b>33 207</b>	103% - 16
Other Provisions	-	601 204	<b>601 204</b>	696 886	<b>95 682</b>	16% - 17
	<b>32 163</b>	<b>601 204</b>	<b>633 367</b>	<b>762 256</b>	<b>128 889</b>	
<b>Total Liabilities</b>	<b>32 163</b>	<b>601 204</b>	<b>633 367</b>	<b>762 256</b>	<b>128 889</b>	
<b>Net Assets</b>	<b>14 884 235</b>	<b>(696 636)</b>	<b>14 187 599</b>	<b>14 834 539</b>	<b>646 940</b>	
<b>Net Assets</b>						
<b>Net Assets Attributable to Owners of Controlling Entity Reserves</b>						
Accumulated surplus	14 884 235	(696 636)	<b>14 187 599</b>	14 834 539	<b>646 940</b>	
Additional text						

12. **Trade and other receivables from exchange transactions** - 6% variance is as a result of anticipated increase in the number of contracts concluded for billing. The process of concluding contracts for unallocated property was not completed.
13. **Trade and other receivables from non-exchange transactions** - 5% variance is as a result of underspending on land development support programme attributable to late approval and transfer of grant funds as well as low expenditure on infrastructure development component of the grant.
14. **Prepayments** - 100% variance is due to the anticipation of completion of all prepayments on land development support made during interim disbursement model, where agents were appointed to procure and develop infrastructure for beneficiaries.
15. **Cash and cash equivalent** - 114% variance is due to the slow spending of budget during the current financial year.
16. **Trade and other payables from exchange transactions** – 103% variance is as a result of high outstanding invoices received than anticipated.
17. **Other Provision** - 16% variance relates to slow spending on payments of arrears on rates and taxes than anticipated. The entity only pays for rates and taxes upon receipt of invoices and statements of account from municipalities.



# AGRICULTURAL LAND HOLDINGS ACCOUNT

## Annual Financial Statements for the year ended 31 March 2022

### Accounting Policies

#### 1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act No. 1 of 1999).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise.

In 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.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

##### 1.1 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the entity.

##### 1.2 Rounding

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

##### 1.3 Prior year comparatives

When the presentation or classification of items in the interim financial statements is amended, prior period comparative amounts are also reclassified and restated, unless such comparative reclassification is not required by a Standard of GRAP. The nature and reasons for such reclassification and restatement are also disclosed.

Where material accounting 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 parliament. The Trading Entity has elected to make their approved budget available. ALHA presents separate statement of comparison of budget in the annual financial statements.

##### 1.5 Significant judgements and estimates

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

##### Impairment of trade receivable

The entity assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the trading entity makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.



## **AGRICULTURAL LAND HOLDINGS ACCOUNT**

### Annual Financial Statements for the year ended 31 March 2022

#### **Accounting Policies**

#### **1.5 Significant judgements and estimates (continued)**

##### **Impairment of trade receivable**

Appropriate allowances for estimated irrecoverable amounts are recognised in surplus or deficit when there is objective evidence that the asset is impaired.

Debtors are assessed on an individual basis; however, groups of debtors could be affected by the same evident circumstances which warrants a specific sub - grouping to be justifiable. Those debtors are classified according to those underlying circumstances for the purpose of compilation of an allowance for doubtful debts.

The following are some of the factors that should be considered, but the list is not exhaustive.

Category

Debt acknowledged/Entity/Commercial

Debt acknowledged/Entity/Limited Operation

Debt acknowledged/Entity/No Operation/Not Categorised

Debt acknowledged/Entity/Recapitalisation/Land Development Support

Debt acknowledged/Individual/Commercial

Debt acknowledged/Individual/Limited Operation

Debt acknowledged/Individual/No Operation/Not Categorised

Debt acknowledged/Individual/Recapitalisation/Land Development Support

Debt not acknowledged

Refusal to pay

Debt not assessed

Deceased

Debt acknowledged or not/Intergovernmental debt

Debt acknowledged or not/Other debt Individual/Entity

##### **Impairment of non-financial assets**

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the entity for similar financial instruments.

##### **Value in use of non-cash generating assets**

The Trading Entity reviews and tests the carrying value of the assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. If there are indicators that impairment may have occurred, the remaining service potential of the asset is determined. This estimate is based on the availability of information to determine the remaining service potential of the asset.

##### **Remaining useful lives of property, plant and equipment**

The Trading Entity's management determines the estimated remaining useful lives and related depreciated charges for property, plant and equipment. This estimate is based on management's judgement, farming activities and operational factors. These estimates are based on the pattern in which an asset's future economic benefits or service potential is expected to be consumed by the Trading Entity.

##### **Depreciation**

Depreciation is recognised on property, plant and equipment and is determined with reference to the useful lives of the underlying items. The useful lives of the assets are based on management's estimation of the assets condition at the end of the period of use, its current use and expected future use.

##### **Replacements costs**

Replacement costs is calculated using the average price asset purchased within ALHA, since a willing buyer willing seller market is used for acquisition of ALHA property, plant and equipment.



## AGRICULTURAL LAND HOLDINGS ACCOUNT

### Annual Financial Statements for the year ended 31 March 2022

#### Accounting Policies

#### 1.5 Significant judgements and estimates (continued)

##### Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included for rates and taxes where average of payment was made for properties owned.

##### Budget information

Variances between budget and actual amounts are regarded as material when a 5% variance exists. All material differences are explained in the notes to the annual financial statements.

##### Impairment of other financial asset

The impairment loss on financial asset measured at amortised cost is calculated as the difference between the asset carrying amount and the present value of the estimated future cash flow discounted at the financial asset original interest rate.

The present value of the future cash flows is determined based on the budgeted percentage performance achieved by entities that have been advanced concessionary loans.

#### 1.6 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the estimated cost of dismantling the asset and restoring the site on which it's operated.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.



## AGRICULTURAL LAND HOLDINGS ACCOUNT

### Annual Financial Statements for the year ended 31 March 2022

#### Accounting Policies

#### 1.6 Property, plant and equipment (continued)

Where the Trading Entity replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component.

Subsequent expenditure including major spare parts and servicing equipment qualify as property, plant and equipment if the recognition criteria is met.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives. Components of assets that are significant in relation to the whole assets and that have different useful lives are depreciated separately. The Trading Entity maintains and acquires assets to provide a social service to the community, with no intention to dispose of the assets for any economic gain.

The assets residual values, useful lives and depreciation methods are reviewed at each financial year end and adjusted prospectively, if appropriate.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

The annual depreciation of items of property, plant and equipment have been assessed and based on the estimated asset useful lives as follows:

Item	Depreciation method	Average useful life
Agricultural land	Straight line	Unlimited
Infrastructure - Production facility - e.g. Broilers	Straight line	40 - 50
Infrastructure - Production infrastructure – e.g. kraal	Straight line	30 - 50
Buildings - Farm dwellings/buildings	Straight line	5 - 10
Agricultural Equipment - No Moving parts e.g. Ploughs	Straight line	20 - 30
Agricultural Equipment - High intensity moving parts e.g. Chain Saws	Straight line	5 - 7
Agricultural Equipment - Mechanical e.g. Tractors	Straight line	10 - 15
Agricultural Equipment - Water low intensity – non-electrical	Straight line	30
Agricultural Equipment - Water low intensity - electrical	Straight line	15 - 20
Electrical	Straight line	15
Office equipment	Straight line	5 - 10
Motor vehicles	Straight line	5 - 10

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the entity. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The entity assesses at each reporting date whether there is any indication that the entity expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the entity revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in trading entity or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in trading entity or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.



**AGRICULTURAL LAND HOLDINGS ACCOUNT**  
 Annual Financial Statements for the year ended 31 March 2022  
**Accounting Policies**

**1.7 Intangible assets**

An asset is identifiable if it either:  
 is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or  
 arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:  
 it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity; and  
 the cost or fair value of the asset can be measured reliably.

The entity assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result, the asset is tested for impairment and the remaining carrying amount is amortised over its useful life. Where the carrying amount of an item of an intangible asset is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charge to the Statement of Financial Performance.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Share packaging rights	Straight line	finite/indefinite

The entity discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note).

Intangible assets are derecognised:  
 on disposal; or  
 when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of an intangible assets is included in trading entity or deficit when the asset is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback) and is recognised in the Statement of Financial Performance.

**1.8 Revenue and Expenditure**

**1.8.1 Revenue from non-exchange transactions:**

Revenue from non-exchange transactions refers to transactions where the trading entity received revenue from another Entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Revenue from non-exchange transactions is measured at the amount of the increase in net assets recognised by the Trading Entity.



## AGRICULTURAL LAND HOLDINGS ACCOUNT

### Annual Financial Statements for the year ended 31 March 2022

#### Accounting Policies

#### 1.8 Revenue and Expenditure (continued)

##### 1.8.2 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 Trading Entity, for goods and services provided in the normal course of business.

Revenue from the sale of farms is recognised when all the following conditions have been satisfied:

The entity has transferred to the purchaser 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 Trading Entity and

The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest is recognised in surplus or deficit using the effective interest rate method.

Rental revenue arising from operating leases is accounted for on a straight line basis over the lease terms.

##### 1.8.3 Expenditure

The trading entity recognises expenses on transactions that result in a decrease in the net financial position of the entity, other than decreases arising from ownership distributions.

#### 1.9 Interest in joint ventures

The Trading Entity as a lessor

Classification

A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. An operating lease is a lease other than a finance lease.

The Trading Entity classifies its leases as operating leases. The classification of the leases is based on the extent that the Trading Entity does not transfer substantially all the risks and rewards incidental to ownership of the assets to the lease.

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.

#### 1.10 Financial instruments

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- It is settled at a future date.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate



## AGRICULTURAL LAND HOLDINGS ACCOUNT

### Annual Financial Statements for the year ended 31 March 2022

#### Accounting Policies

##### 1.10 Financial instruments (continued)

(see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts.

There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

A financial asset is:

- cash;
- a residual interest of another entity; or
- a contractual right to:
  - receive cash or another financial asset from another entity; or
  - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

A residual interest is any contract that manifests an interest in the assets of an entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

- equity instruments or similar forms of unissued capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an entity's net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity.



## AGRICULTURAL LAND HOLDINGS ACCOUNT

### Annual Financial Statements for the year ended 31 March 2022

#### Accounting Policies

##### 1.10 Financial instruments (continued)

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the entity designates at fair value at initial recognition; or
- are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
  - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
  - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
  - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
  - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

##### Classification

The Trading Entity classifies its financial instruments at amortised cost i.e. non-derivative financial assets or non-derivative financial liabilities that have a fixed or determined payments, excluding instruments that:

The Trading Entity designates at fair value at initial recognition; or  
Are held for Trading.

The classification depends on the purpose for which the financial instruments were obtained or incurred and takes place at initial recognition. Classification is reassessed on an annual basis.

##### Initial recognition

Financial instruments are recognised initially when the Trading Entity becomes a party to the contractual provisions of the instruments.

The Trading Entity classifies financial instruments, or their component parts on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and to the extent that the instrument satisfies the definition of a financial liability, a financial asset or a residual interest.

Financial instruments are measured initially at fair value except for equity investments for which a fair value is not determined, which are measured at cost.

For financial instruments which are not at fair value, transaction costs are included in the initial measurement of the instrument.

##### Subsequent measurement

All financial assets at amortised cost are subsequently measured at amortised cost using the effective interest rate method, less accumulated impairment losses.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest rate method.

## **AGRICULTURAL LAND HOLDINGS ACCOUNT**

### Annual Financial Statements for the year ended 31 March 2022

#### **Accounting Policies**

##### **1.10 Financial instruments (continued)**

###### **Impairment of financial assets**

The entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

For amounts due to the Trading Entity, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default on payments are all considered indications of impairment.

If there is objective evidence that an impairment loss on financial assets measured at amortised costs have been incurred, the amount of the loss is measured as the difference between the 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 not the impairment been recognised.

Where financial assets are impaired through use of an allowance account, the amount of the deficit is recognised in surplus or deficit within operating expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

###### **Trade and other receivables**

The Trade receivables are initially recognised at fair value and are subsequently stated at amortised costs less provision for impairment.

###### **Trade and other payables**

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

###### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and are subject to an insignificant risk of changes in value. These are classified as financial assets at amortised cost.

##### **1.11 Services in kind**

The Trading Entity does not recognise services in kind as revenue. Services in kind are disclosed under related parties.

##### **1.12 Commitments**

No provision is made for projects approved for Grant farmers at year end, unless the service in terms of the contract has been delivered or the contract is of an onerous nature. Where a project has been approved and the contract has been awarded at reporting date, but no expenditure has accrued it is disclosed as commitment in the notes of the annual financial statements.

##### **1.13 Irregular, fruitless and wasteful expenditure**

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

## **AGRICULTURAL LAND HOLDINGS ACCOUNT**

### **Annual Financial Statements for the year ended 31 March 2022**

#### **Accounting Policies**

##### **1.14 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: this Act; or the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; 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 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 also 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.

##### **1.15 Related parties**

The Trading Entity has controls in place to aid in the identification of the related parties. The Trading Entity provides information on transactions with related parties in its financial statements. Disclosure of transactions with other government entities is only provided to the extent that the transaction was not on normal terms (not at arm's length).

##### **1.16 Accounting by principals and agents**

###### **Identification**

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

###### **Recognition**

The entity, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirements of the relevant Standards of GRAP.

The entity, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

The entity recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant Standards of GRAP.



## **AGRICULTURAL LAND HOLDINGS ACCOUNT**

### Annual Financial Statements for the year ended 31 March 2022

#### **Accounting Policies**

##### **1.17 Going concern assumption**

These annual financial statements have been prepared based on the expectation that the entity will continue to operate as a going concern for at least the next 12 months.

##### **1.18 Other non-exchange receivables**

###### **1.18.1 Unspent Grant Farmers**

Trade and other non-exchange receivables arising from the trading entity unconditional right to the return of the funds from the beneficiaries in cases of default, breach and or termination of the contractual arrangement. Any contractual party that determines a default, breach and or termination must communicate through a written notice to the party that is in default. The legal remedies available in a situation of default, breach and or termination as well as subsequent recovery of the funds will be dictated by various agreement signed by all parties.

All contractual agreements are assessed to determine the unconditional right for the return of the funds at initial recognition and subsequent measurement. In case of subsequent measurement whereby a receivable is recognised, the receivable will be dealt with in line with policy on other debtors.

###### **1.18.2 Trade and Other Receivables from other debtors**

Trade and other receivables are categorised as financial assets and are initially recognised at fair value and subsequently carried at amortised cost. Amortised cost refers to initial carrying amount plus interest less repayments and impairments.

Assessment of impairment of non-exchange receivable shall be done in line with policy of impairment of receivable non exchange par 1.5.

##### **1.19 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 Trading Entity.

##### **1.20 Contingent Liability**

A contingent liability is disclosed by the Trading Entity where there is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non - occurrence of one or more uncertain future events not wholly within control of ALHA; OR where there is a present obligation arising from past events but is not recognised because it is not probable that an 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.

##### **1.21 Prepayments**

Prepaid expenses are amounts paid for by the Trading Entity representing costs incurred from which services or benefits are expected to be derived in the future.

The future write off period of the incurred cost will normally be determined by the period of benefit covered by the prepayment. When the period arrives to which a prepaid cost relates the costs will be treated as a period cost for the period in question. Normally such prepaid costs will be written off based on the elapse of time.

Prepaid expenses should be classified as current assets unless a portion of the prepayment covers a period longer than 12 months. If there are prepayment costs with a benefit beyond 12 months, they should be classified as deferred charges in the Statement of Financial Position.

Prepaid expenses will be measured at the value of the services or goods to be received/receivable in the future.

##### **1.22 Leasehold improvements**

A leasehold improvement is an improvement made to a leased building/structure by a department that has the right to use this leasehold improvement over the term of the lease. This improvement will revert to the lessor in the event that the lease is terminated as a consequence of actions and omissions of the lessee.



## **AGRICULTURAL LAND HOLDINGS ACCOUNT**

Annual Financial Statements for the year ended 31 March 2022

### **Accounting Policies**

#### **1.23 Adoption of new GRAP standard**

In the current year the trading entity has adopted all new and revised standards and interpretations issued by the ASB that are relevant to its operations and are effective.

The trading entity has early adopted the standard of GRAP 105 for the first time when the minister of finance sets the effective dates for the trading entity as 01 April 2019.

The adoption of the standard has not had a material impact on the result of the trading entity that has resulted in more disclosures than would have provided in the interim financial statements.

**AGRICULTURAL LAND HOLDINGS ACCOUNT**  
 Annual Financial Statements for the year ended 31 March 2022  
**Notes to the Annual Financial Statements**

2022	2021
R'000	R'000

**2. New standards and interpretations**

**2.1 Standards and interpretations not yet effective or relevant**

The following standards and interpretations have been approved but not yet effective and have not been adopted by the Entity:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
GRAP 104: Financial Instruments		

**AGRICULTURAL LAND HOLDINGS ACCOUNT**  
Annual Financial Statements for the year ended 31 March 2022  
**Notes to the Annual Financial Statements**

	2022 R'000	2021 R'000
Figures in Rand		

**3. Property, plant and equipment**

	2022			2021		
	Cost/ Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost/ Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Agricultural land	12 137 824	-	12 137 824	11 829 584	-	11 829 584
Buildings	1 534 863	(344 975)	1 189 888	1 516 125	(309 517)	1 206 608
Motor vehicles	15 572	(14 064)	1 508	15 572	(13 454)	2 118
Infrastructure	889 680	(229 301)	660 379	856 774	(206 088)	650 686
Work in progress	104 476	-	104 476	99 292	-	99 292
Agricultural equipment	345 241	(170 747)	174 494	344 743	(145 069)	199 674
<b>Total</b>	<b>15 027 656</b>	<b>(759 087)</b>	<b>14 268 569</b>	<b>14 662 090</b>	<b>(674 128)</b>	<b>13 987 962</b>

**Reconciliation of property, plant and equipment – 2022**

	Opening balance	Additions	Additions through donations	Disposals	Depreciation	Impairment loss	Total
Agricultural land	11 829 584	325 710	-	(17 470)	-	-	-12 137 824
Buildings	1 206 608	21 700	1 781	(4 110)	(32 688)	(3 403)	1 189 888
Motor vehicles	2 118	-	-	-	(610)	-	1 508
Infrastructure	650 686	31 363	1 964	(296)	(22 060)	(1 278)	660 379
Work in progress	99 292	5 184	-	-	-	-	104 476
Agricultural equipment	199 674	3 923	176	(2 687)	(26 395)	(197)	174 494
	<b>13 987 962</b>	<b>387 880</b>	<b>3 921</b>	<b>(24 563)</b>	<b>(81 753)</b>	<b>(4 878)</b>	<b>14 268 569</b>

**Reconciliation of property, plant and equipment – 2021**

	Opening balance	Additions	Additions through donations	Disposals	WIP Movement	Depreciation	Impairment loss	Total
Agricultural land	11 645 328	184 256	-	-	-	-	-	-11 829 584
Buildings	1 229 416	26 793	1 599	-	-	(32 910)	(18 290)	1 206 608
Motor vehicles	886	1 969	-	(117)	-	(620)	-	2 118
Infrastructure	659 320	19 774	3 175	(1 656)	-	(21 980)	(7 947)	650 686
Work in progress	100 394	2 985	-	-	(4 087)	-	-	99 292
Agricultural equipment	212 780	19 220	1 287	(4 298)	-	(26 579)	(2 736)	199 674
	<b>13 848 124</b>	<b>254 997</b>	<b>6 061</b>	<b>(6 071)</b>	<b>(4 087)</b>	<b>(82 089)</b>	<b>(28 973)</b>	<b>13 987 962</b>

**Additional information**

**AGRICULTURAL LAND HOLDINGS ACCOUNT**  
Annual Financial Statements for the year ended 31 March 2022  
**Notes to the Annual Financial Statements**

	2022 R'000	2021 R'000
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**Property, plant and equipment (continued)**

**3.1. Property, Plant and Equipment**

Property, plant and equipment is carried at cost less accumulated depreciation and impairment losses.

Net carrying value for PPE amounts to R14,269billion (2021: R13,988billion) after depreciation of R81,752million and Impairment of R4,877million.

**3.2. Gain /Loss on disposal of assets**

Total disposal for the year amounts to R24,563million of which R12,560million relates to a sale on land whereby R3,572million was a gain on the sale. Furthermore R12,003million relates to the transfer of Land Development Support Machinery and Equipment under LDS programme.

**4. Cash and cash equivalents**

Cash and cash equivalents consist of:

Cash at bank	682 077	375 506
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The increase in cash and cash equivalent 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.

**5. Trade and other receivables from exchange transactions**

Deferred lease assets	94 127	93 153
Operating lease rentals	9 587	6 376
Accrued interest - from bank	524	163
Operating lease receivables: servitude	128	127
	<b>104 366</b>	<b>99 819</b>

**Credit quality of trade and other receivables**

**5.1. Operating lease receivable**

The carrying value for operating lease receivable and servitude of R9,715million (2021: R6,503million) after impairments.

**The ageing of amounts impaired is as follows:**

**Reconciliation of the allowance**

Balance at the beginning of the year	507 584	440 127
Contributions to provision	74 454	67 457
	<b>582 038</b>	<b>507 584</b>

**Trade and other receivables past due but not impaired**

The ageing of amounts past due but not impaired is as follows:

Less than 3 months	445	315
3 to 6 months	276	338
6 to 12 months	904	675
Over 12 months	8 090	5 175
	<b>9 715</b>	<b>6 503</b>

**Trade and other receivables before impairment**

Trade and other receivables of R591,753million (2021: R514,087million).

The ageing of the impairment loss is as follows:

Current to 6 months	40 106	36 111
6 to 12 months	50 259	48 236
Over 12 months	501 388	429 740
	<b>591 753</b>	<b>514 087</b>

**AGRICULTURAL LAND HOLDINGS ACCOUNT**  
Annual Financial Statements for the year ended 31 March 2022  
**Notes to the Annual Financial Statements**

	2022 R'000	2021 R'000
<b>6. Trade and other receivables from non-exchange transactions</b>		
Unspent conditional grant farmers - LDS	485 535	531 905
Other debtors	44 508	79 809
Inter-departmental debtors (DALRRD)	-	2 661
	<b>530 043</b>	<b>614 375</b>

**Unspent conditional grant farmers - Land development Support**

Conditional grants given to farmers of which the farmers bank accounts are controlled by the department and participating Financial Institutions. The balance relates to the difference between payments made by the department into individual beneficiaries' bank accounts and payments from the same bank accounts.

**Other debtors**

The net carrying value for other debtors amounts to R44,508million after impairment of R63,378million. Other debtors raised relate to COVID-19 programme and RADP as a result of a breach of grant rules and contracts.

**7. Trade and other payables from exchange transactions**

Trade payables	52 170	85 733
Rental received in advance	13 200	11 712
	<b>65 370</b>	<b>97 445</b>

Trade payables relate to rates and taxes invoices from municipalities, valuations, professional fees and other expenditure that was due to be paid at the end of the reporting date.

**8. Prepayments**

Prepayments amounting to R11,740million (2022) and R6,240million (2021) relates to the following:

R591thousand on acquisition of property, R5,508million for rates and taxes, infrastructure development amounting to R99thousand and Land Development Support expenditure amounting to R5,641million for items procured and paid but not yet delivered.

**9. Other Provisions**

**Reconciliation of other provisions – 2022**

	Opening Balance	Additions	Utilised during the year	Total
Other provisions	624 710	137 060	(64 884)	696 886

Reconciliation of other provisions - 2021

	Opening Balance	Additions	Utilised during the year	Total
Other provisions	591 435	141 623	(108 348)	624 710

Provision for rates and taxes has been provided as a result of an entity having a legal obligation to pay rates and taxes of properties owned. A reliable estimate for the provision was calculated using available historical data per municipalities.

No reliable estimate could be calculated for payment of rates and taxes between the period of 2007/08 to 2013/14 as a result of initial government properties initially being paid at Department of Public Works and Infrastructure.

**AGRICULTURAL LAND HOLDINGS ACCOUNT**  
Annual Financial Statements for the year ended 31 March 2022  
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	2022 R'000	2021 R'000
<b>10. Revenue</b>		
Rental income on lease receivable	69 455	71 947
Interest on lease receivable	21 172	21 636
Interest on servitude	-	1
Interest received	16 237	26 297
Grant income - non exchange	937 986	448 040
Donation received - non exchange	3 922	6 062
Other revenue - non exchange	29 605	6 629
	<b>1 078 377</b>	<b>580 612</b>

**11. General expenses**

Advertising	348	36
Bank charges	45	69
Feasibility Study	-	945
Valuation	235	1 169
Professional fees	250	5 747
Water and electricity	348	1 436
Consumables	-	909
Tools and kit	-	36
Other operating expenditure	2	-
Levies	1 018	3 496
License fees	360	340
Rates and taxes	173 148	175 899
Security expenses	3 821	5 373
Business planning	91	26
Legal fees	-	95
COVID-19 consumable supplies medical supplies	-	15 200
COVID-19 consumable house supplies toiletries	-	4 660
Management fees	2 133	4 006
	<b>181 799</b>	<b>219 442</b>

**12. Grant expense farmers**

COVID-19 consumable: Seeds/Feeds/Medicine/Fertiliser/Livestock	-	551 307
Biological assets	9 052	12 269
Land development support programme	176 226	291 136
Recapitalisation and development support programme	153	4 300
	<b>185 431</b>	<b>859 012</b>

**12.1 COVID-19 consumable: Seeds/Feeds/Medicine/Fertiliser/Livestock**

As a result of the impact on COVID-19 pandemic on food security, the department approved farmers under COVID-19 Relief Fund implemented within the Trading Entity, the funds provided qualifying smallholder farmers with vouchers for production inputs.

**12.2 Biological assets**

Biological assets acquired and donated to beneficiaries upon allocation of land.

**12.3. Land development support**

Land Development Support programme is a programme where farmers are assisted with infrastructure development, production inputs and working capital for the objective of commercialisation of farmers, for the objective of commercialisation of previously disadvantaged.

**12.4 Recapitalisation and Development Support Programme (RADP)**

Relates to invoices that were paid during the current year for Recapitalisation and Development Support Programme (RADP) support.



## AGRICULTURAL LAND HOLDINGS ACCOUNT

Annual Financial Statements for the year ended 31 March 2022

### Notes to the Annual Financial Statements

	2022 R'000	2021 R'000
<b>13. Impairment</b>		
Property, plant and equipment	4 877	28 973
Lease debtors and other debtors	137 832	67 457
Reversal of impairment - Other financial asset	-	946
	<b>142 709</b>	<b>97 376</b>

### 14. Cash generated from operations

Surplus (deficit)	472 791	(688 051)
<b>Adjustments for:</b>		
Depreciation and amortisation	81 753	82 089
Interest - land bank	-	-
Gain/Loss on disposal of asset	12 003	6 071
Adjust for Donations received	(3 921)	(6 061)
Impairment of assets	4 878	28 973
Additions in provisions	137 059	141 623
Interest receivable	-	(7 078)
<b>Changes in working capital:</b>		
Trade and other receivables from exchange transactions	(4 546)	(15 827)
Trade and receivables from non-exchange transactions	84 332	(200 353)
Prepayments	(5 500)	6 681
Movement in provisions	(64 883)	(108 350)
Trade and other payables from exchange transactions	(32 077)	(86 274)
Trade and other payables from non-exchange	2	-
	<b>681 891</b>	<b>(846 557)</b>

### 15. Financial instruments disclosure

#### Categories of financial instruments

#### 2022

##### Financial asset by category

	At amortised cost	Total
Trade and other receivables from exchange transactions	9 715	9 715
Cash and cash equivalents	682 077	682 077
	<b>691 792</b>	<b>691 792</b>

##### Financial liability by category

	At amortised cost	Total
Trade and other payables from exchange transactions	52 170	52 170

#### 2021

##### Financial asset by category

	At amortised cost	Total
Trade and other receivables from exchange transactions	6 503	6 503
Cash and cash equivalents	375 506	375 506
	<b>382 009</b>	<b>382 009</b>

##### Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	85 732	85 732

**AGRICULTURAL LAND HOLDINGS ACCOUNT**  
Annual Financial Statements for the year ended 31 March 2022  
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	2022 R'000	2021 R'000
<b>16. Related parties</b>		
<b>Related party balances</b>		
<b>Inter-departmental receivable</b>		
Department: Agriculture, Land Reform and Rural Development: Receivable	-	2 661
<b>Inter-departmental payables</b>		
Department: Agriculture, Land Reform and Rural Development: Payable	2	-
<b>Related party transactions</b>		
Department: Agriculture, Land Reform and Rural Development: Receivable	937 986	448 040

No executive emoluments are paid by the Trading Entity as executives are remunerated by the Department of Agriculture, Land Reform and Rural Development (DALRRD).

The DALRRD 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 18.

### Risk management

#### Financial risk management

The Trading Entity's activities expose it to a variety of financial risks including credit risk and liquidity risk.

The Trading Entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Trading Entity's performance. Risk management is carried out by management committee of the department under the risk management framework approved by the Audit Committee.

#### Liquidity risk

##### At 31 March 2022

	Less than 3 months R'000	Between 3 to 6 months R'000	Between 6 months and 1 year R'000	Total
Trade and other payables from exchange transactions	661	50 490	1 019	52 170

##### At 31 March 2021

	Less than 3 months R'000	Between 3 to 6 months R'000	Between 6 months and 1 year R'000	Total
Trade and other payables from exchange transactions	74 000	11 732	-	85 732

The table above analyses the Trading Entity's financial liabilities into relevant maturity groups based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are contractual undiscounted cash flows.

#### Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The entity only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Financial assets exposed to credit risk at year end were as follows:

<b>Financial instrument</b>	<b>2022</b>	<b>2021</b>
Cash and Cash equivalents	682 077	375 506
Trade and other receivables from exchange transactions	9 715	6 503

**AGRICULTURAL LAND HOLDINGS ACCOUNT**  
Annual Financial Statements for the year ended 31 March 2022  
**Notes to the Annual Financial Statements**

	2022 R'000	2021 R'000
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**17. Risk management (continued)**

**Interest rate risk**

As the Trading entity has no significant interest-bearing assets, the entity's income and operating cash flows are substantially independent of changes in market interest rates.

**18. Services in kind**

The Trading Entity falls under the Administration of the Department of Agriculture, Land Reform and Rural Development (DALRRD). The Executives, Provincial, District and National officials of the DALRRD spent some of their time on the affairs of the Trading Entity. Furthermore, the DALRRD provides the services of internal audit function, information technology, staff training, salaries, accommodation, furniture and equipment. There is no cost charged by the DALRRD in this regard.

**19. Fruitless and wasteful expenditure**

Opening Balance	100 586	95 675
Prior period error adjustment	-	4 904
Add: Current Year - Fruitless and Wasteful expenditure	1 867	7
Less: Condoned - Fruitless and Wasteful expenditure	(84)	-
	102 369	100 586

**19.1 SRR projects**

Fruitless and wasteful expenditure on SRR projects relates to the transfers of development funds on non-viable entities acquired. Grants amounting to R94,838million was provided to rescue the projects. An investigation by Forensic Investigation Unit (FIU) was conducted on Strengthening Relative Rights (SRR). The recommendation of the forensic audit is currently underway through a legal process.

**19.2 Other Fruitless and Wasteful Expenditure**

A total amount of R7,498million relates to Interest paid on late payment of water rights and rates and taxes and during the current year.

**20. Future minimum lease receivable**

4 363 884	4 251 501
-	-
4 363 884	4 251 501

The Trading entity leases farms to farmers for short to long term periods. The total lease payments for short term is based on 5% of the projected net income calculated using the approved business plan per financial year and long term is based on 2% of the land price escalated using CPIX price. Farmers that are assisted by the trading entity through recapitalisation and development are exempted from paying rental for a period lesser than 5 years in which they are being assisted. All old lease contracts are not billable due to the implementation of the State land and lease disposal policy.

Medium to large-scale commercial farmers who have already been farming commercially at various scales are allocated long term leases with the option to purchase after five years from the effective date of the lease. In the event of the option to purchase being exercised within the lease period, the value of the leasehold improvement done by the lessee shall be deducted from the sale price.

**21. Commitments**

**Already contracted for but not provided for**

Guarantees land acquisition	102 058	4
One Hectare One Household - Grant Farmers	26 882	27 926
Open orders	2 551	2 135
Project management	1 710	2 187
Land Development Support - Grant Farmers	200 286	214 673
	333 487	246 925

Opening balances for Land Development Support - grant farmers have been restated.

**AGRICULTURAL LAND HOLDINGS ACCOUNT**  
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	2022 R'000	2021 R'000
<b>22. Irregular expenditure</b>		
Opening balance	317 873	304 006
Add: Irregular Expenditure - current year	9 089	13 867
	326 962	317 873

**22.1 Irregular expenditure was incurred as a result of contravention of Supply Chain Policy Regulations Policy**

**Management fee – SRR**

SRR management fees amount to R41,805million, an appointment of business practitioner amounting to R1,120million and grant expenditure amounting to R37,508million. SRR forensic investigation has been completed and the process of recovery is underway.

Land development support (LDS)

Land development support program implementing agents procured goods and services of R235, 530million (inclusive of previous financial years) without following supply chain management prescripts. The current financial year irregular amounts to R9,089million is as a result of the finalisation of work in progress and procurement commitments already issued to third parties.

Recapitalisation and Development – Drought

Expenditure amounting to R11,000million was incurred during 2016/17 financial year the through emergency deviation but work has not yet been completed.

A forensic investigation has been concluded and the process of implementing the recommendation is underway.

**23. Contingent asset and liabilities**

**23.1 Contingent Asset**

**23.1.2 Claims instituted by the department against third parties in relation to Grant funding programmes**

**23.1.2.1 Recapitalisation and Development (RADP)**

The department has instituted legal proceedings against beneficiaries to recover the losses suffered by the department due to mismanagement of RADP funds. The total amount of the claims instituted is R3,755million.

**23.1.2.2. Strengthening of Relative Rights (SRR)**

The department instituted legal proceedings against third parties for the mismanagement of funds that were allocated to one of the SRR projects. The total amount of the claim instituted is R65,000million.

**23.1.3 Leasehold Improvements**

The department has entered into a lease agreement which allowed the lessee to effect leasehold improvements. The contract indicates that the lessee shall forfeit compensation for his/her improvements on the property in the case where the farmer agreement is terminated.

Certain lessee has breached the agreement and the process of finalising whether the breach will result in the termination of the state land and disposal policy indicates once the agreement is terminated then the farmer loses his future economic benefit and will instead flow to be state (Agricultural Land Holdings Account Trading Entity).

In the event the lease is terminated as a consequence of the actions or omissions of the lessee, the improvement shall become the property of the department and no compensation shall be paid to the lessee for such improvements. Lessees that have breached the contract have been taken through legal eviction process.

It is not practical for the Trading Entity to estimate the value of the improvements since the lessees were not able to keep proper supporting documents and in such case a detail valuation of property will be conducted upon the cases being settled.

**AGRICULTURAL LAND HOLDINGS ACCOUNT**  
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2022	2021
R'000	R'000

**23. Contingent asset and liabilities (continued)**

**23.2 Contingent Liability**

**23.2.1 Rates and Taxes**

Subsequent to the rates and taxes assessment and communication with municipalities, the Trading Entity has at the end of the current financial year not received invoices for some accounts. The extent of the liability unknown relates to the period of 2007 to 2014 period as the municipalities are required to submit invoices together with statements for proper reconciliation, therefore the amount and the timing is uncertain, but it is probable that the proceedings will result in cash outflows to the municipalities.

**23.2.2 Other contingent liabilities**

Other litigation in process against the department relates to fire losses claim against properties held under the Trading Entity. The total claim instituted amounts R10,319million.

**24. Disclosure of prior period errors**

The Trading Entity identified the following prior period errors during the 2021/22 financial year and all the corrections have been done from the beginning of 2019/20 financial year accordingly as follows:

**24.1 Property, Plant and Equipment (PPE)**

During the current financial year errors were discovered in relation to cost, depreciation, impairment of certain assets in the asset register and disposal of assets. The errors resulted into an understatement of property, plant and equipment of R144thousand. The errors were further corrected in the statement of financial performance on depreciation and impairments.

**24.2 Trade and other receivable non exchange:**

**24.2.1 Unspent Grant Land Development Support**

During the current financial year an error which resulted into an overstatement of unspent grant during the previous financial year was discovered. The recognition of such grant expense farmers omitted, resulted in an understatement of R7,734million. The statement of financial performance was further corrected.

**24.2.1 Other Debtors**

During the current financial year an understatement of receivable as a result of an omission of billing for debtors relating to beneficiaries who did not qualify for COVID-19 relief vouchers. The error resulted in an increase of receivable by R1,810million.

**24.3 Trade and other payable - Exchange**

During the current financial year an error amounting to R42,802million relates to general expenditure invoices not accrued at year end. The error was correctly adjusted in the correct financial periods.

**24.4 Prepayments**

The total amount of R3,489million relates land development support expenditure and Rates and taxes that were incorrectly allocated as prepayment during the previous financial year, an adjustment against grant farmer expenditure was done accordingly.

**24.5 Trade and other receivable exchange**

During the current financial year an understatement of receivable was discovered as a result of an error in billing and interest charged of a lease contract, which resulted to an overstatement of receivable by R313thousand. The error was corrected accordingly.

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2022	2021
R'000	R'000

**24. Disclosure of prior period errors (continued)**

**24.6 Other Provision**

During the current financial year an understatement of interest expense of R2thousand was discovered, which resulted into an over expenditure on other provision for the current financial year. The adjustment has been done correctly.

**24.7 Commitments**

**24.7.1 Land Development Support**

During the current financial year, an error amounting to R728thousand was discovered as a result of grant farmers expenditure incurred in the previous financial year but not recorded. The error was corrected accordingly.

**24.8 Other reclassification**

**24.8.1 Unspent Grant Land Development Support**

Grant farmer expenditure amounting to R584thousand was incorrectly classified in the 2020/21 financial year as Recapitalisation and development support programme expenditure. A reclassification has been done accordingly.

The correction of the error(s) results in adjustments as follows:

**Statement of financial position**

Property, plant and equipment	(144)
Trade and other receivable non exchange	5 926
Trade and other payables exchange	42 802
Prepayments	3 489
Trade and other receivable exchange	313
Other provision	2
Accumulated surplus	(33 426)
	(18 962)

**Statement of financial performance**

Depreciation and Impairment	(2 177)
General expenses	(11 492)
Grant expense farmers	(4 820)
Rental income on lease receivable	(36)
Interest received	50
Donation received	225
Gain/Loss on disposal of assets	(1 823)
Other revenue	1 113
Interest expense	(2)
	18 962

From the beginning of 2019/20 financial year, the effect on retained earnings has been restated by R33,426million.

**25. Change in Accounting Estimates**

The annual review of useful life of assets resulted in a decrease of R121thousand in the depreciation charge to the Statement of Financial Performance.

## AGRICULTURAL LAND HOLDINGS ACCOUNT

Annual Financial Statements for the year ended 31 March 2022

### Notes to the Annual Financial Statements

	2022 R'000	2021 R'000
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#### 26. Transfer of functions between entities under common control

**Transfer of functions between entities under common control occurred during the previous financial year**

Entities involved in the transfer of functions were:

The entities involved are the Agricultural Land Holdings (ALHA), as the Trading Entity established and the Department of Agriculture Land Reform and Rural Development (DALRRD).

Brief description of the function transferred and the reasons for the transfer.

Blended Finance Programme

The former Department of Land Reform and Rural Development and Department of Agriculture, Forestry and Fisheries implemented Blended Finance in their respective departments. Upon the merger a transfer of the Blended Finance Programme under the Entity is transferred to the Department of Agriculture, Land Reform and Rural Development (DALRRD) for the full implementation of the programme.

Emerging Farmer Support Facility

The Agricultural Land Holdings Trading Entity (ALHA) has transferred an Emerging Farmer Support Facility that is managed by Land Bank as a developmental programme in the event that the emerging farmers owe Land Bank for production loans as curator guarantee. A total amount of R190, 811million was transferred inclusive of the interest receivable for the current financial year amounting to R7,078million.

The transfer of function took place during the 2020/21 financial year. The transfer was finalised on.

#### Value of assets

##### Assets transferred

Blended Finance Programme	-	163 484
Emerging Farmer Support Facility	-	190 811
	-	<u>354 295</u>
<b>Difference between the carrying amounts of the assets transferred, the liabilities relinquished and adjustments required to the basis of accounting</b>	-	<u>354 295</u>
<b>Difference between net assets and the consideration paid</b>	-	<u>354 295</u>

#### 27. Accounting by Agent and Principal

In 2018/19 financial year a service level agreement was entered with National Emergent Red Meat Producers (NERPO) and Grain Farmers Development Association (GFDA) commodity organisation whose responsibility was to procure goods and services for farmers under the Land Development Support Programme under the DALRRD.

A total of R14,195million was remitted to National Emergent Red Meat Producers (NERPO) of which R6,275million was incurred during the current financial year for third party payments. All the funds were paid to third parties and no resources remained.

A further R2,853million was paid to National Emergent Red Meat Producers (NERPO) as management fees as at 31 March 2022.

Significant risk that arose in the financial year related to compliance with Supply Chain management prescripts as well as communication with affected farmers concerned. The risk has been mitigated through cancellation of the procurement of services by National Emergent Red Meat Producers NERPO and only agreeing in providing technical agricultural services to farmers. The procurement agreement has since been stopped only prior commitments are currently being implemented by NERPO.

## AGRICULTURAL LAND HOLDINGS ACCOUNT

Annual Financial Statements for the year ended 31 March 2022

### Notes to the Annual Financial Statements

2022	2021
R'000	R'000

#### 28. Other important disclosure

##### Lease rental discounts

During 2017/18 financial year State Land and Lease Disposal policy was amended to include an incentive in a form of a discount to lessees the full impact of the discount has not yet been effected as a result of the outstanding approval processes as per National Treasury Regulations. The full impact of the discount amounts to R87,972million and will be effected upon conclusion.

##### **28.2 Forensic and litigation for unaccounted fund under - recapitalisation and development programme (RADP)**

The department has approved forensic investigations and/or legal assessment for the projects funded with grants under recapitalisation and development program as a result of beneficiaries breach in submission of valid reconciliations and financial records to assess if funds were used for the intended purpose and/or if cash balances after the expiry of contract are realised, where funds are mismanaged and not expended or committed at expiry of the contract, such funds are to be returned to the entity.

Each case of breach is assessed on its merits, each merit has resulted in cases being at different stages on recovery. Stages of recovery includes forensic investigations where allegations of misappropriation or irregularities are found, pre-litigation process of claiming for specific performance, issuing letters of demand and/or for claiming for damages/losses.

### Report on the audit of the financial statements

#### Opinion

1. I have audited the financial statements of the Deeds Registration Trading Entity set out on pages 312 to 366, which comprise the statement of financial position as at 31 March 2022, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Deeds Registration Trading Entity as at 31 March 2022, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

#### Basis for opinion

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

#### Emphasis of matters

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

#### Restatement of corresponding figures

7. As disclosed in note 27 to the financial statements, the corresponding figures for 31 March 2021 were restated as a result of an error in the financial statements of the trading entity at, and for the year ended, 31 March 2022.

#### An uncertainty relating to the future outcome of exceptional litigation

8. As disclosed in note 25 to the financial statements, litigation processes against the trading entity were underway relating to disputes on the registration of property and other legal matters. The total litigation before the courts is R317,732 million (2020-21: R305,558 million) and the remainder of the litigation could not be quantitatively measured for financial impact.

#### Underspending of conditional grant

9. As disclosed in note 35.5 to the financial statements, the non-augmentation of the budgeted amount of R138,2 million from the deferred revenue liability was due to underspending and delays on awarding of contract.

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

10. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the GRAP and the requirements of the PFMA, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
11. In preparing the financial statements, the accounting officer is responsible for assessing the trading entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the trading entity or to cease operations, or has no realistic alternative but to do so.

## Report of the auditor-general to Parliament on the Deeds Registration Trading Entity

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

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

### Report on the audit of the annual performance report

14. In terms of section 40(3) (a) of the PFMA, the trading entity is required to prepare an annual performance report. The performance information of the trading entity was reported in the annual performance report of the Department of Agriculture, Land Reform and Rural Development. The usefulness and reliability of the reported performance information was tested as part of the audit of the Department of Agriculture, Land Reform and Rural Development and any audit findings are included in the management and auditor's report of the Department of Agriculture, Land Reform and Rural Development.

### Report on the audit of compliance with legislation

#### Introduction and scope

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

#### Irregular expenditure

17. Effective and appropriate steps were not taken to prevent irregular expenditure of R4 843 000, as disclosed in note 30 to the annual financial statements, as required by section 38(1) (c) (ii) of the PFMA and treasury regulation 9.1.1. The irregular expenditure disclosed in the financial statements resulted from expenditure incurred on information technology expenses without the necessary approval.

### Other information

18. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements and the auditor's report.
19. My opinion on the financial statements and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
20. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
21. I did not receive the other information prior to the date of this auditor's report. When I do receive and read the information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract the auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

### Internal control deficiencies

22. I considered internal control relevant to my audit of the financial statements and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report.

## Report of the auditor-general to Parliament on the Deeds Registration Trading Entity

23. There is no proper and regular review of monitoring compliance with legislation. Irregular expenditure was incurred, in contravention of the PFMA section 38(1)(c)(ii) and treasury regulation 9.1.1.

*Auditor - General*

Pretoria  
31 July 2022



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

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

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

### Financial statements

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

### Communication with those charged with governance

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

**Deeds Registration Trading Entity**  
**Audited Annual Financial Statements for the year ended 31 March 2022**

**General Information**

**Country of incorporation and domicile** South Africa

**Nature of business and principal activities** Registration of Deeds

**Business address** 219 Bosman Street  
Rentmeester Building  
Pretoria  
0001

**Bankers** Standard Bank

**Auditors** Auditor-General of South Africa

## Deeds Registration Trading Entity Audited Annual Financial Statements for the year ended 31 March 2022

### Index

The reports and statements set out below comprise the audited annual financial statements presented to the parliament:

Report of the auditor-general  
Audit Committee Report  
Statement of Financial Position  
Statement of Financial Performance  
Statement of Changes in Net Assets  
Cash Flow Statement  
Statement of Comparison of Budget and Actual Amounts  
Accounting Policies  
Notes to the Annual Financial Statements

The audited annual financial statements set out on pages 312 to 366, which have been prepared on the going concern basis, were approved by the accounting authority on 31 July 2022 and were signed on its behalf by:



CC Swart  
**Director: Financial Management and Accounting**



MF Mogoba  
**Senior Financial Officer**



CCE Knoesen  
**Chief Registrar of Deeds**



R Sadiki  
**Chief Financial Officer**



M Ramasodi  
**Director general**

**Deeds Registration Trading Entity**  
**Annual Financial Statements for the year ended 31 March 2022**

**Statement of Financial Position as at 31 March 2022**

		2022	2021
	Note(s)	R '000	Restated* R '000
<b>Assets</b>			
<b>Current Assets</b>			
Inventories	3	2 597	3 328
Other receivables from exchange transactions	6	7 632	4 336
Prepayments	4	2 619	2 472
Statutory receivables from exchange transactions	5	83 989	87 837
Cash and cash equivalents	7	484 421	388 992
		<b>581 258</b>	<b>486 965</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	8	66 969	65 140
Intangible assets	9	52 152	52 078
		<b>119 121</b>	<b>117 218</b>
<b>Total Assets</b>		<b>700 379</b>	<b>604 183</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Finance lease liability	10	1 135	902
Payables from exchange transactions	11	72 533	71 539
Grant liability - Unspent conditional grants and receipts	14	214 052	73 586
Provisions	13	-	736
		<b>287 720</b>	<b>146 763</b>
<b>Non-Current Liabilities</b>			
Finance lease liability	10	959	1 097
Provisions	13	9 567	10 918
Grants liability - Unspent conditional grants and receipts	14	-	142 276
		<b>10 526</b>	<b>154 291</b>
<b>Total Liabilities</b>		<b>298 246</b>	<b>301 054</b>
<b>Net Assets</b>		<b>402 133</b>	<b>303 129</b>
Accumulated surplus		402 133	303 129
<b>Total Net Assets</b>		<b>402 133</b>	<b>303 129</b>

**Deeds Registration Trading Entity**  
**Annual Financial Statements for the year ended 31 March 2022**

**Statement of Financial Performance**

		2022	2021
	Note(s)	R'000	Restated* R'000
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Registration of deeds and sale of information		865 989	651 901
Management fees earned		15 833	-
Other income		2 020	1 986
Interest received	17	10 723	3 773
<b>Total revenue from exchange transactions</b>		<b>894 565</b>	<b>657 660</b>
<b>Revenue from non-exchange transactions</b>			
<b>Transfer revenue</b>			
Government grants		1 810	138 000
<b>Total revenue</b>	16	<b>896 375</b>	<b>795 660</b>
<b>Expenditure</b>			
Employee related costs	20	(586 815)	(551 859)
Depreciation and amortisation		(11 203)	(12 809)
Impairment loss/ Reversal of impairments		(889)	(687)
Finance costs	18	(177)	(124)
Loss on disposal of assets		(306)	(233)
General expenses	21	(198 093)	(136 878)
<b>Total expenditure</b>		<b>(797 483)</b>	<b>(702 590)</b>
<b>Surplus for the year</b>		<b>98 892</b>	<b>93 070</b>

**Deeds Registration Trading Entity**  
**Annual Financial Statements for the year ended 31 March 2022**

**Statement of Changes in Net Assets**

	Accumulated surplus R'000	Total net assets R'000
Opening balance as previously reported	208 835	208 835
Prior year adjustments	1 224	1 224
<b>Restated *Balance at 01 April 2020 as restated*</b>	<b>210 059</b>	<b>210 059</b>
Changes in net assets Surplus/(Deficit) for the year	93 070	93 070
Total changes	93 070	93 070
Opening balance as previously reported Adjustments	303 129	303 129
Correction of error	112	112
<b>Restated* Balance at 01 April 2021 as restated*</b>	<b>303 241</b>	<b>303 241</b>
Changes in net assets Surplus/(Deficit) for the year	98 892	98 892
Total changes	98 892	98 892
<b>Balance at 31 March 2022</b>	<b>402 133</b>	<b>402 133</b>

**Deeds Registration Trading Entity**  
**Annual Financial Statements for the year ended 31 March 2022**

**Cash Flow Statement**

		2022	2021
	Note(s)	R'000	Restated* R'000
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Registration of deeds and sale of information		871 382	649 180
Grants received - DALRRD		-	358 033
Interest income		10 179	3 538
Other receipts		51 579	346
		<u>933 140</u>	<u>1 011 097</u>
<b>Payments</b>			
Cash paid for employee costs		(634 090)	(567 451)
Cash paid to suppliers and others		(189 315)	(137 805)
Transfer of appropriation funds		-	(104 776)
		<u>(823 405)</u>	<u>(810 032)</u>
<b>Net cash flows from operating activities</b>	24	<u><b>109 735</b></u>	<u><b>201 065</b></u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(11 441)	(2 265)
Proceeds from sale of property, plant and equipment		7	-
Purchase of intangible assets		(1 120)	(1 050)
<b>Net cash flows from investing activities</b>		<u><b>(12 554)</b></u>	<u><b>(3 315)</b></u>
<b>Cash flows from financing activities</b>			
Finance lease payments		(1 753)	(1 317)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<u><b>95 428</b></u>	<u><b>196 433</b></u>
Cash and cash equivalents at the beginning of the year		388 992	192 558
<b>Cash and cash equivalents at the end of the year</b>	7	<u><b>484 420</b></u>	<u><b>388 991</b></u>

**Deeds Registration Trading Entity**  
**Annual Financial Statements for the year ended 31 March 2022**

**Statement of Comparison of Budget and Actual**

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	% Variance	Reference / Note
	R'000	R'000	R'000	R'000	R'000		

**Statement of Financial Performance**

**Revenue**

**Revenue from exchange transactions**

Registration of deeds and sale of information	794 244	14 716	<b>808 960</b>	865 989	<b>57 029</b>	7%	35.1.
Management fees earned	-	-	-	15 833	<b>15 833</b>	100%	35.2
Other income	-	-	-	2 020	<b>2 020</b>	100%	35.3
Interest received - investment	5 314	3 000	<b>8 314</b>	10 723	<b>2 409</b>	28%	35.4

**Total revenue from exchange transactions** **799 558** **17 716** **817 274** **894 565** **77 291**

**Revenue from non-exchange transactions**

**Transfer revenue**

Government grants & subsidies	182 431	(44 189)	<b>138 242</b>	1 810	<b>(136 432)</b>	98%	35.5
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**Total revenue** **981 989** **(26 473)** **955 516** **896 375** **(59 141)**

**Expenditure**

Personnel	(657 925)	-	<b>(657 925)</b>	(586 815)	<b>71 110</b>	11%	35.6
Depreciation and amortisation	(34 298)	10 280	<b>(24 018)</b>	(11 203)	<b>12 815</b>	55%	35.7
Impairment loss/ Reversal of impairments	-	-	-	(889)	<b>(889)</b>	100%	35.8
Finance costs	-	-	-	(177)	<b>(177)</b>	100%	35.9
General Expenses	(289 766)	16 193	<b>(273 573)</b>	(198 093)	<b>75 480</b>	28%	35.10

**Total expenditure** **(981 989)** **26 473** **(955 516)** **(797 177)** **158 339**

**Operating surplus**

Loss on disposal of assets and liabilities	-	-	-	99 198	<b>99 198</b>		
	-	-	-	(306)	<b>(306)</b>	100%	35.11

# Deeds Registration Trading Entity

## Annual Financial Statements for the year ended 31 March 2022

### Accounting Policies

#### 1. Presentation of Audited Annual Financial Statements

The audited annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999).

The unaudited annual financial statements have been prepared on an accrual basis of accounting and incorporated the historical cost conventions as the basis of measurement, except where specified otherwise. All amounts have been presented in the currency of the South African Rand (R), which is also the functional currency of the entity. Unless otherwise stated, all financial figures have been rounded to the nearest One Thousand Rand (R'000). Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a standard of GRAP.

##### 1.1 Going concern assumption

These audited annual financial statements have been prepared based on the expectation that the entity will continue to operate as a going concern for at least the next 12 months.

##### 1.2 Materiality

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

##### 1.3 Comparative figures

Where material accounting errors, which relate to prior periods have been identified in the current year, the correction is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly. Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

The nature and reasons for the reclassification and restatement are disclosed in note 27 (Prior period errors) to the Annual Financial Statements. Additional text.

##### 1.4 Significant judgements and sources of estimation uncertainty

In preparing the audited annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the audited annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the audited annual financial statements. Significant judgements include:

###### Statutory and other receivables

The entity assesses its statutory and other receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in the surplus or deficit, the entity makes judgment as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for statutory and other receivables is calculated on amounts that are over due by 90 days or more. Assessment for the impairment has been made on individual debtors based on specific probability of recovery. Consideration is also given with regard to payment received from long outstanding debtors after year end, as well as information obtained from any debt collector used by the Trading Entity. The fair value includes the initial recognition of the debts. Interest is levied on dates when debt is due and payable but outstanding.

## Deeds Registration Trading Entity Annual Financial Statements for the year ended 31 March 2022 Accounting Policies

### 1.4 Significant judgements and sources of estimation uncertainty (continued)

#### Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 13 - Provisions.

#### Management fees received/ receivable

Management fees to be paid into the entity were determined by management based on the monthly balance of the funds held by the entity on behalf of the principal. The calculation of the balance involved assumptions on the distribution and expensing of services rendered by the entity to its principal.

#### Depreciation and amortisation

Depreciation recognised on property, plant and equipment is determined with reference to the useful lives and residual values of the underlying items. The useful lives and residual values of assets are based on management's estimation of the asset's condition, expected condition at the end of the period of use, its current use, expected future use and the entity's expectations about the availability of finance to replace the asset at the end of its useful life. In evaluating how the condition and use of the asset informs the useful life and residual value, management considers the impact of technology and minimum service requirements of the assets.

Management determines fair value using available information to determine fair value of PPE acquired through non-exchange transactions.

#### Impairment of non-financial assets

In testing for and determining the value-in-use of non-financial assets, management is required to rely on the use of estimates about the asset's ability to continue to generate cash flows (in the case of cash-generating assets).

### 1.5 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in 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.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

Subsequent to initial recognition, items of property, plant and equipment are carried at cost less accumulated depreciation and any impairment losses.

Depreciation is calculated on the depreciable amount using the straight -line method over the estimated useful live 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.

**Deeds Registration Trading Entity**  
**Annual Financial Statements for the year ended 31 March 2022**  
**Accounting Policies**

**1.5 Property, plant and equipment (continued)**

The asset residual values, useful lives and depreciation methods are reviewed at each financial year-end and adjusted prospectively, in accordance with GRAP 3 if appropriate.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight-line	15 - 30 years
Office equipment	Straight-line	3 - 10 years
IT equipment	Straight-line	3 - 10 years
Leasehold improvement	Straight-line	5 - 25 years
Photographic and technical equipment	Straight-line	13 years

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The entity assesses at each reporting date whether there is any indication that the entity expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the entity revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Assets which the entity holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

The entity separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 8).

The entity discloses relevant information relating to assets under construction or development, in the notes to the financial statements.

**1.6 Intangible assets**

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

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**1.6 Intangible assets (continued)**

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity; and
- the cost or fair value of the asset can be measured reliably.

The entity assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management’s best estimate of the set of economic conditions that will exist over the useful life of the asset.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight-line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result, the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

Item	Average useful life
Licenses and franchises	1 year
Computer software - Adobe reader	Indefinite
Computer software - Oracle	Indefinite

**1.7 Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest 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 collectability.

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**1.7 Financial instruments (continued)**

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 collectability of financial assets**

The entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets are impaired.

- Financial assets measured at amortised cost:

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**1.7 Financial instruments (continued)**

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced directly. The amount of the loss is recognised in the surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly or by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in the surplus or deficit.

**Derecognition**

**Financial assets**

The entity derecognises financial assets using trade date accounting.

The entity derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity :
  - derecognises the asset; and
  - recognises separately any rights and obligations created or retained in the transfer.

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

**Financial liabilities**

The entity removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

**Presentation**

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Losses and gains relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

# Deeds Registration Trading Entity

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### Accounting Policies

#### 1.8 Statutory receivables

##### Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

Carrying amount is the amount at which an asset is recognised in the statement of financial position.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

##### Recognition

The entity recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (Taxes and transfers); or
- if the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

##### Initial measurement

The entity initially measures statutory receivables at their transaction amount.

##### Subsequent measurement

The entity measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

##### Accrued interest

Where the entity levies interest on the outstanding balance of statutory receivables, it adjusts the transaction amount after initial recognition to reflect any accrued interest. Accrued interest is calculated using the nominal interest rate.

Interest on statutory receivables is recognised as revenue in accordance with the policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (Taxes and transfers), whichever is applicable.

##### Impairment losses

The entity assesses at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired.

## Deeds Registration Trading Entity Annual Financial Statements for the year ended 31 March 2022 Accounting Policies

### 1.8 Statutory receivables (continued)

In assessing whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired, the entity considers, as a minimum, the following indicators:

- Significant financial difficulty of the debtor, which may be evidenced by an application for debt counselling, business rescue or an equivalent.
- It is probable that the debtor will enter sequestration, liquidation or other financial re-organisation.
- A breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied).
- Adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns.

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the entity measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, is reduced, either directly or through the use of an allowance account. The amount of the losses is recognised in surplus or deficit.

In estimating the future cash flows, an entity considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the entity discounts the estimated future cash flows using a rate that reflects the current risk-free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

Any previously recognised impairment loss is adjusted either directly or by adjusting the allowance account. The adjustment does not result in the carrying amount of the statutory receivable or group of statutory receivables exceeding what the carrying amount of the receivable(s) would have been had the impairment loss not been recognised at the date the impairment is revised. The amount of any adjustment is recognised in surplus or deficit.

### Derecognition

The entity derecognises a statutory receivable, or a part thereof, when:

- the rights to the cash flows from the receivable are settled, expire or are waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
- the entity, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
  - derecognise the receivable; and
  - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The entity considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

### 1.9 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

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**1.9 Leases (continued)**

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

**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 corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

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 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.

**1.10 Inventories**

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Inventories consisting of consumable stores are subsequently measured at the lower of cost and current replacement cost. The basis of determining cost is the weighted-average method.

Differences arising on the valuation of inventory are recognised in the statement of financial performance in the year in which they arose. The amount of any reversal of any write-off of inventories arising from an increase in current replacement cost is recognised as a reduction of inventories recognised as an expense in the period in which the reversal occurs.

If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs.

**1.11 Impairment of cash-generating assets**

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

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##### 1.11 Impairment of cash-generating assets (continued)

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the entity; or
- the number of production or similar units expected to be obtained from the asset by the entity.

Judgements made by management in applying the criteria to designate assets as cash-generating assets or non-cash-generating assets, are as follows:

##### Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The entity assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the entity estimates the recoverable amount of the asset.

##### Reversal of impairment loss

The entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

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 increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

##### 1.12 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for 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.

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**1.12 Employee benefits (continued)**

**Post-employment benefits: Defined contribution plans**

Defined contribution plans are post-employment benefit plans under which an entity pays fixed 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 recognises the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, an entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

**1.13 Provisions and contingencies**

**Provisions are recognised when:**

- the entity has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised. Provisions are not recognised for future operating surplus (deficit).

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

**Contingent Liabilities:**

Contingent liabilities is a possible obligation that arises from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly in the control of the entity; or a present obligation that arises from past events that is not recognised because;

- it is not probable that an outflow of resources and embodying economic benefits will be required to settle the obligation; or

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### 1.13 Provisions and contingencies (continued)

- the amount of the obligation cannot be measured with sufficient reliability.
- the contingent liability is recognised awaiting the outcome of legal action or dispute between two parties.

#### Contingent Assets:

A contingent asset is a possible asset that arises from past events, and whose existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

An entity shall not recognise a contingent asset.

Where an inflow of economic benefits or service potential is probable, an entity shall disclose a brief description of the nature of contingent asset at the reporting date, and, where practicable, an estimate of their financial effect measured using the principles set out for provisions.

### 1.14 Impairment of non-cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Judgements made by management in applying the criteria to designate assets as non-cash-generating assets or cash-generating assets, are as follows:

#### Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The entity assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the entity estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the entity also tests a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

# Deeds Registration Trading Entity

## Annual Financial Statements for the year ended 31 March 2022

### Accounting Policies

#### 1.15 Revenue from exchange transactions

Revenue consists of fees charged for property registration and for provision or sale of registration information to customers in accordance with the tariffs provided for in the Schedule of Fees prescribed by Regulation 84 of the Deeds Registries Act (Act 47 of 1937) and approved by the Minister of. Revenue is recognised on registration of deeds as well as on sale of the data that has been requested.

#### Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

#### Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the entity has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### 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.

#### Interest income

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the entity, and
- The amount of the revenue can be measured reliably.

Interest is recognised, in the surplus or deficit, using the effective interest rate method.

## Deeds Registration Trading Entity

### Annual Financial Statements for the year ended 31 March 2022

#### Accounting Policies

##### 1.16 Revenue from non-exchange transactions

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the entity has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

##### Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

##### Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the entity.

When, as a result of a non-exchange transaction, the entity recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

##### Services in-kind

The disclosure of the nature and type of services in kind is disclosed by way of note to the financial statements in line with GRAP 1 in order to achieve fair presentation of financial statements. These services may include:

- Administration Services
- Accommodation Services
- Information Technology and
- Staff Training

All other services that are provided on behalf of the entity and are charged to the entity and are classified normally as expenses in terms of the approved Standard Chart of Accounts (SCOA).

##### 1.17 Rounding

Immaterial rounding differences could not be eliminated and were as a result of rounding inconsistencies in the software used to compile financial statements.

##### 1.18 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

# Deeds Registration Trading Entity

## Annual Financial Statements for the year ended 31 March 2022

### Accounting Policies

#### 1.19 Irregular expenditure

##### Definition

Irregular expenditure as defined in section 1 of the PFMA means expenditure, other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including-

- a) this Act; or
- b) the State Tender Board Act, 1968 (Act No.86 of 1968), or any regulations made in terms of that Act; or
- c) any provincial legislation providing for procurement procedures in that provincial government;

##### Recognition

Irregular expenditure is incurred when the resulting transaction is recognized in the financial records of a department, constitutional institution or public entity in accordance with the relevant Accounting Framework.

##### Assessment

Upon detection of alleged irregular expenditure, the accounting officer must conduct an assessment to identify possible irregularities in transactions that have been processed and to confirm whether irregular expenditure has been incurred or whether the incident was the result of non-compliance with laws and regulations that did not relate to the incurrence of a financial transactions.

##### Confirmation of Irregular Expenditure

If a transaction has been processed in contravention of the legislation or internal policies and the same transaction has a financial implication (payment was made or a liability was recognized in the books), the details of the irregular expenditure must be recorded in either the lead schedule if confirmed or in the checklist if alleged and the note to the financial statements is to be updated accordingly.

##### Recovery

Irregular expenditure emanating from fraudulent, corrupt or criminal acts that result in an entity incurring a loss, this prompts the Financial Compliance Committee function to inform the accounting officer in writing to institute a civil claim for the recovery of the loss.

##### Qualifying and raising a debt

The amount of debt recoverable from the responsible employees may equate to:

- a) the value of the debt incurred as a consequence of his or her action(s) that led to incurrence of the irregular expenditure; or
- b) a lesser amount determined by the accounting officer in accordance with the debt management policy of the entity.

A debt must be identified, reported and recorded in the books of the entity where such a debt arose from losses incurred as a result of irregular expenditure.

##### Irrecoverable debt

If the amount of a debt is irrecoverable from a responsible employee, the accounting officer may write off the debt in terms of Treasury Regulations 11.4.

#### 1.20 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.

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**1.20 Prepaid expenses (continued)**

The future write-off period of the incurred cost will normally be determined by the period of benefit covered by the prepayment. When the period arrives to which a prepaid cost relates the costs will be treated as a period cost for the period in question. Normally such prepaid costs will be written off based on the lapse of time and receipt of services rendered/goods received.

Prepaid expenses should be classified as current assets unless a portion of the prepayment covers a period longer than 12 months. If they are prepayment costs with a benefit beyond 12-months, they should be classified as non-current in the Statement of Financial Position.

**1.21 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:

Cash subject to restrictions that prevent its use within the next year; and

Cash appropriated for other than its current purposes unless such cash offsets a current liability Cash is measured at fair value.

Cash is measured at fair value.

**1.22 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.

**1.23 Related parties**

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control. As a minimum, the following are regarded as related parties of the reporting entity:

- a) A person or a close member of that person's family is related to the reporting entity if that person:
  - i. has a control or joint control over the reporting entity;
  - ii. has significant influence over the reporting entity; or
  - iii. is a member of the management of the entity or its controlling entity
- b) An entity is related to the reporting entity if any of the following conditions apply:
  - i. the entity is a member of the same economic entity (which means that each controlling entity, controlled entity and fellow controlled entity is related to the others);
  - ii. one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of an economic entity of which the other entity is a member);
  - iii. both entities are joint ventures of the same third party;
  - iv. one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

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**1.23 Related parties (continued)**

- v. the entity is a post-employment benefit plan for the benefit of employees of either the entity or an entity related to the entity. If the reporting entity is itself such a plan, the sponsoring employers are related to the entity;
- vi. the entity is controlled or jointly controlled by a person identified in (a); and
- vii. a person identified in (a)(i) has significant influence over that entity or is a member of the management of that entity (or its controlling entity).

An entity controls another entity when the entity is exposed, or has rights, to variable benefits from its involvement with the other entity and has the ability to affect the nature or amount of those benefits through its power over the other entity.

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies.

Management comprises those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by that person in their dealings with the entity. As a minimum, a person is considered to be a close member of the family of another person if they:

- a) are married or live together in a relationship similar to a marriage;
- b) are separated by no more than two degrees of natural or legal consanguinity or affinity.

Related party relationships where control exists are disclosed, irrespective of whether there have been transactions between the related parties. The entity discloses the name of its controlling party and if different, the ultimate controlling party.

The entity discloses the nature of the related party relationship as well as information about those transactions and outstanding balances, including commitments, necessary for users to understand the potential effect of the relationship on the financial statements. At a minimum, disclosures include:

- a) the amount of the transactions;
- b) the amount of outstanding balances, including commitments; and
  - i. their terms and conditions, including whether they are secured, and the nature of the consideration to be provided in settlement; and
  - ii. details of any guarantees given or received;
- c) provisions for doubtful debts related to the amount of outstanding balances; and
- d) the expense recognised during the period in respect of bad or doubtful debts due from related parties.

The reporting entity is exempt from all the disclosure requirements above in relation to related party transactions if that transaction occurs within:

- a) normal supplier and or client/ recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the entity to have adopted if dealings with that individual entity or person in the same circumstances; and
- b) terms and condition within the normal operating parameters established by that reporting entity's legal mandate.

## Deeds Registration Trading Entity Annual Financial Statements for the year ended 31 March 2022 Accounting Policies

### 1.24 Prior period errors and changes in accounting estimates

#### Prior period errors

Prior period errors are omissions from, and misstatements in, the entity's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that;

- was available when financial statements for those periods were authorised for issue; and.
- could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.

Such errors may include the effects of mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretation of facts, and fraud.

#### Material prior period errors are retrospectively corrected by:

- restating the comparative amounts for the prior period presented in which the error occurred; or
- if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented.

#### Changes in accounting estimates

As a result of uncertainties inherent in delivering services, conducting trading or other activities, many items in financial statements cannot be measured with precision but can only be estimated. The use of reasonable estimates is an essential part of the preparation of financial statements and does not undermine their reliability. An estimate may need revision if changes occur in the circumstances on which the estimates was based or as a result on new information or more experience. By its nature, the revision of a estimates does not relate to prior periods and is not a correction of an error.

The effect of a change in accounting estimates shall be recognised prospectively by including it in surplus or deficit in:

the period of the change, if the change affects that period only; or

the period of the change and future periods, if the change affects both. Additional text

### 1.25 Segment information

#### A segment is an activity of an entity:

that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);

whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and

for which separate financial information is available.

If the above criteria are all met for a specific activity, the activity is classified as a segment and is reported in the financial statements.

#### Aggregation criteria

Segments are combined if the segments have similar economic characteristics and share a majority of the aggregation criteria or are individually insignificant.

Two or more segments may be aggregated into a single segment if the segments have similar economic characteristics, and the segments share a majority of the following:

- the nature of the goods and/or services delivered;

## Deeds Registration Trading Entity Annual Financial Statements for the year ended 31 March 2022 Accounting Policies

### 1.25 Segment information (continued)

- the type or class of customer, or consumer to which goods and services are delivered;
- the method used to distribute the goods or provide the service; or
- if applicable, the nature of the regulatory environment that applies to the segment.

#### Measurement

The amount of each segment item reported is the measure reported to 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 GRAP, once a transaction or obligating event has taken place, the liability shall be recorded in the accounting records. This will normally occur upon the earlier of receipt of the invoice or delivery of services/ goods.

### 1.27 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.

Additional disclosure is made for unrecognised contractual commitments for routine, steady state business of the entity. These are aggregated to the commitments above except for commitments relating to salary commitments.

### 1.28 Accounting by principals and agents

#### Identification

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

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**1.28 Accounting by principals and agents (continued)**

**Recognition**

The entity, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirements of the relevant Standards of GRAP.

The entity, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

The entity recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

**1.29 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 Budget information**

Entity is 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 an accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 01/04/2021 to 31/03/2022.

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.

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**2022**  
R'000

**2021**  
R'000

**2. New standards and interpretations**

**2.1 Standards and interpretations issued, but not yet effective**

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2022 or later periods:

<b>Standard/ Interpretation:</b>	<b>Effective date: Years beginning on or after</b>	<b>Expected impact:</b>
Guideline: Guideline on Accounting for Landfill Sites	01 April 2099	Unlikely there will be a material impact
GRAP 25 (as revised 2021): Employee Benefits	01 April 2099	Unlikely there will be a material impact
iGRAP 7 (as revised 2021): Limit on defined benefit asset, minimum funding requirements and their interaction	01 April 2099	Unlikely there will be a material impact
Guideline: Guideline on the Application of Materiality to Financial Statements	01 April 2099	Unlikely there will be a material impact
GRAP 104 (amended): Financial Instruments	01 April 2025	Unable to reliably estimate the impact
iGRAP 21: The Effect of Past Decisions on Materiality	01 April 2023	Unlikely there will be a material impact
GRAP 2020: Improvements to the standards of GRAP 2020	01 April 2023	Not expected to impact results but may result in additional disclosure
GRAP 1 (amended): Presentation of Financial Statements	01 April 2023	Not expected to impact results but may result in additional disclosure

**3. Inventories**

Stationery and consumable on hand 2 597 3 328

None of the entity's inventory is carried at current replacement cost. Accordingly, the balance as presented, represents the cost of inventories on hand. Inventories consist mainly of stationery and consumable material.

Inventory to the value of R3, 289 million (2021: R2, 441 million) was recognised as an expense during the year. The inventories are recognised as an expense as and when consumed within the entity and the related expense.

The basis of determining cost is the weighted-average method.

**4. Prepayments**

Opening balance	2 473	2 392
Add: prepayments during current year	20 632	25 323
Less: expensed during current year	(20 485)	(25 242)
	<b>2 620</b>	<b>2 473</b>

The amount of R1 016 (2021: R869) is prepaid to the South African Broadcasting Corporation for television licenses for some of the Deeds Registries.

The amount of R16 392 (2021: R14 639) is prepaid to the Post Office for post box renewals for some of the Deeds Registries.

The amount of R2,596 million (2021: R2, 450 million) is prepaid to Oracle Corporation (Pty) Ltd for software update license and support.



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2022	2021
R'000	R'000

#### 4. Prepayments (continued)

The amount of R3 253 (2021: R3 119) is prepaid to South African Institute of Chartered Accountants for annual membership.

The amount of R786 (2021: R735) is prepaid to SASFIN Commercial Solution (Pty) Ltd for maintenance and support of franking machines.

The amount of R1 227 (2021: R2 585) is prepaid to FRAMA (Pty) Ltd for maintenance and support of franking machines.

#### 5. Statutory receivables from exchange transactions

The statutory receivables arise from transactions outlined in the Deeds Registries Act 47 of 1937 and includes transactions relating to:

- Sale of information and copies;
- Sale of bulk information;
- Registration of property transfers;
- Registration of Bonds and other documents;
- Bond cancellations and;
- Other annual fees such as subscription and cancellation fees;

The transactions amounts are determined by the Deeds Regulation Board after consideration of charges in the Deeds environment. The fees are approved and gazetted by the Minister. The current year fees have been gazetted in terms of Gazette no. 44202, notice no. R.153.

Interest is charged on debts that have not been settled within the prescribed time from statement date. The interest rate applied to these debts is determined by the Minister of Finance by notice in the national Government Gazette in accordance with section 80(2) of the Public Finance Management Act, 1999 (Act No.1 of 1999). Other charges refers to re-connection fees for clients who have been disconnected due to non-payment and are determined as stated above in line with the Gazette by the Minister.

The entity assesses at each reporting date whether there is any indication of impairment on statutory receivables. This assessment is based on the ageing of statutory receivables as historical experience indicates that the more mature the receivable the more likely the occurrence of default.

Other factors are also considered when known and could also be the basis of assessment for indication of impairment, such as:

- Debtors financial difficulty evidenced by application for debt counselling, business rescue or an equivalent;
- It is probable that the debtor will enter sequestration, liquidity or enter financial re-organisation;
- A breach of terms of the transactions such as default or delinquent;
- Adverse changes in economic conditions.

Due to the fact that all debts relating to statutory receivables are due be settled within 30 days from date of transaction, effect of the time value of money are often immaterial.

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	2022 R'000	2021 R'000
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**5. Statutory receivables from exchange transactions (continued)**

The gross statutory receivables of R87,187 million (2021: R90,946 million) is stated before a provision for impairment of statutory receivables of R3,199 million (2021: R3,107 million). The impairment of statutory receivables is determined from the age analysis of statutory receivables that are overdue for 90 days or longer. The prospects of recovery are assessed per individual account.

**Statutory receivables carrying amount**

Statutory receivables	87 187	90 946
Impairments of statutory receivables	(3 199)	(3 107)
	<b>83 988</b>	<b>87 839</b>

**Impairment of statutory receivables - age analysis**

3 to 6 months	(3 199)	(3 107)
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**Statutory receivables age analysis**

Current	80 708	84 624
30 days	2 182	5 081
60 days	179	(97)
90 days	231	(41)
Over 90 days	3 887	1 379
	<b>87 187</b>	<b>90 946</b>

**Reconciliation of impairment of statutory receivables**

Opening balance	(3 107)	(4 123)
Increase in impairments	(780)	(613)
Amount written off as uncollectible	20	6
Impairment reversal	770	1 576
Interest accrued on impaired receivables	(126)	(134)
Subsequent payments	24	181
	<b>(3 199)</b>	<b>(3 107)</b>

The current change in impairment of statutory and other receivables has been included in operating expenses in the statement of financial performance, under the account "Impairment loss/ Reversal of impairment". Amounts charged to impairment of statutory receivables are generally written off when there is no expectation of recovery. The maximum exposure to credit risk at reporting date is the carrying value of each class of receivables recognised above. Deeds Registration Trading Entity does not hold any collateral as security.

**6. Other receivables from exchange transactions**

Other receivables	8 363	5 059
Impairment of other receivables	(731)	(723)
	<b>7 632</b>	<b>4 336</b>

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	2022 R'000	2021 R'000
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**6. Other receivables from exchange transactions (continued)**

**Other receivable age analysis**

Current	7 442	4 141
30 days	1	9
60 days	8	(1)
90 days	-	1
Over 90 days	912	909
	<b>8 363</b>	<b>5 059</b>

**Impairment of other receivables - age analysis**

3 to 6 months	(731)	(723)
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**7. Cash and cash equivalents**

Cash and cash equivalents consist of:

Cash on hand (Petty Cash)	35	35
Bank balances - Standard bank	484 385	388 956
	<b>484 420</b>	<b>388 991</b>

Bank balances are held with a registered banking institution. Cash and cash equivalents at reporting date is R484, 420 million (2021: R388, 991 million). None of the cash and cash equivalents of the entity are subject to restricted availability as these balances are not encumbered.

**8. Property, plant and equipment**

	2022			2021		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Furniture and fixtures	49 345	(29 448)	19 897	48 067	(27 437)	20 630
Office equipment (finance leases)	3 885	(1 905)	1 980	2 939	(1 029)	1 910
IT equipment	192 377	(177 647)	14 730	192 975	(175 613)	17 362
Leasehold improvements	34 925	(14 233)	20 692	34 754	(12 575)	22 179
Leasehold improvements - WIP	7 088	-	7 088	-	-	-
Photographic equipment	9 506	(6 924)	2 582	9 925	(6 866)	3 059
<b>Total</b>	<b>297 126</b>	<b>(230 157)</b>	<b>66 969</b>	<b>288 660</b>	<b>(223 520)</b>	<b>65 140</b>

**Reconciliation of property, plant and equipment - March 2022**

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	20 630	1 887	(131)	(2 489)	19 897
Office equipment (finance leases)	1 910	1 279	-	(1 209)	1 980
IT equipment	17 362	2 183	(166)	(4 649)	14 730
Leasehold improvements	22 179	171	-	(1 658)	20 692
Leasehold improvements - WIP	-	7 088	-	-	7 088
Photographic equipment	3 059	10	(11)	(476)	2 582
	<b>65 140</b>	<b>12 618</b>	<b>(308)</b>	<b>(10 481)</b>	<b>66 969</b>

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	2022 R'000	2021 R'000
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**8. Property, plant and equipment (continued)**

**Reconciliation of property, plant and equipment - March 2021**

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	21 272	2 031	(119)	(2 554)	20 630
Office equipment (finance leases)	1 071	1 683	-	(844)	1 910
IT equipment	22 824	941	(118)	(6 285)	17 362
Leasehold improvements	22 627	1 188	-	(1 636)	22 179
Photographic equipment	3 562	-	-	(503)	3 059
	<b>71 356</b>	<b>5 843</b>	<b>(237)</b>	<b>(11 822)</b>	<b>65 140</b>

The Department of Public Works provides office accommodation for all Deeds Registries. The category of Leasehold Improvements represents costs incurred by the Deeds Registration Trading Entity to improve the buildings that are owned/ leased on behalf of Deeds Registries by the Department of Public Works. The lease improvements are depreciated over the lease period or useful life, whichever is regarded as a shorter period.

Office equipment comprises of photocopy machines which are leased in term of finance lease agreements. The period of the lease agreements is between 2 - 5 years and the carrying value is R1, 980 million (2021: R1, 908 million). Refer to note.9 - Finance lease obligation where the finance lease obligation is disclosed.

Work-in-Progress amounting to R7, 088 million relates to climate control system in one of the Deeds registries. The project started from the 13th April 2021 and is anticipated to be completed by the 14 October 2022.

**Expenditure incurred to repair and maintain property, plant and equipment**

**Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance**

Machinery and Equipment	19 528	16 937
Telephone system	29	228
Building and other material	719	638
	<b>20 276</b>	<b>17 803</b>

Of the total repairs and maintenance disclosed above R16, 817 million (2021: R16, 937 million) relates to repairs and maintenance for Property, Plant and Equipment.

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	2022			2021		
	R'000			R'000		
9. Intangible assets						
	2022		Carrying value	2021		Carrying value
	Cost / Valuation	Accumulated amortisation and accumulated impairment		Cost / Valuation	Accumulated amortisation and accumulated impairment	
Licenses	796	(182)	614	710	(170)	540
Computer software	52 116	(1 917)	50 199	52 116	(1 917)	50 199
Intangible assets	1 617	(278)	1 339	1 617	(278)	1 339
<b>Total</b>	<b>54 529</b>	<b>(2 377)</b>	<b>52 152</b>	<b>54 443</b>	<b>(2 365)</b>	<b>52 078</b>

**Reconciliation of intangible assets - March 2022**

	Opening balance	Additions	Amortisation	Total
Licenses	540	796	(722)	614
Computer software	50 199	-	-	50 199
Computer software - WIP	1 339	-	-	1 339
	<b>52 078</b>	<b>796</b>	<b>(722)</b>	<b>52 152</b>

**Reconciliation of intangible assets - March 2021**

	Opening balance	Additions	Amortisation	Impairment loss	Total
Licenses	539	710	(709)	-	540
Computer software	50 199	-	-	-	50 199
Computer software - WIP	1 618	-	-	(279)	1 339
	<b>52 356</b>	<b>710</b>	<b>(709)</b>	<b>(279)</b>	<b>52 078</b>

Because history has shown rapid changes in technology, computer software and may other intangible assets are susceptible to obsolescence. However, a lot of the owners of the software are aware of these rapid changes in technology and are now subjecting their products to constant software developments. This maintains service potential and ability to use them for longer terms.

The current computer software is comprised of Oracle software that has been to run as an operating system for the entities servers that house registration information. The entity has demonstrated its intention to use the software on a continued basis through entering into support and maintenance contracts with service providers in order to ensure constant upgrades and maintenance of the system.

The useful life of the software is considered to be indefinite due to the fact that the entity intends on using it into the foreseeable future with continued maintenance to sustain service potential at required levels. The following factors played a significant role in determining that the asset has an indefinite useful life:

- Period over which software has been in existence in the entity.
- Period over which the entity has been using it for.
- Rate of technology turn over and advancements in government.
- Availability of support and maintenance including availability of resources to support and maintain solution.

All computer software with an indefinite useful life is tested for impairment annually. Licenses useful lives are reviewed annually at the same time.

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**Annual Financial Statements for the year ended 31 March 2022**  
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	2022 R'000	2021 R'000
<b>10. Finance lease liability</b>		
<b>Minimum lease payments due</b>		
- within one year	1 245	1 023
- in second to fifth year inclusive	999	1 161
	<u>2 244</u>	<u>2 184</u>
less: future finance charges	(150)	(185)
<b>Present value of minimum lease payments</b>	<b><u>2 094</u></b>	<b><u>1 999</u></b>
<b>Present value of minimum lease payments due</b>		
- within one year	1 135	902
- in second to fifth year inclusive	959	1 097
	<u>2 094</u>	<u>1 999</u>
Non-current liabilities	959	1 097
Current liabilities	1 135	902
	<b><u>2 094</u></b>	<b><u>1 999</u></b>

The average lease term ranges between 2 and 5 years for office equipment, with an average interest rate of 7% applied to the leases. The finance leases are secured by the assets leased in terms of the agreement. Refer to note 8 - Property plant and equipment where the assets held under the finance leases are disclosed as part of office equipment.

Contingent rent recognised as an expense in the period amounted to R755 134 (2021: R522 472). The contingent rents relate to copy charges per copy machine.

All copy machines under finance leases have an option to renew for an average of a further 2 years.

**11. Payables from exchange transactions**

Trade payables	14 502	3 776
Unallocated cash	73	97
Accrued leave pay	26 601	32 402
Accrued bonus	15 507	15 791
Sundry accruals	12 309	15 301
Other payables	3 541	4 172
	<u>72 533</u>	<u>71 539</u>

Unallocated cash represents money deposited at the bank but not yet identified and allocated to statutory receivables or other receivables at the end of the financial year.

**12. OVG management fees receivables**

**Reconciliation of OVG management fees receivables**

Opening balance	(3 052)	109 931
Transfer of appropriation funds into OVG bank account	-	(104 776)
Expenditure incurred during the financial year	(51 603)	(23 660)
Re-imburement of expenditure incurred	49 302	15 453
	<b><u>(5 353)</u></b>	<b><u>(3 052)</u></b>

The closing balance of R5,353 million (2021: R3,052 million) is as a result of transactions paid for, on behalf of the OVG and has been recognised as a sundry debtor in the current financial year.

Refer to note 28 for Agent and Principal for GRAP 109 disclosure.

**Deeds Registration Trading Entity**  
**Annual Financial Statements for the year ended 31 March 2022**  
**Notes to the Annual Financial Statements**

	2022 R'000	2021 R'000
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**13. Provisions**

**Reconciliation of provisions - March 2022**

	Opening Balance	Utilised during the year	Total
Provision - Other	736	(736)	-
Provision - Capped Leave	10 918	(1 351)	9 567
	<b>11 654</b>	<b>(2 087)</b>	<b>9 567</b>

**Reconciliation of provisions - March 2021**

	Opening Balance	Additions	Utilised during the year	Total
Provision - Other	2 117	736	(2 117)	736
Provision - Capped Leave	13 283	-	(2 365)	10 918
	<b>15 400</b>	<b>736</b>	<b>(4 482)</b>	<b>11 654</b>

Non-current liabilities	9 567	10 918
Current liabilities	-	736
	<b>9 567</b>	<b>11 654</b>

The leave pay provision relates to long term/ capped leave that accrued to employees. It is not possible to anticipate the timing of the cash-out of this balance. Accordingly, the uncertainty related to the balance is limited to the timing of realisation. A review of the trends has however evidenced that it is unlikely that the full balance will be realised within the short term. Accordingly, the balance is classified as non-current.

The value of the provision is determined with reference to the capped leave days that have accrued to employees and the basic salaries of the employees. This represents the weighted average probable economic outflow that may be required to settle the capped leave balance.

Other provisions relate to services rendered for which either the timing or amount is uncertain and is measured on the best available estimate.

**14. Grants liability - Unspent conditional grants and receipts**

Funds received from the Department of Agriculture, Land Reform and Rural Development during adjustment estimate period of R0 (2021: R208, 032 million) was approved for utilization for the purposes of development of the Electronic Deeds Registration System (e-DRS) and its related projects. Over and above the mentioned condition the following are stipulated conditions for the grant:

The grant shall be applied in accordance with the project timelines as approved and,

The grantor reserves the right to approve other uses (reprioritization) and may recall the funds if the conditions for spending are not satisfied.

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	2022 R '000	2021 R '000
<b>14. Grants liability - Unspent conditional grants and receipts (continued)</b>		
<b>Unspent conditional grants and receipts comprises of:</b>		
<b>Unspent conditional grants and receipts</b>		
Opening balance	215 862	-
*Grants received	-	358 032
Less: Grant realised in revenue	-	(138 000)
Less: Grants utilised	(1 810)	(4 170)
	<b>214 052</b>	<b>215 862</b>
Differed conditional grant - eDRS	208 032	208 032
Grant liability - DALRRD	6 020	7 830
	<b>214 052</b>	<b>215 862</b>
<b>Current/ Non-current classification</b>		
Current portion	214 052	73 587
Non-current portion	-	142 275
	<b>214 052</b>	<b>215 862</b>

\*Grants received are made up of an amount of R208,032 million received for the implementation of e-DRS and an amount of R150,000 million.

**15. Financial instruments disclosure**

**Categories of financial instruments**

**March 2021**

**Financial assets**

	At amortised cost	Total
Other receivables from non-exchange transactions	7 928	7 928
Cash and cash equivalents	484 419	484 419
	<b>492 347</b>	<b>492 347</b>

**Financial liabilities**

	At amortised cost	Total
Payables from exchange transactions and other liabilities	55 353	55 353

**March 2021**

**Financial assets**

	At amortised cost	Total
Other receivables from non-exchange transactions	4 722	4 722
Cash and cash equivalents	388 991	388 991
	<b>393 713</b>	<b>393 713</b>

**Financial liabilities**

	At amortised cost	Total
Payables from exchange transactions and other liabilities	50 806	50 806

**Deeds Registration Trading Entity**  
**Annual Financial Statements for the year ended 31 March 2022**  
**Notes to the Annual Financial Statements**

	2022 R'000	2021 R'000
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**16. Revenue**

Registration of deeds and sale of information	865 989	651 901
Management fees earned	15 833	-
Other income	2 020	1 986
Interest received	10 723	3 773
Government grants	1 810	138 000
	<u>896 375</u>	<u>795 660</u>

**The amount included in revenue arising from exchanges of goods or services are as follows:**

Registration of deeds and sale of information	865 989	651 901
Management fees earned	15 833	-
Other income	2 020	1 986
Interest received	10 723	3 773
	<u>894 565</u>	<u>657 660</u>

**The amount included in revenue arising from non-exchange transactions is as follows:**

<b>Transfer revenue</b>		
Government grants	<u>1 810</u>	<u>138 000</u>

**17. Investment revenue**

**Interest revenue**

Interest received - bank	10 552	3 498
Interest received - statutory receivables	149	257
Interest received - staff debtors	22	18
	<u>10 723</u>	<u>3 773</u>

The amount included in investment revenue is arising from interest received from favourable bank balance and interest from outstanding debtor balances.

**18. Finance costs**

Finance leases	<u>177</u>	<u>124</u>
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**19. Auditors' remuneration**

Audit fees	<u>4 145</u>	<u>3 037</u>
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External audit fees (Auditor-General) amounted to R4,145 million (2021: R3,037 million).

**Deeds Registration Trading Entity**  
**Annual Financial Statements for the year ended 31 March 2022**  
**Notes to the Annual Financial Statements**

	2022 R'000	2021 R'000
<b>20. Employee related costs</b>		
Basic salary	408 016	387 013
Service bonuses	29 426	30 338
Performance bonuses	3 079	5 693
Medical aid - Employer contributions	31 396	30 364
Pension fund contribution	46 301	48 154
Overtime payments	51 510	13 035
Car Allowance	2 193	2 133
Housing benefits and allowances	18 860	20 902
Employer contribution: Bargaining council	114	115
Leave: Accumulated short term	(4 153)	14 118
Leave: Accumulated capped	73	(6)
	<u>586 815</u>	<u>551 859</u>

**21. General expenses**

Advertising	90	6
Auditors' remuneration	4 145	3 037
Bad debts written off	39	1
Bank charges	246	181
Cleaning	9 751	9 286
Consulting and professional fees	51 216	14 110
Consumables	1 849	2 995
Entertainment	415	24
IT expenses	51 180	42 876
Operating leases	19 792	22 471
Printing and stationery	4 505	3 162
Repairs and Maintenance	20 277	17 802
Security services	13 192	11 478
Staff welfare	140	-
Subscription and membership fees	3 920	119
Telephone and fax	3 655	3 417
Thefts, losses, damages and claims against the state	1 195	10
Training	1 663	2 122
Transport and freight	3 350	1 382
Travel - local	7 473	2 399
	<u>198 093</u>	<u>136 878</u>

**22. Operating lease**

**Minimum lease payments due:**

Due within 1 year	16 009	18 439
Due within 2 - 5 year	11 131	10 437
	<u>27 140</u>	<u>28 876</u>

The above amounts are due in future years due to contractual obligations. Operational leases relate to service level agreements for the leasing of parking bays for officials, digital scanners, water dispensers and telephone management system.

For operating leases payments recognised in the statement of Financial Performance refer to note 21 - General expenses.

**Deeds Registration Trading Entity**  
**Annual Financial Statements for the year ended 31 March 2022**  
**Notes to the Annual Financial Statements**

	2022 R'000	2021 R'000
<b>23. Commitments</b>		
<b>Authorised capital expenditure</b>		
<b>Already contracted for but not provided for</b>		
Due within 1 year	52 989	1 264
Due within 2 - 5 years	70 542	-
	<b>123 531</b>	<b>1 264</b>
<b>Total capital commitments</b>		
Already contracted for but not provided for	123 531	1 264
<b>Authorised operational expenditure</b>		
<b>Already contracted for but not provided for</b>		
Due within 1 year	21 064	52 286
Due within 2 - 5 years	105 523	16 870
	<b>126 587</b>	<b>69 156</b>
<b>Total operational commitments</b>		
Already contracted for but not provided for	126 587	69 156
<p>Commitments relate to operating and capital contracts due in future years. The future commitments detailed above are either non-cancellable or are only cancellable at a significant cost and relate to something other than the routine, steady, state business of the entity. Below are the total commitments including those that are routine, steady, state business of the entity.</p>		
<b>Total commitments</b>		
Operational commitments due to within 1 year	68 358	73 910
Operational commitments due between 2 - 5 years	119 075	35 165
Capital commitments due within 1 year	52 992	1 870
Capital commitments due within 2 - 5 years	70 544	-
	<b>310 969</b>	<b>110 945</b>
<b>24. Cash generated from operations</b>		
Surplus	98 892	93 070
<b>Adjustments for:</b>		
Depreciation and amortisation	11 203	12 809
Loss on disposal of assets	306	233
Finance costs - Finance leases	177	124
Impairment loss	889	687
Movements in provisions	(2 087)	(3 746)
Interest receivable	(1 099)	(726)
Other non-cash items	8 830	(1 142)
<b>Changes in working capital:</b>		
Inventories	731	(35)
Other receivables from exchange transactions	(3 296)	(1 889)
Prepayments	(147)	(80)
Statutory receivables from exchange transactions	(3 848)	(22 942)
Payables from exchange transactions	994	18 771
Grant liability - Unspent conditional grants and receipts	(1 810)	215 862
Grant liability - OVG	-	(109 931)
	<b>109 735</b>	<b>201 065</b>

**Deeds Registration Trading Entity**  
**Annual Financial Statements for the year ended 31 March 2022**  
**Notes to the Annual Financial Statements**

2022 2021  
R'000 R'000

**25. Contingent liabilities**

Litigation is in process against the Deeds Registration Trading Entity relating to disputes around registration of property and other legal matters. The total litigation before the courts is R317, 732 million (2021: R305, 558 million) and the remainder of the litigation could not be quantitatively measured for financial impact.

There are labour disputes with officials which are currently in arbitration amounting to R89 800 (2021: R8,274 million) which have not been settled and the outcome could result in settlement in cash.

The accumulated surplus of R98, 892 million (2021: R93, 353 million) has been classified as a contingent liability at 31 March 2022 as there is no approval received as yet from National Treasury to retain the surplus funds. In terms of Treasury Regulations 19.7.1 the relevant treasury may apply such surplus to reduce any proposed allocation to the trading account, or that all or part of it be deposited in the Exchequer bank account. The Deeds Registration Trading Entity is obliged to re-deposit to National Treasury any amount of the surplus for which National Treasury requires to be refunded.

**Contingent assets**

Litigation is in process for the Deeds Registration Trading Entity relating to disputes. The total litigation claims before the court is R444, 061million (2021: R422, 695 million).

Parking deposit of R47 050 (2021: R124 187) is held by Advance on Point Solutions. The deposit shall be retained by Advance on Point Solutions until termination of the agreement, whereupon it will be applied to any amount owing in terms of this agreement. The balance remaining shall be returned to the entity.

Theft and losses amounting to R586 715 (2021: R556 201) are under investigation for the entity's assets lost or damaged by officials, liability depends on the outcome of theft and loss committee.

**Deeds Registration Trading Entity**  
**Annual Financial Statements for the year ended 31 March 2022**  
**Notes to the Annual Financial Statements**

	2022 R'000	2021 R'000
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**26. Related parties**

**Relationships**

**DEPARTMENT OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT (DALRRD)**

The Deeds Registration Trading Entity is a trading entity under the Department of Agriculture, Land Reform and Rural Development as such certain services between the DALRRD and Deeds are rendered in kind and are not at arm's length, these have been disclosed below:

**OFFICE OF THE VALUER GENERAL (OVG)**

The Office of the Valuer General is a schedule 3A entity of the Department of Agriculture, Land Reform and Rural Development. A Memorandum of Agreement entered into between Deeds and the OVG for rendering of support services. The transactions that are not at arm's length are disclosed below:

The remainder of the transactions and balances resulting from the Principal Agent arrangement between Deeds and OVG have been disclosed in note.28 - Accounting by Principal Agent.

**Related party balances:**

Management fees receivable from OVG	5 353	-
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**Related party transactions:**

**Rendering of services to DALRRD (by Deeds)**

Information search and copies	(8 019)	(6 417)
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**Amounts paid on behalf of Deeds (DALRRD)**

Office accommodation and municipal services	64 212	67 537
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Government Garage vehicle (G-fleet management)	2 112	1 702
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**Deeds Registration Trading Entity**  
**Annual Financial Statements for the year ended 31 March 2022**  
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**26. Related parties (continued)**

**Remuneration of management**

**Senior Managers on level 14 and above**

**March 2022**

<b>Name</b>	<b>Basic salary</b>	<b>Bonuses and performance related payments</b>	<b>Other short-term employee benefits</b>	<b>Post-employment benefits received</b>	<b>Other benefits received</b>	<b>Total</b>
Knoesen CCE - Chief Registrar	1 149	119	502	138	-	1 908
Gubuza P - Chief Director: Delivery Coordination	902	67	398	108	11	1 486
Hlatswayo HJ - Chief Director: ICT	929	63	298	121	-	1 411
Tsotetsi GDN - Registrar	944	-	415	113	1 192	2 664
Mogoba MF - SFO	858	68	845	112	-	1 883
Gwangwa AF - Registrar	944	-	415	113	-	1 472
Ntuli M - Registrar	845	68	474	110	-	1 497
Lemme MT - Registrar	944	-	415	113	-	1 472
Mukhakhululi RO - Registrar	1 067	67	233	128	11	1 506
Pillay K - Registrar	937	70	410	113	-	1 530
Frazenburg UJ - Registrar	915	67	404	110	-	1 496
Moshodi PP - Registrar	780	63	438	101	-	1 382
Mngcolwani MD - Registrar	889	65	393	107	-	1 454
	<b>12 103</b>	<b>717</b>	<b>5 640</b>	<b>1 487</b>	<b>1 214</b>	<b>21 161</b>

**Deeds Registration Trading Entity**  
**Annual Financial Statements for the year ended 31 March 2022**  
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**26. Related parties (continued)**  
**Senior Manager on level 13**

<b>Name</b>	<b>Basic salary</b>	<b>Bonuses and performance payments</b>	<b>Other short-term employee benefits</b>	<b>Post-Termination benefits</b>	<b>Other benefits received</b>	<b>Total</b>	
Reynolds A - Deputy Registrar	930	-	205	112	-	1 247	
Matthys R - Deputy Registrar	785	-	349	94	90	1 318	
Ratema SJ - Director: SCM	808	60	674	97	22	1 661	
Swart CC - Director: Financial Management	797	59	664	96	-	1 616	
Gwangwa PJH - Deputy Registrar	736	-	415	96	-	1 247	
Mesefo PE - Deputy Registrar	774	-	345	93	-	1 212	
Zwartland P - Deputy Registrar	889	56	197	107	-	1 249	
Mothlasedi MN - Deputy Registrar	1 043	53	453	108	252	1 909	
Maphosa ES - Deputy Registrar	890	56	197	107	56	1 306	
Ndlovu F - Deputy Registrar	796	-	354	96	-	1 246	
Maphomolo PJ - Deputy Registrar	846	58	273	110	-	1 287	
Van Der Ross A - Deputy Director	797	-	354	96	-	1 247	
Gabara TG - Deputy Registrar	915	58	203	110	-	1 286	
Duma SE - Deputy Registrar	915	-	203	110	-	1 228	
Mdunge BR - Deputy Registrar	915	-	203	110	-	1 228	
Monnanyana TD - Deputy Registrar	916	-	203	110	-	1 229	
Fatyela DS - Deputy Registrar	918	-	183	100	1 000	2 201	
Mketshane M - Deputy Registrar	915	-	203	110	16	1 244	
Dreyer JP - Deputy Registrar	916	-	203	110	-	1 229	
Ngapo GWM - Deputy Registrar	851	54	189	102	95	1 291	
Hoko ND - Deputy Registrar	851	-	189	102	-	1 142	
Shawe TE - Deputy Registrar	837	-	187	101	-	1 125	
Davids I - Deputy Registrar	814	-	182	98	-	1 094	
Phali TS - Deputy Registrar	851	-	189	102	85	1 227	
Swarts D - Deputy Registrar	751	-	245	98	-	1 094	
Shoko T - Director: ICT	959	62	211	115	-	1 347	
Masilela TP - Director: Human & Auxiliary Services	814	-	479	98	11	1 402	
Jezile VP - Director: Entity Development	349	43	83	45	-	520	
	<b>23 578</b>	<b>559</b>	<b>7 835</b>	<b>2 833</b>	<b>1 000</b>	<b>627</b>	<b>36 432</b>

**Deeds Registration Trading Entity**  
**Annual Financial Statements for the year ended 31 March 2022**  
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**26. Related parties (continued)**

**Middle Managers acting on senior positions**

Name	Basic salary	Other short-term employee benefits	Post-employment benefits received	Other benefits	Total
Govender E - Acting Deputy Registrar	494	60	64	117	735
Phungula XJ - Acting Deputy Registrar	151	47	20	42	260
Keetse MS - Acting Deputy Registrar	279	113	36	113	541
	<b>924</b>	<b>220</b>	<b>120</b>	<b>272</b>	<b>1 536</b>

The officials below are relatives of senior management at the entity which qualifies as related party in accordance with GRAP 20.35.

Names of management officials	Relatives	Positions of relatives	Relations to management officials
Van der Ross A	Mustafa Y	Clerk	Spouse
Mothlasedi MN	Mothlasedi M	Snr Registration Officer	Brother
Hoko ND	Hoko AS	Chief Auxiliary Officer	Brother
Davids I	Brinkhuis IRC	Junior Examiner	Spouse
Ntuli M	Ntuli M	Snr Registration Officer	Brother
Duma S	Duma S	Assistant Registrar	Brother
Ndlovu F	Ndlovu E	Assistant Registrar	Spouse
Gwangwa PJH	Gwangwa MY	Junior Examiner	Spouse

**Management on level 14 and above**

**March 2021**

Name	Basic salary	Bonuses and performance related payments	Other short-term employee benefits	Post-employment benefits	Other benefits received	Total
Knoesen CCE - Chief Registrar	1 034	-	433	124	-	1 591
Gubuza P - Chief Director: Delivery Coordination	876	62	367	105	-	1 410
Hlatswayo HJ - Chief Director: ICT	902	95	269	117	-	1 383
Tsotetsi GDN - Registrar	916	-	383	110	-	1 409
Mogoba MF - SFO	833	179	447	108	-	1 567
Gwangwa AF - Registrar	929	-	389	111	-	1 429
Ntuli M - Registrar	821	63	441	107	-	1 432
Lemme MT - Registrar	916	-	405	110	22	1 453
Mukhakhululi RO - Registrar	1 036	101	206	124	-	1 467
Mantanga NW - Registrar	81	104	24	994	-	1 203
Pillay K - Registrar	915	65	383	110	-	1 473
Frazenburg UJ - Registrar	888	63	372	107	-	1 430
Moshodi PP - Registrar	788	-	366	98	-	1 252
Mngcolwani MD - Registrar	863	-	361	104	-	1 328
	<b>11 798</b>	<b>732</b>	<b>4 846</b>	<b>2 429</b>	<b>22</b>	<b>19 827</b>

**Deeds Registration Trading Entity**  
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**26. Related parties (continued)**

**Senior Manager on level 13**

<b>Name</b>	<b>Basic salary</b>	<b>Bonuses and performance related payments</b>	<b>Other short-term employee benefits</b>	<b>Post-employment benefits</b>	<b>Total</b>
Reynolds A - Deputy Registrar	903	-	179	108	1 190
Matthys R - Deputy Registrar	762	108	319	92	1 281
Ratema SJ - Director: Financial Management	785	112	329	94	1 320
Swart CC - Director: Financial Management	774	110	324	93	1 301
Gwangwa PJH - Deputy Registrar	714	-	383	93	1 190
Mesefo PE - Deputy Registrar	783	-	329	94	1 206
Zwartland P - Deputy Registrar	863	74	172	104	1 213
Mothlasedi MN - Deputy Registrar	687	-	288	82	1 057
Maphosa ES - Deputy Registrar	864	74	172	104	1 214
Ndlovu F - Deputy Registrar	774	-	324	93	1 191
Maphomolo PJ - Deputy Registrar	821	76	245	107	1 249
Van Der Ross A - Deputy Registrar	774	-	324	93	1 191
Gabara TG - Deputy Registrar	889	76	177	107	1 249
Duma SE - Deputy Registrar	889	-	177	107	1 173
Mdunge BR - Deputy Registrar	889	-	177	107	1 173
Monnanyana TD - Deputy Registrar	890	-	177	107	1 174
Fatyela DS - Deputy Registrar	889	76	224	107	1 296
Mketshane M - Deputy Registrar	889	-	208	107	1 204
Dreyer JP - Deputy Registrar	890	76	177	107	1 250
Ngapo GWN - Deputy Registrar	826	-	164	99	1 089
Hoko ND - Deputy Registrar	826	70	164	99	1 159
Shawe TE - Deputy Registrar	802	-	159	96	1 057
Davids I - Deputy Registrar	802	-	159	96	1 057
Phali TS - Deputy Registrar	826	-	253	99	1 178
Swarts D - Deputy Director	740	-	221	96	1 057
Shoko T - Director: ICT	945	-	188	113	1 246
Masilela TP - Director: Human & Auxiliary Services	766	-	159	96	1 021
	<b>22 262</b>	<b>852</b>	<b>6 172</b>	<b>2 700</b>	<b>31 986</b>

**Middle management acting on senior positions**

**March 2021**

<b>Name</b>	<b>Basic salary</b>	<b>Bonuses and performance related payments</b>	<b>Other short-term employee benefits</b>	<b>Post-employment benefits received</b>	<b>Other benefits</b>	<b>Total</b>
Mereko RJ - Acting Deputy Registrar	458	-	70	53	192	773
Nitsky GO - Acting Deputy Registrar	304	-	38	33	106	481
Keetse MS - Acting Deputy Registrar	498	38	100	59	242	937
	<b>1 260</b>	<b>38</b>	<b>208</b>	<b>145</b>	<b>540</b>	<b>2 191</b>

The below officials are relatives of senior management at the entity which qualifies as the related party in accordance with GRAP20.35.

**Deeds Registration Trading Entity**  
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**Notes to the Annual Financial Statements**

**26. Related parties (continued)**

<b>Names of management officials</b>	<b>Relatives</b>	<b>Positions of relatives</b>	<b>Relation to management officials</b>
Van der Ross A	Mustafa Y	Clerk	Spouse
Mothlasedi MN	Mothlasedi M	Snr Reg Officer	Brother
Hoko ND	Hoko AS	Chief Auxiliary Officer	Brother
Dauids I	Brinkhuis IRC	Jnr Examiner	Spouse
Ntuli M	Ntuli M	Snr Reg Officer	Brother
Duma S	Duma S	Assistant Registrar	Brother
Ndlovu F	Ndlovu E	Assistant Registrar	Spouse
Gwangwa PJH	Gwangwa MY	Jnr Examiner	Spouse

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**27. Prior-year adjustments**

Presented below are those items contained in the statement of financial position, statement of financial performance that have been affected by prior-year adjustments:

**Statement of financial position**

**March 2021**

	Note	Previously reported	Correction of error	Restated
		as		
Computer equipment - cost	8	192 972	3	192 975
Office equipment (Finance lease) - cost	8	3 319	(381)	2 938
Lease holding building - cost	8	33 028	1 726	34 754
Computer equipment - accumulated depreciation	8	(175 578)	(34)	(175 612)
Office equipment (Finance lease) - accumulated depreciation	8	(1 411)	381	(1 030)
Lease holding building - accumulated depreciation	8	(11 818)	(757)	(12 575)
Creditors - purchase order receipts	11	(4 016)	2	(4 014)
Accumulated surplus		(208 834)	(1 224)	(210 058)
		<b>(172 338)</b>	<b>(284)</b>	<b>(172 622)</b>

An amount of R2 564 for computer equipment (cost) and accumulated depreciation amounting to R33 765 relating to Biometrics was correctly adjusted.

An amount of R380 792 for office equipment (finance lease assets) cost and accumulated depreciation amounting to R380 792 to was correctly adjusted

An amount of R1, 726 million for leasehold improvements (cost) and accumulated depreciation amounting to R757 068 relating to Biometrics was correctly adjusted.

An amount of R1 851 for sundry accruals relating expenditure was incorrectly recognised in the previous financial years.

**Statement of financial performance**

**March 2021**

	Note	As previously reported	Correction of error	Restated
Depreciation - Computer equipment	8	6 272	12	6 284
Depreciation - Lease holding building	8	1 364	272	1 636
<b>Surplus for the year</b>		<b>7 636</b>	<b>284</b>	<b>7 920</b>

Depreciation for computer equipment amounting to R12 087 was correctly adjusted. Depreciation for leasehold improvements amounting to R271 497 was correctly adjusted.

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**27. Prior-year adjustments (continued)**

**Disclosure**

**March 2021**

	Note	As previously reported	Correction of error	Restated
Repairs and maintenance	8	18 655	(852)	17 803
Fruitless and wasteful expenditure	31	7 224	(1 726)	5 498
Other receivables from non-exchange transactions - Financial assets		1 493	3 229	4 722
Payables from exchange transactions - Financial liabilities		50 868	(62)	50 806
Irregular expenditure		218 152	1 271	219 423
		<u>296 392</u>	<u>1 860</u>	<u>298 252</u>

Disclosure required by GRAP 17.88 an amount of R18,655 million was disclosed as repairs and maintenance in error. The correct amount of R17,083 million has been correctly disclosed.

An amount of R1,726 million was previously recognised as fruitless and wasteful expenditure relating to Biometrics. The cost of installation was incurred to bring the asset to operate in a condition and location as intended by management. These costs have been reconciled and corrected.

Irregular expenditure amounting to R1,271 million was omitted. This irregular expenditure is as a result of transactions approved without delegation.

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**28. Accounting by principals and agents**

**Details of the arrangement is as follows:**

In July 2014 the Property Valuation Act brought into existence the Office of the Valuer General (OVG), the "Principal" whose responsibility in accordance with the Act is to perform property valuation for the purposes of the Department of Agriculture, Land Reform and Rural Development. Section 4 and 5 of the Act establishes the office as a juristic person.

Due to unavailability of resources as this office had not been structurally established, a Memorandum of Agreement (MOA) was entered into with the Deeds Registration Trading Entity (Deeds) who is the "Agent". This MOA states that the OVG will receive and pay for services rendered by Deeds and DALRRD will transfer funds due to the OVG to Deeds for rendering of services.

**The following transactions will be undertaken by the Agent on behalf of the principal:**

**Transactions relating to Human Resource Management will include:**

- Recruitment;
- Administration of leave and
- Payment of salaries and wages.

**Transactions relating to Finance includes:**

- Payment of expenses and liabilities;
- Preparation of Financial Statements;
- Management of grant funds in the agent bank account;
- Management of finance lease contracts and
- Purchases of Property, Plant and Equipment

**Transactions relating to Supply Chain Management:**

- Contract Management and
- Procurement of Goods and Services

All transactions are performed in line with the internal policies of the Agent. The management fee paid by the principal is based on the assumption that there is even distribution or spending of funds during any given financial period. This management fee is the interest received resulting from Principal monies held in the Agent's bank account.

Due to unavailability of resources Office of the Valuer General as this office had not been structurally established, a memorandum of agreement has been entered into with the Deeds Registration Trading Entity (Deeds) who is the "Agent". This MOU/MOA states that Deeds will render administrative support and services, the OVG will pay Deeds for services rendered. The MOU/MOA ended 31 March 2022. The MOA/MOU between Agent and Principal was signed on the 04 May 2021.

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**28. Accounting by principals and agents (continued)**

**Cash and cash equivalents**

Balance at beginning of the year	-	109 931
Funds remitted	-	(5 155)
Transfer of appropriation into OVG bank account	-	(104 776)
	<u>-</u>	<u>-</u>

The balance was remitted into OVG bank account on the beginning of the financial year 2020/21. The opening balance was the grant received and kept as a resource in the agent's bank account to enable the agent to perform transactions on behalf of the principal.

Risks associated with the balance are detailed in note.29 to the Annual Financial Statements

There are no cost implications for the entity if the principal-agent arrangement is terminated.

<b>Revenue</b>	15 833	-
Management fees received from principal	<u>15 833</u>	<u>-</u>

**29. Risk management**

**Liquidity risk**

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Deeds Registration Trading entity manages its liquidity risk through ongoing review of working capital, capital expenditure, future commitments and the budgeting process which monitors spending against available resources (cash and other financial assets). Adequate reserves and liquid resources are maintained.

The table below analyses the entities financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to contractual maturity date. The amounts disclosed in the table are the undiscounted contractual cashflows. The balances due within 12 months equal the carrying amounts of these liabilities as the impact of discounting is not significant.

<b>At 30 March 2022</b>	<b>Carrying amount</b>	<b>Less than 1 year</b>	<b>Between 2 and 5 years</b>
Payables from exchange transactions	43 692	43 692	-
Finance lease liability	2 094	1 135	959
Provisions	9 567	-	9 567
<b>At 31 March 2021</b>	<b>Carrying amount</b>	<b>Between 1 and 2 years</b>	<b>Between 2 and 5 years</b>
Payables from exchange transactions	37 153	37 153	-
Finance lease liability	1 999	902	1 097
Provisions	11 654	736	10 918

The entity does not hold any derivative financial liabilities.

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**29. Risk management (continued)**

**Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Financial assets which potentially subject the Deeds Registration trading entity to risk of non-performance and thereby subject to credit risk consist mainly on cash and cash equivalents and receivables from exchange transactions as per GRAP 104.

The Deeds Registration Trading Entity limits its treasury counter party exposure by dealing with well-established institutions approved by National Treasury and its exposure is constantly monitored by the Accounting Officer.

Credit risk with respect to fee paying customers is limited due to the nature of the services provided by the entity, however statutory receivables are scoped out of this disclosure in accordance with GARP 104.3(i). The Deeds Registration Trading Entity does not have any material exposure to any individual or counter-party. No events occurred in the industry during the financial year that may have an impact on other accounts receivables that has not been adequately provided for. All financial assets are due to be settled in the next 12 months.

<b>At 30 March 2022</b>	Gross amount	Impairment	Carrying amount
Other receivables-exchange transactions	7 927	732	7 195
Cash and cash equivalents	484 419	-	484 419
<b>At 31 March 2021</b>	Gross amount	Impairment	Carrying amount
Other receivables-exchange transactions	4 722	723	3 999
Cash and cash equivalents	388 991	-	388 991

**Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

The entity is exposed to interest rate fluctuations on past due receivables and thus changes in the interest rate will result in changes in future cash flows expected from these financial instruments. No other financial assets are past due or impaired in the current year.

None of the financial instruments in the current year were interest bearing.

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<b>30. Irregular expenditure</b>		
Opening balance as previously reported	219 423	211 641
Add: Irregular expenditure - current year	4 843	6 511
Add: Irregular expenditure - prior period error	-	1 271
<b>Irregular expenditure awaiting condonement</b>	<b>224 266</b>	<b>219 423</b>

**Details of irregular expenditure**

**Opening balance of irregular expenditure consist of:**

The irregular expenditure relates to the awarding of a tender to Gijima AST (Pty) Ltd which was recommended by SITA to DRDLR after SITA had performed all procurement processes. The contract was declared null and void by the High Court on 13 September 2016. The tender process has been investigated by the SIU and a settlement which was turned into a court order has been reached. The amount of R208,080 million is considered irregular due to non-compliance with section 217 of the Constitution, section 38(a) of the PFMA resulting from an error in pricing as said in the court order which compromised the fairness and competitiveness of the procurement process at SITA.

Publications of Deeds Acts and other updates was rendered without an approval. The irregular expenditure amounted to R11 911.

National Treasury declined a request to deviate from normal procurement processes to continue with the rental of fifteen (15) Uninterrupted Power Supply equipment for February 2019 amounting to R174 465 and from 1 June 2019 - 31 August 2019 amounting to R523 397.

National Treasury declined a request to deviate from normal procurement processes to continue with the rental of fifteen (15) Uninterrupted Power Supply equipment from 1 September 2019 - 31 March 2020. The possible irregular expenditure amounts to R1,221 million.

Deviation from normal procurement process on appointment of service provider for installation of air conditioners. The initial supplier was unable to provide the service and withdrew from a contract. The specifications of the contract were revised and the contract was awarded to another service provider without going through tender process. The possible irregular expenditure amounted to R1, 605 million.

Publications of Deeds Acts and other updates was rendered without an approval. The irregular expenditure amounted to R25 206.

Ex-post facto for rental of fifteen (15) Uninterrupted Power Supply (UPS) equipment from current service provider from 1 April 2020 - 30 June 2020 amounting to R523 397.

Deviation procurement process of non-appointment of service provider due to tax non-compliance. Recommended appointment of new service provider to provide, install Kodak Alaris Capture PRO Software and provide training to officials at the cost of R4,101 million including VAT. Deviation not supported by National Treasury.

Variation of scope and order for cleaning and/ or hygiene services contract at the Deeds Registration Trading Entity to allow currently contracted service providers to provide Personal Protective Equipment to cleaners, supply health-care waste bins and render the disposal of content services in order to contain the spread of Coronavirus (COVID-19) amounting to R1,014 million.

Rental of fifteen (15) Uninterrupted Power Supply (UPS) by means of direct/ single sourcing procurement on a month-to-month basis starting from 01 July 2020 - November 2020 from GX Technology amounting to R872 329.

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**30. Irregular expenditure (continued)**

Goods and services amounting to R1, 271 million were authorised for payment without necessary delegation.

**Current year Irregular expenditure consist of:**

Current year irregular expenditure consists of transactions amounting to R4,843 million which occurred without necessary approval.

**31. Fruitless and wasteful expenditure**

Opening balance as previously reported	5 498	7 220
Add: Expenditure identified - current	22	4
Less: Amounts recoverable - current	(1)	-
Correction of prior period error	-	(1 726)
<b>Closing balance</b>	<b>5 519</b>	<b>5 498</b>

**Opening balance of fruitless and wasteful expenditure consist of:**

The fruitless and wasteful expenditure of R4,720 million relates to litigation instituted against Deeds. Subsequently a court order instructed Deeds to pay the plaintiff.

Unfair labour practice arbitration was awarded to an official amounting to R104,388.

A court order instructing Deeds to pay the plaintiff in a litigation case regarding transfer of a property amounting to R49 000.

Penalties and interest payment to SARS amounting to R458,105 for understatement of tax by Deeds.

The fruitless and wasteful expenditure of R4 140 is related to "No shows" to authorised official trips.

A court order instructing Deeds to settle legal fees amounting to R95 154 for incorrect registration of property.

The fruitless and wasteful expenditure of R5 875 is related to cancellation of Catering service without informing the Service provider on time.

The fruitless and wasteful expenditure of R2 180 is related to penalty charges for cancellation of a flight on an authorised official trip.

The fruitless and wasteful expenditure of R1 788 relates to a "No Show" to an authorised official trip.

The fruitless and wasteful expenditure of R1 765 is relates to a penalty charged for cancellation of a flight on an authorised official trip.

The fruitless and wasteful expenditure of R652 relates to a call out fee for a locked car keys inside a rental vehicle.

**Current year fruitless expenditure consists of:**

An amount of R22 307 relates to interest charged for late payment of bursary.

An amount of R133 relates to penalty charged for annual Post box renewal and TV license.

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R'000

2021  
R'000

**31. Fruitless and wasteful expenditure (continued)**

**Current year fruitless expenditure recovered consist of:**

An amount of R657 relates to penalty charged for cancellation of accommodation and flight.

**32. Services in kind**

**Administrative services in kind:**

Deeds Registration Trading Entity falls under the administration of the Department of Agriculture, Land Reform and Rural Development. The executive of the department spends some of their time on the affairs of the Trading Entity.

All services paid for by the department which could be quantified have been disclosed as related party transactions, excluded from those are services that cannot be quantified due to their nature, these include risk management services and Internal Audit services provided by the department. Due to their nature, these service in kind cannot be reliably measured and therefore have not been recognised.

**33. Alignment of Deeds Registries areas of jurisdictions to coincide with provincial boundaries**

The business case for the alignment of deeds registries areas of jurisdictions to provincial boundaries was approved in the 2015/16 financial year. The purpose of the realignment of Deeds registries areas of jurisdictions to provincial boundaries, (Alignment Programme) arises from the need to address the problem regarding how the Deeds Offices are currently positioned which is an impediment to Constitutional and institutional reforms.

The programme is therefore aimed at aligning the Deeds registries areas of jurisdiction to provincial demarcations as articulated in Section 103 of the Constitution and to ensure that each Deeds registry services the province in which it is located, making it accessible to clients.

The alignment programme contains four projects:

- (i) Identification, separation and transfer of records (from transferring Deeds office and receiving Deeds office).
- (ii) Establishment of the Limpopo Deeds Registry which was established and opened on the 3rd of April 2017.
- (iii) Establishment of the North West Province Deeds Registry.
- (iv) The establishment of Deeds information centres.

The anticipated benefits of this programme are two-fold: Firstly, it will serve in the interest of the promotion of accessible services and to ensure Deeds offices services their respective provinces. Secondly, there will be improved turn-around times in the registration and delivery of deeds and related documents. Both benefits will result in improved service delivery that is client-centric.

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### 34. Reporting segments

Every Deeds Registry performs similar registration functions as another Deeds Registry and there is no difference in the nature of goods or services delivered, the type of customer being serviced, the method to deliver goods and services and there is also no difference in the regulatory environment. The socio-economic characteristics of the provinces in which the Deeds Registries are situated are affected by the same economic impacts of the larger South African economy and are generally similar from province to province.

The Deeds Registries however do generate revenue from registration of deeds and documents and sale of information. Their financial results are not disclosed separately from the results of the entity as a whole as no province reports individually for financial reporting purposes. This information is not readily available as required by the definition of a reporting segment.

Due to the nature of operations at the Deeds Registries and the fact that financial information is not available outside of the financial information produced at the Office of the Chief Registrar of Deeds, separate segment reporting therefore has not been disclosed.

### 35. Budget explanations of differences between final budget and actual amounts

#### Material differences between budget and actual amounts

Variance of 10% and above are considered material and are explained below:

#### 35.1 Revenue - Services rendered

Registration of deeds revenue estimated amount of R808,9 million was projected based on the annually expected revenue to be generated by the end of the financial year. The positive variance of R57 million is due to improvement of the revenue generated because of the recovering of economy that positively affected registration of properties. The entity projected to register 947 219 number of title deeds and documents but managed to register 1 005 109 which exceeded the set target.

#### 35.2 Management fees received

The amount of R15,8 million is management fees received for rendering services to the Office of the Valuer-General (OVG) as part of a memorandum of agreement (MoA) between Deeds and OVG. The MoA was entered into and signed in the current year.

#### 35.3 Other income

The actual amount of R2 million relates to revenue commission insurance, staff debt recovered, miscellaneous income and impairment reversal – statutory receivables. This amount is not budgeted for.

#### 35.4 Interest received

The favourable bank interest received was due to the high bank balance of R484,3 million in the current financial year. The high carrying amount was due to the R208 million conditional grant received previous year on the 10<sup>th</sup> February 2021 from the Department of Agriculture, Land Reform and Rural Development in 2020/21 financial year and approved retention surplus of R93 million granted by National Treasury.

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**35. Budget explanations of differences between final budget and actual amounts (continued)**

**35.5 Government grants and subsidies**

The budget amount of R138,2 million was projected to be augmented from Deferred revenue liability. The non-augmentation was due to underspending and delays in awarding of contract, contract was awarded in January 2022, but it was officially scheduled to commence on the 01<sup>st</sup> April 2022. The National Treasury approved surplus amount of R93 million on the 06 October 2021 from the 2020/21 financial year and granted the entity to utilise it for e-DRS project. The actual amount of R1,8 million was related to expenditure incurred for official secondment to Ingonyama Trust Board.

**35.6 Employee costs**

The variance amount of R70,8 million is attributed to 197 various vacant posts under Deeds Registries that has not been filled due to the late upliftment of moratorium on filling of posts.

**35.7 Depreciation and amortisation**

The variance amount of R12,8 million for depreciation and amortisation is attributed to the anticipated procurement of additional Property, Plant and Equipment such as ERP system and video conference facilities.

**35.8 Impairment loss/ Reversal of impairments**

Debtors default results as an adjustment in the carrying amounts of debtors as an impairment. These defaults cannot be planned for, therefore the figure for impairment is not budgeted for.

**35.9 Finance costs**

Finance costs are related to interest rate implicitly in the lease and are not budgeted for.

**35.10 General expenses**

Underspending of general expenses is attributed mainly to the slow spending of the following projects:

An amount of R15,4 million was budgeted for Project Management Services by Deloitte Consulting and underspending was due to the outstanding implementation of project management solution and development, Training of project management solution and system and Organisational change management and stakeholder engagement which was scheduled to be done in the 2021/22 financial year.

An amount of R12,2 million was budgeted for ICT Operational resources and underspending was due to delays in appointing of two additional ICT resources to maintain and operate ICT environment. The memo still awaiting DG's approval.

An amount of R20,9 million was budgeted for E-DRS project and underspending was due to the delays on awarding of contract, contract was awarded in January 2022, but it was officially scheduled to commence on 01 April 2022.

An amount of R1 million was budgeted for Enterprise Architecture project and delays in procurement resulted in non-spending.

An amount of R4,6 million was budgeted for re-branding of offices, design and printing of pamphlets in four (4) languages and procurement of banners, procurement was put on hold because Deeds is in process of implementing e-DRS project

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**35. Budget explanations of differences between final budget and actual amounts (continued)**

**35.11 Loss on disposal of assets**

Loss on disposal of assets relates to assets disposed during the year for various reasons including damages and obsolescence.



**RP: RP273/2022**  
**ISBN: 978-0-621-50616-7**