



drdar

Department:
Rural Development & Agrarian Reform
PROVINCE OF THE EASTERN CAPE

ANNUAL

R e p o r t

Twenty twenty one | 22

VIBRANT, EQUITABLE,
SUSTAINABLE RURAL
COMMUNITIES AND
FOOD SECURITY FOR ALL

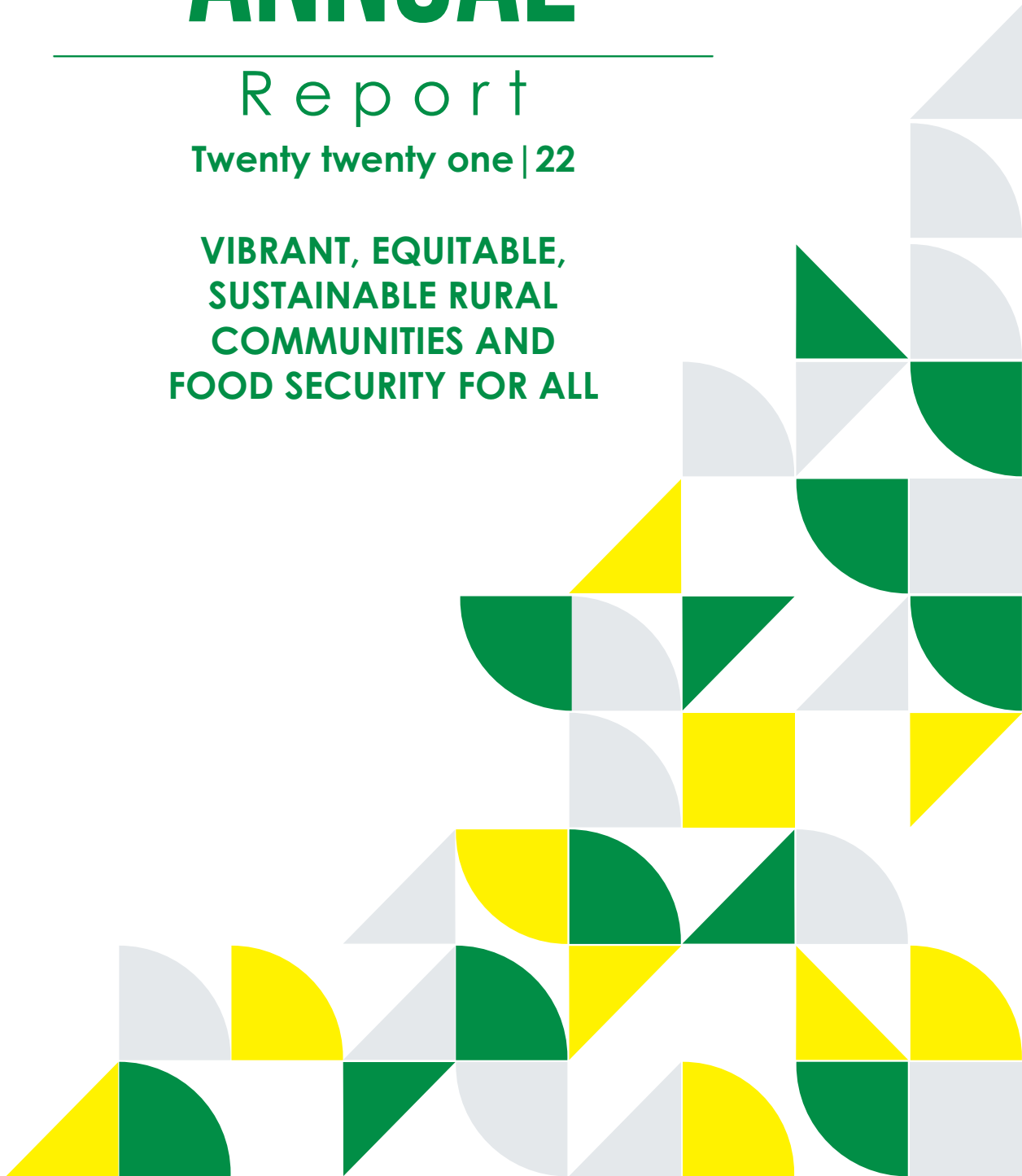


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PART A

GENERAL INFORMATION



I. DEPARTMENT'S GENERAL INFORMATION

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2. LIST OF ABBREVIATIONS

AA	Agricultural Advisor
ABSA	Amalgamated Banks of South Africa
AC	Audit Committee
AES	Agricultural Engineering Services
AETS	Agricultural Economic Transformation Strategy
AHT	Animal Health Technician
ARC	Agricultural Research Council
ADMIN	Administration
Agri-BEE	Agricultural Black Economic Empowerment
AFS	Annual Financial Statements
AGSA	Auditor General of South Africa
AHT	Animal Health Technicians
AIDS	Acquired Immune Deficiency Syndrome
APP	Annual Performance Plan
APAP	Agriculture Policy Action Plan
ARP	Annual Recruitment Plan
ASAE	Association of Agriculture Educators
BAS	Basic Accounting System
BFI	Budget Facility for Infrastructure
BOD	Board of Directors
BPR	Business Process Re-engineering
CE	Candidate Engineers
CA	Contagious Abortion
CAR	Change Agent Role
CAADP	Comprehensive Africa Agriculture Development Plan
CARA	Conservation of Agricultural Resource Act
CASP	Comprehensive Agriculture Support Programme
CS	Corporate Services
CS	Communication Services
CCS	Compulsory Community Services
CIDB	Construction Industry Development Board
CIPC	Companies Intellectual Property Commission
CSD	Central Suppliers Database
CFO	Chief Financial Officer
CGICT	Corporate Governance Information and Communication Technology
COE	Compensation of Employees
COGTA	Cooperative Governance & Traditional Affairs
COO	Chief Operations Officer

CPDS	Comprehensive Producer Development Strategy
CRDS	Comprehensive Rural Development Strategy
DAAC	District Agri-park Advisory Councils
DAFF	Department of Agriculture Forestry & Fisheries
DALRRD	Department of Agriculture Land Reform & Rural Development
DAPOTT	District Agri-Park Organising Task Team
DDG	Deputy Director General
DPWI	Department of Public Works Infrastructure
DEDEAT	Department of Economic Development & Environmental Affairs and Tourism
DSD	Department of Social Development
DRDAR	Department of Rural Development & Agrarian Reform
DPSA	Department of Public Services & Administration
DSTV	Digital Satellite Television
EAS	Extension & Advisory Services
EAP	Employees Assistance Programme
EAPSA	Employee Assistance Professionals Associations of South Africa
EC	Eastern Cape
EC	Employee champion
ECAETS	Eastern Cape Agricultural Economic Transformation Strategy
ECATU	Eastern Cape Appropriate Technology Unit
ECBF	Eastern Cape Beef Fund
ECDC	Eastern Cape Development Corporation
ECGBB	Eastern Cape Gambling & Betting Board
ECPTA	Eastern Cape Parks & Tourism Agency
ECRDA	Eastern Cape Rural Development Agency
EE	Employment Equity
EEP	Employment Equity Policy
EHWP	Employee Health & Wellness Programme
EIA	Environmental Impact Assessment
EPWP	Extended Public Works Programme
FA	Fencing Act
ERM	Enterprise Risk Management
ERRP	Economic Reconstruction & Recovery Plan
ET	Engineering Technician
EXTO	Executive Council
FAS	Financial Accounting Services

FIDPM	Framework For Infrastructure Deliveries & Procurement Management
FEA	Female Enterprise Award
FM	Financial Management
FET	Further Education and Training
FTE's	Full Time Equivalents
FSCMCC	Finance & Supply Chain Management Compliance Committee
ARI	Agricultural Resource Institute
DMA	Disaster Management Act
DRI	Disaster Risk Reduction
GIS	Geographic Information System
GITO	Government Information Technology Office
HET	Higher Education and Training
HIV	Human Immune deficiency Virus
HOD	Head of Department
HR	Human Resources
HRUD	Human Resources Utilization & Development
HROPT	Human Resource Operations Project Task Team
KZN	KwaZulu Natal
ICT	Information Communication and Technology
ICTFA	Information Communication and Technology Framework Agreement
ICU	Internal Control Unit
IOD	Injury on Duty
ISO	International Standard Organisation
IDP	Integrated Development Plan
IFSS	Integrated Food Security Strategy
IGR	Inter-governmental Relations
KRA	Key Results Area
LC	Land Case
LCD	Liquid Crystal Display
LCG	Land Care Grant
LIMS	Lab Information Management Systems
LUM	Land Use Management
LMF	Labour Management Forum
MEC	Member of the Executive Council
MET	Magwa Enterprise Tea
MINMEC	Ministers and Members of the Executive Council
MINTEC	Ministerial Technical Committee
MOU	Memorandum of Understanding

MPAT	Management and Performance Assessment Tool
MTSF	Medium Term Strategic Framework
NAMC	National Agricultural Marketing Council
NGO	Non-Government Organisation
NCDT	Nguni Cattle Development Trust
NPCPDS	National Policy on Comprehensive Procedures Development Support
NDP	National Development Plan
NC	Network Controller
NPFNS	National Policy on Food and Nutrition Security
NQF	National Qualifications Framework
NSD	National State of Disaster
NSG	National School of Government
NT	National Treasury
OAG	Office of the Auditor General
OI	Output Indicator
OHS	Occupational Health Safety
OHS Act	Occupational Health Safety Act
OP	Operational Plan
ODD	Organisational Development & Design
OSD	Occupational Specific Dispensation
OTP	Office of the Premier
PAETV	Provincial Agriculture and Training Forum
PAHC	Public Animal Health Care
PCMT	Provincial Coordinating Monitoring Team
PDI	Previously Disadvantage Individual
PES	Provincial Equitable Share
PSS	Producer Support Services
PDP	Provincial Development Plan
PETFAFF	Provincial Education Training Forum for Agriculture, Forestry and Fisheries
PERSAL	Payroll and Salaries
PFMA	Public Finance Management Act
PoA	Program of Action
PLAS	Proactive Land Acquisition Strategy
PMDS	Performance Management and Development System
PPE	Personal Protection Equipment
PPPFA	Preferential Procurement Policy Framework
PSA	Public Service Association
PSD	Public Service Departments
PSCBC	Public Service Coordinating Bargaining Council
RELC	Recruitment and Employee Life Cycle

RED	Rural Enterprise Development
RDP	Red Meat Development Program
RMC	Risk Management Committee
R&D	Research & Development
RATU	Rural Appropriate Technology Unit
SABS	South African Beareu of Standards
SACNASP	South African Council for National Science Profession
SAGAP	South African Good Agricultural Practise
SALA	Subdivision of Agricultural Land Act
SAMDI	South African Multidimensional Poverty Index
SANAS	South African National Accreditation System
SASAT	South African Society Agricultural Technologists
SASAE	South African Society for Agricultural Extension
SAQA	South African Qualifications Authority
SBD	Standard Bidding Document
SCM	Supply Chain Management
SDGs	Sustainable Development Goals
SETA	Sector Education Training Agency
OIE	Office International Epizooties
SDC	Skills Development Coordinators
SDIP	Service Delivery Improvement Plan

SDM	Service Delivery Model
SG	Strategic Goal
SHE	Safety Health Environment
SHERQ	Safety, Health, Environment , Risk and Quality
SLA	Service Level Agreement
SMME	Small Medium Micro Enterprise
SM	Senior Management
SMS	Senior Management Service
SO	Strategic Objective
SOMPED	Society for Medicinal Plants and Economic Development
SPD	Strategic Partner Dimension
SPLUMA	Spatial Planning and Land Use Management Act of 2013
STATSSA	Statistics South Africa
TARDI	Tsolo Agricultural and Rural Development Institute
TB	Tuberculosis
TVET	Technical and Vocational Education and Training
UAMP	User Asset Management Plan
UPS	Un-Interrupted Power Supply
USA	United States of America
VCT	Voluntary Counselling and Testing
4IR	Fourth Industrial Revolution

3. FOREWORD OF THE MEC

The Department is guided by The National Policy on Food and Nutrition Security (NPFNS) which provides a broad framework for the fulfilment of the constitutional imperative of the right to have access to sufficient food and serve as a guide to national, provincial and local government in pursuing food security at every level. At a provincial level, there is Food Production Policy which provides programs in accordance with NPFNS. These policies are supported by the Mechanization Policy which guides the provision of production equipment to support farmers.

All the above-mentioned policy instruments were key in the development of the Agriculture Agro-processing Master Plan (AAMP), to build a growing, equitable, inclusive, competitive, job-creating, low-carbon and sustainable agriculture and agro-processing sectors. The AAMP prioritizes export and labour intensive district based commodities and broaden participation in the commodities that are prevalent in communal areas.

The Agriculture Agro - processing Master Plan (AAMP) is aligned to the provincial Agriculture Economic Transformation Strategy which focuses on commodity partnership programmes to transform sector value chains.

During the period under review, the Department implemented key partnership programmes on grain to increase not only area under production but also the yield. These partnerships were district based where land was aggregated at a commercial scale, which reduced the cost of production and enabled farmers to get expert technical support from the commodity experts. Due to these partnerships, the produce is linked to the markets and will generate income and employment opportunities.

In accordance with our strategies, the Department supported farmers across the province in citrus, pineapple, deciduous and vegetable productions. These farmers were supported with technical support, production inputs and infrastructure. The extent of support is determined by both the needs as identified in the business plans and also the budget availability. It must be stated that the needs do outweigh the available budget and it is on this basis that partnerships are encouraged and supported.

During the period under review, the Department in partnership with the ECRDA developed Eastern Cape Cannabis Strategy which is aligned to the Cannabis Master Plan. The strategy seeks to amongst other things, establish cannabis incubation centres, where cannabis producers can grow cannabis (under the licenced incubator), process and package into different products. The work has commenced in the two cannabis incubators i.e. OR Tambo at Magwa and Amathole at Dohne with respect to mobilisation and training of farmers, planning and infrastructure development.

Furthermore, the Department provided farmers with agricultural infrastructure in key commodities i.e. grain, red meat, wool and mohair so that they improve the productivity and competitiveness. The Department supported 15 Feedlots where farmers fattened their cattle for markets. This has opened up opportunities for communal farmers to participate in the red meat value chain by fattening their cattle and selling them at the market price. Furthermore, the Department has provided farmers with sheep shearing sheds and equipment to improve not only the areas where wool producers are shearing but the quality of wool as well. This initiative is also enhanced by the livestock improvement programme, where livestock producers are provided with superior genetic breed to improve their herd.

The Department has the initiation mechanisation centres in Amathole, Alfred Nzo and Sarah Baartman. Our fleet in the mechanisation centres is low and will be required to be increased and in this regard, we are engaging Department of Agriculture, Land Reform and Rural Development (DALRRD) to increase the fleet and also improve on the governance systems so that these mechanisation centres are positioned to serve all farmers. In the 2021/2022 financial year, we have



Nonkqubela Pieters
Member of Executive Council
(MEC)

also initiated the provincial yellow fleet at the Dohne Agriculture Development Institute, where heavy duty equipment was acquired to support farmers in dam scooping, debushing and access roads. These are areas that require further investment to reduce the cost of production which is key to successful farming enterprises.

Department has taken significant strides in implementing impactful programmes which have improved the lives of the people of the Eastern Cape. Notwithstanding the effects of Covid - 19, the Department supported farmers to participate in the Presidential Employment Stimulus Initiative that provided them with production inputs in order to produce food for their families and households. This initiative provided farmers with a relief at the time when the country and the province was under siege due to effects of Covid - 19.

Lastly, the Department has improved its audit outcome and received a clean audit. This will bring confidence to investors. The public can be assured that the budget is properly managed and every cent is accounted for. We have also transformed the management of the Department, where 57,4% is females. We are now putting up strategies and programmes to attract people with disabilities in the Department, which is an area of concern as we have not achieved the 2% requirement.

I would like to express words of appreciation to all the partners that continued working with the Department in areas of grain, infrastructure, citrus and other commodities. The achievements documented here are as a result of synergetic benefits gained through unrelenting corporation. The negative aspects are noted and will surely be dealt with for continued improvements in this demanding space.



HON NONKQUBELA PIETERS (MPL)
MEMBER OF THE EXECUTIVE COUNCIL

DATE: 31 August 2022

4. REPORT OF THE ACCOUNTING OFFICER

With the dawn of a new democracy in South Africa in 1994, it has been necessary for public sector organisations to adopt the philosophy and processes of strategic management in order to adapt to broader environmental, socioeconomic and psychological change. The creation of a successful strategy, and its successful implementation, are the most reliable signs of good management. With this annual report the department is in its third year of the Medium Term Strategic Framework (MTSF). Significant strides have been made to achieve the set MTSF targets and the department remains on track in this course.

The current 2020-2025 MTSF contains the priorities of government for the five years in lines with the national and provincial electoral cycle. The framework sets out the plan (linked to the NDP priorities) to be implemented during this electoral cycle, which means that all three government spheres are mandated to ensure that policy coherence, alignment and co-ordination exists across all governmental plans, and that they are also aligned to budgeting processes. This annual report is in line with the MTSF priorities where our planning documents (both strategic and annual performance plans) are based on. The annual report is therefore consistent with its related planning documents i.e. APP as per the reporting prescripts.



Siphokazi Ndudane
Head of Department (HoD)

South Africa as a member of Sub-Saharan Africa, is engulfed with issues of poverty, hunger and inequalities. The department has designed programmes, policies and procedures to fight this triple challenge facing our country and to ensure that the country is food secured. However, the climate change is a treat to realisation of these mandatory and pressing issues. Food security refers to all citizens having access to the food they needed for a healthy life at all times. Agriculture provides food security by using land to grow crops and rearing animals as a food source. As sustainable development concerns, food security and agriculture link directly to poverty and hunger. It is projected that by 2050 agricultural production will not be able to produce enough food to feed the 9-billion people who will occupy Earth. Food security concerns also link directly to loss of biodiversity and climate change. With this understanding the department has continued to help vulnerable households to help alleviate poverty and hunger related strains and a total of 20 046 subsistence households were supported with vegetable seeds and seedlings, garden tools, piggery feed and poultry feed.

In the period under review a total of 176 agricultural infrastructure projects were completed, this resulted in a total of 5 238 producers of various commodities ranging from Red Meat, Grain, Citrus and other provincial specific commodities supported through completion of on and off farm infrastructure projects and 926 jobs were created through infrastructure projects. Furthermore, a total of 31 735 hectares have been planted with field crops and fodder. This hectorage benefited a total of 14 822 smallholder producers whilst a total of 662 livestock enterprises were supported to upkeep of viable Agriculture Value Chains.

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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	5 101	5 903	(802)	786	4 396	(3 610)
Transfers received	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	2	-	2
Interest, dividends and rent on land	4	45	(41)	3	2	1
Sale of capital assets	1 900	1 117	783	1 268	930	338
Financial transactions in assets and liabilities	600	954	(354)	210	8 741	(8 531)
Total	7 605	8 019	(414)	2 269	14 069	(11 800)

The department has over collected the revenue for the 2021/22 financial year. The revenue over-collection was mainly from the sale of Agricultural export and import permits, telecommunication services, abattoir registrations fees, sale of farm produce on animals and sale of scrap. There was also a huge increase on interest received from debt. This good work was countered by the under-collection on the following items: rental on dwellings, course fees, sale of tender documents, wool and skin and dairy cattle.

The department's annual tariff policy is reviewed annually taking into account the inflation rate. The inflation rate for the financial year under review was 5, 9%. The tariff policy takes into account all goods and services rendered by the department. The tariff rates are based on recovering the cost incurred on goods and services.

The sale of capital assets consist of biological assets. The biological assets that were sold had reached the end of their research cycle. The department distributed biological assets to assist emerging farmers in line with its service delivery mandate. The department has collected R827 653 from the sale of capital assets.

The department has continuously monitored the revenue collection and has ensured that the internal controls were efficient and effective and this has resulted in over collection.

Programme Expenditure.

Programme Name	2021/2022			2020/2021		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	437 777	441 557	(3 780)	454 537	455 874	(1 337)
Sustainable Resource use and Management	131 555	131 555	-	114 544	114 824	(280)
Agricultural Producer Support and Development	825 104	822 566	2 538	811 949	799 196	12 753
Veterinary Services	295 506	295 506	-	296 884	296 549	335
Research and Technology Development Services	117 796	117 796	-	127 165	126 600	565
Agricultural Economics Services	31 868	31 868	-	33 671	33 758	-(87)
Agricultural Education and Training	188 098	185 145	2 953	167 306	164 650	2 656
Rural Development	228 903	228 903	-	253 663	253 032	631
Total	2 256 607	2 254 896	1 711	2 259 719	2 244 483	15 236

Overall, in 2021/22 the department under-spent its final appropriation by a net amount of R1.711 million, and this has improved significantly compared to the 2020/21 under-expenditure of R15.236 million.

Variance explanations:

Explanation of variances

1. Programme 3: Agricultural Producer Support and Development

Payments for capital assets R2.538 million

The under-expenditure is ascribed to delays in respect of the borehole projects due to inclement weather conditions. There were also delays in the implementation of the shearing sheds, dip tanks and fencing projects due to financial constraints from suppliers which resulted in cancellation.

2. Programme 7: Agricultural Education and Training

Compensation of employees R297 000

This under-spending caused by the intern who dropped out in year.

Goods and services R684 000

There was an under-spending ascribed to training due to delays in advertising the outsourced trainings that were to be offered for farm workers and educators.

Payments for capital assets R1.971 million

The under-expenditure was mainly caused by the cancellation of a poultry project due to a service provider that abandoned the site. The funds could not be re-directed to other projects.

3. Programme 1: Administration

The over-expenditure of R3.780 million largely attributable to unanticipated cost of awards against the department, and required to be paid as per the court order.

Virements

1. Programme 1: Administration R5.266 million Compensation of employees (R310 000)

An amount of R310 000 was reduced from savings which was realised from the high staff turnover and these funds were moved to reduce unanticipated staff exit costs.

Goods and services (R7 000)

There was a net decrease of R7 000 against goods and services, as funds were moved to defray spending pressures that were caused by forex losses which were brought about by changes in the foreign exchange in respect of the Microsoft Software annual payment.

Machinery and equipment R5.524 million

An amount of R5.524 million was redirected from Programme 3 within Machinery and equipment to cater for transport leases pressures that was underfunded.

Payment for financial assets R59 000

This category received R59 000 to defray spending pressure caused by forex losses brought about by change in the foreign exchange in respect of the Microsoft Software annual payment.

2. Programme 2: Sustainable Resource use and Management R3.577 million Compensation of employees R1.750 million

Compensation of employees received R1.750 million attributable to unanticipated SMS salary increase with back-pay from April 2021 to March 2022, and this increment was not catered for in 2021/22.

Goods and services R64 000

Goods and services was increased to defray over-expenditure attributed to arrear payment of casual labourer relating to the previous financial year for Land care projects.

Machinery and equipment R1.763 million

This item was increased by R1.763 million to cater for transport leases that were underfunded from other programmes within Payments for capital assets.

3. Programme 3: Agricultural Producer Support and Development (R5.430 million) Compensation of employees (R862 000)

Compensation of employees was under-spent by R862 000 due to delays in the filling of posts, and these funds were moved to Programme 2 within Compensation of employees to offset cost pressure caused by unanticipated SMS salary increase with back-pay from April 2021 to March 2022, and this increment was not catered for in 2021/22, as explained.

Payments for capital assets (R4.568 million)

An amount of R4.568 million was moved to Programme 1, Programme 2 within Payments for capital assets to cater for underfunded transport lease cost.

4. Programme 4: Veterinary Services R365 000 Compensation of employees R866 000

Compensation of employees received R866 000 attributable to unanticipated SMS salary increase with back-pay from April 2021 to March 2022, and this increment was not catered for in 2021/22.

Goods and services R91 000

Goods and services was increased to defray over-expenditure attributed to travel and subsistence spending pressure.

Payments for capital assets (R592 000)

Under-expenditure of R592 000 was mainly due to the late delivery of laptops and was redirected within this category to cater for transport leases pressures that were underfunded.

5. Programme 5: Research and Technology Development Services (R161 000)

Compensation of employees (R641 000)

Compensation of employees was under-spent by R641 000 due to delays in the filling of posts, and these funds were moved to Programme 2 within Compensation of employees to offset cost pressure caused by unanticipated SMS salary increase with back-pay from April 2021 to March 2022, and this increment was not catered for in 2021/22, as explained.

Goods and services R598 000

Goods and services received R598 000 to defray over-expenditure attributed to travel and subsistence spending pressure.

Machinery and equipment (R118 000)

Under-expenditure of R118 000 was mainly due to the late delivery of laptops and was redirected from this programme within Payment for capital assets to defray underfunded transport lease.

6. Programme 6: Agricultural Economics Services (R13 000)

Compensation of employees R141 000

Compensation of employees received R141 000 attributable to unanticipated SMS salary increase with back-pay from April 2021 to March 2022, and this increment was not catered for in 2021/22.

Goods and services (R126 000)

Goods and services minimal under-expenditure was re-directed to offset pressures in other areas.

Machinery and equipment (R28 000)

An amount of R28 000 for computer equipment was under-spent due to late delivery of laptops, and redirected to other programmes within Payment for capital assets to defray underfunded transport lease.

7. Programme 7: Agricultural Education and Training R452 000

Compensation of employees (R255 000)

Compensation of employees was under-spent by R255 000 due to delays in the filling of posts, and these funds were moved to Programme 2 within Compensation of employees to offset cost pressure caused by unanticipated SMS salary increase with back-pay from April 2021 to March 2022, and this increment was not catered for in 2021/22, as explained.

Goods and services R1.504 million

Goods and services received R1.504 million to defray over-expenditure to cater for the underfunded graduation costs at TARDI.

Machinery and equipment (R797 000)

Under-expenditure of R797 000 was mainly due to the late delivery of laptops and was redirected to other programmes within Payment for capital assets to defray underfunded transport lease.

8. Programme 8: Rural Development (R4.026 million)

Compensation of employees R834 000

Compensation of employees received R834 000 attributable to unanticipated SMS salary increase with back-pay from April 2021 to March 2022, and this increment was not catered for in 2021/22.

Goods and services (R3.676 million)

An amount of R3.676 million was under-expenditure which as a result of the juice-making equipment and sewing machines that were on back-order from China that are still in transit. These savings were moved to Programme 2 against Compensation of employees to offset spending pressure brought about by unanticipated SMS salary increase with back-pay from April 2021 to March 2022, and this increment was not catered for in 2021/22. In addition, funds were moved to offset spending pressure relating to travel and subsistence in other programmes.

Machinery and equipment (R797 000)

Under-expenditure of R797 000 was mainly due to the late delivery of laptops and was redirected to other programmes within Payment for capital assets to defray underfunded transport lease.

Roll overs: R 636 000

Amount of R636 thousand was rolled over to the department for the procurement of laptops for extension officers that could not be delivered within the 2020/21 financial year.

Unauthorised, Irregular, Fruitless and Wasteful expenditure

The department incurred fruitless and wasteful expenditure amounting to R15 805 during the year. Transactions amounting to R12 055 were deducted from the officials' salaries and an amount of R300 is under dispute by the official and has been deferred to the Anti-Corruption Unit for further investigation. Out of R3 450 remaining, R1 500 condonement was approved and R1 950 is in the process of cost recovery from the concerned officials.

The nature of these transactions involved relate to no-show charges on accommodation, cancellation fees and after hours fees from the travel agents.

The Head of department has made strong decisions and taken steps to avoid reoccurrence of such transgressions by recovering the costs from the officials' salaries unless the Finance & Supply Chain Management Compliance Committee (FSCMCC) recommends for a condonement to The Head of Department for her approval. . Consequence management is also applied in cases where none of the above is actioned.

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

The internal control measures are strongly practised by successful pre-audit processes and awareness programmes on how to address internal control weaknesses in both procurement and payments processes. Hence the irregular expenditure of the department remained as NIL balance since 2018 to date.

Strategic focus over the short to medium term period

The department is strongly moving towards the elimination of fruitless and wasteful expenditures to be NIL by applying consequence management and cost recoveries from the affected officials.

Public Private Partnerships

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

Discontinued key activities / activities to be discontinued

No activities were discontinued.

New or proposed key activities

There were no new or proposed activities.

Supply chain management

There were no unsolicited bid proposals in the year under review. The prevention of irregular expenditure process started with Procurement Services when requisitions were submitted by the procuring entity for an order to be generated. All relevant supporting documents were verified for completeness before an order was authorised. The procurement voucher is then submitted to Pre-Audit for further verification and a compliance certificate would be issued before an order is printed.

Gifts and Donations received in kind from non-related parties

None.

Exemptions and deviations received from the National Treasury

None.

Events after the reporting date

None.

Other

None.

Acknowledgements/Appreciation

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

Conclusion

In the 2021-22 financial year, the department achieved a Clean Audit report. The department will continue to implement strategic programmes, which over time, will yield the desired impacts in the reduction of poverty, inequality and unemployment. This is a demonstration of an effective and efficient utilization of resources to deliver rural development and agriculture related priority programmes.

Approval and sign off by.



S NDUDANE

ACCOUNTING OFFICER

DATE: 31 August 2022

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

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

All information and amounts disclosed throughout the annual report are consistent.

The annual report is complete, accurate and is free from any omissions.

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

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

The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.

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

The external auditors are engaged to express an independent opinion on the annual financial statements.

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

Yours faithfully



S NDUDANE
ACCOUNTING OFFICER
DATE: 31 August 2022

6. STRATEGIC OVERVIEW

6.1 Vision

A sustainable agricultural, integrated rural development and food security for all.

6.2 Mission

To improve agricultural production to stimulate economic development, food security and integrated rural development through:

- Integrated rural development;
- Agrarian reform;
- Sustainable livelihoods;
- Support land reform for agricultural production;
- Facilitating partnerships to commercialise and transformation of the agriculture sector;
- Innovation, research, technology development to increase productivity and competitiveness; and
- Access to opportunities for youth, women and other vulnerable groups.

6.3 Values

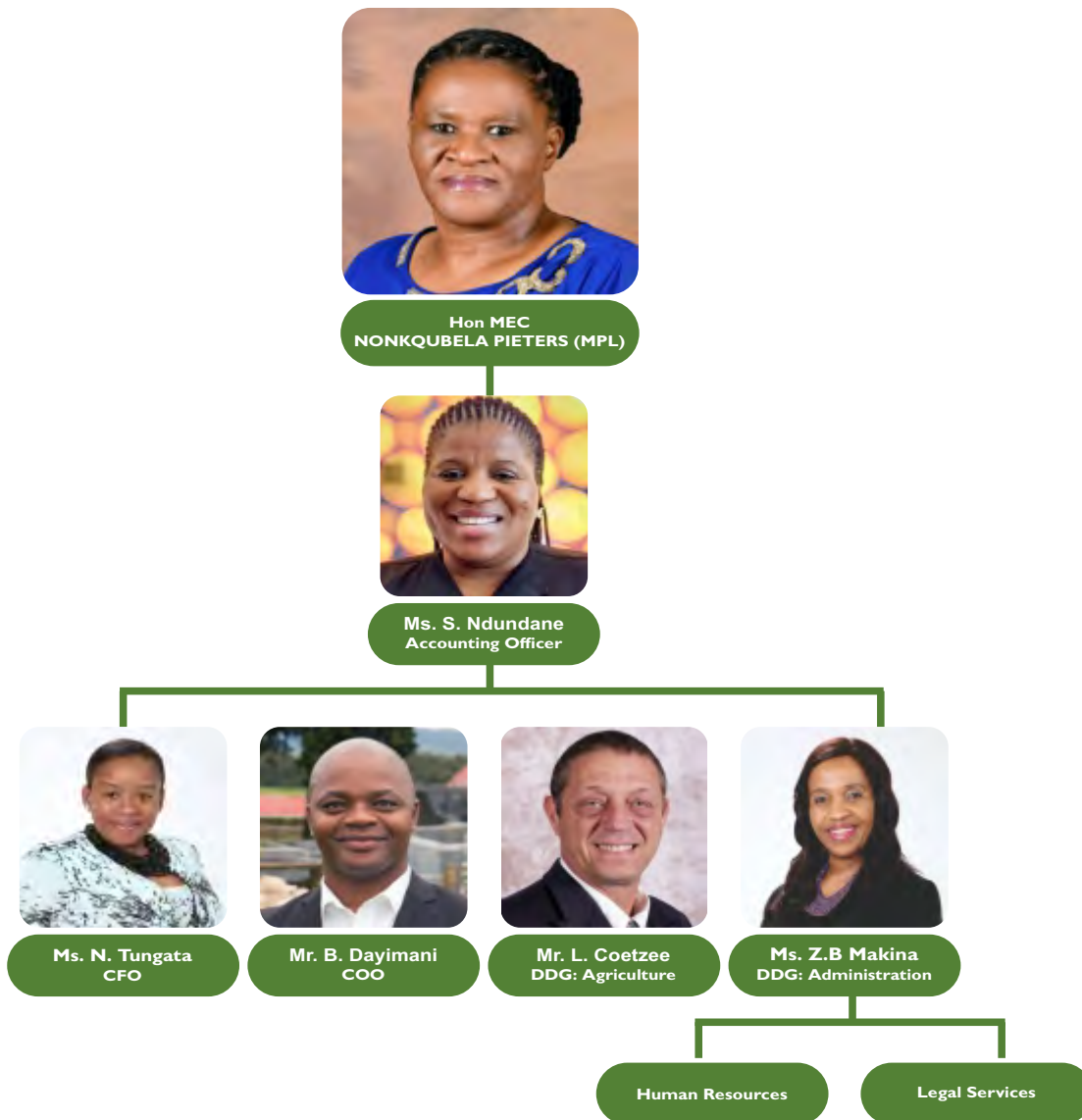
- **Ethical leadership:** We lead with respect for ethical beliefs and values and for the dignity and rights of others.
- **Honesty & Integrity:** Commitment to be transparent with all stakeholders.
- **Innovation:** Commitment to keep abreast of new developments in relevant fields of expertise and be innovative in carrying out the mandate of the Department.
- **Excellence:** We are committed to exceeding our customer's expectations for quality, responsiveness, efficiency and service excellence.
- **Working hand in hand "Bambisanani":** We believe that the sum of our collective efforts will be greater than the total of our individual efforts.
- **Mutual respect:** We value each other's contribution as we seek to realise the vision and goals of the Department.
- **People centeredness:** "Bonke abantu esisebenza nabo, siya kusebenzisana nabo ngokufanelekileyo nangokulinganayo."

7. LEGISLATIVE AND OTHER MANDATES

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

• Constitution of the Republic of South Africa, Act 108 of 1996	Act No 108 of 1996
• The Agriculture Development Act, 1999	Act No. 67 of 1999
• Conservation of Agricultural Resources Act, 1983	Act No. 43 of 1983
• Eastern Cape Rural Finance Corporation, Act 1 of 2012	Act No. 9 of 1999 as Amended by Act I of 2012
• Veterinary and Para-Veterinary Professions Act, 1982	Act No. 19 of 1982
• The Animal Health Act, 2002	Act No. 7 of 2002
• The Animal Identification Act, 2002	Act No. 6 of 2002
• The Meat Safety Act, 2000	Act No. 40 of 2000
• Animal Diseases Act, 1984	Act No. 35 of 1984
• Animal Improvement Act, 1998	Act No. 62 of 1998
• Animal Protection Act, 1962	Act No. 71 of 1962
• Livestock Improvement Act, 1997	Act No. 25 of 1997
• Agricultural Pests Act, 1983	Act No. 36 of 1983
• Fertilizers, Farm Feeds, Agricultural Remedies and Stock Remedies Act, 1947	Act No. 36 of 1947
• Agricultural Research Amendment Act, 2001	Act No. 27 of 2001
• Marketing of Agricultural Products Act, 1996	Act No. 47 of 1996
• Fencing Act, 1963	Act No. 31 of 1963
• Land Tenure Rights Act, 1991	Act No. 112 of 1991
• Intergovernmental Relations Framework Act, 2005	Act No. 13 of 2005
• Public Finance Management Act, 1999	Act No. 1 of 1999
• Basic Conditions of Employment Act, 1997	Act No. 75 of 1997
• Division of Revenue Act, 2009	Act No. 12 of 2009
• Preferential Procurement Policy Framework Act, 2000	Act No. 5 of 2000
• Public Service Act and Regulations, 1994	Act No. 103 of 1994
• Skills Development Act, 1998	Act No. 97 of 1998
• Occupational Health and Safety Act, 1993	Act No. 85 of 1993
• Employment Equity Act, 1998	Act No. 55 of 1998
• Promotion of Access to Information Act, 2000	Act No. 2 of 2000
• Treasury Regulations issued in terms of PFMA Act, 1999	Act No. 29 of 2000
• Promotion of Administrative Justice Act, 2000	Act No. 2 of 2000
• Spatial Planning and Land Use Management Act, 2013	Act No. 16 of 2013
• Protection of Personal Information Act, 2013	Act No. 4 of 2013
• Land Use Act	Act No. 70 of 1970 and Act No. 43 of 1983

8. ORGANIZATIONAL STRUCTURE



9. ENTITIES REPORTING TO THE MEC

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

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

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

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
Eastern Cape Rural Development Agency (ECRDA)	ECRDA was established, through Act 1 Of 2012, to promote, support and facilitate rural development in the Eastern Cape Province in a sustainable manner.	The ECRDA is a Schedule 3C entity in terms of the Public Finance Management Act (PFMA). 2021/22 Budget allocation was R252m.	• Administrative • Project Management • Rural Financial Services (Rural Finance)

PART B

PERFORMANCE INFORMATION



I. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

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

Refer to page 150 of the Report of the Auditor General, published as Part E: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

The Annual report provides an opportunity for a department to highlight its key achievements and the related challenges impacting the accelerated service delivery. To date the effects of Covid-19 pandemic have highlighted the critical role played by the agriculture sector in addressing food insecurity at household and community level. It is in this period that the sector was identified to be the essential service during the hard lockdown.

However, the outbreak of the pandemic, has not only affected the implementation of government's plans, it has also significantly changed the way of life of South African citizens, the nature and the way of working and interacting with our clients and stakeholders had to change for purposes of flattening the curve of COVID-19.

Research & Technology development

In order to provide expert, problem focused and client centric agricultural research, technology development and transfer impacting on development. The department presented 16 scientific papers at various scientific platforms over the reporting period. These presentations were dealing with, among others, developing climate change adaptation and mitigation strategies, use of indigenous knowledge, acid tolerant maize genotypes and rainwater harvesting techniques for production. In the year under review, a total of 66 research projects were implemented to improve agricultural production and 23 demonstration trials were conducted with farmers to impart knowledge and skills on farming practices. This was coupled with a total of 3 435 samples (Soils, Plants, Feed and Water) that were analysed in this reporting period to aid decision making of clients.

Through research the department imparted knowledge to the agricultural sector and the broader farming communities by making 57 research presentations both at peer reviewed events and technology transfer events. In addition a total of 8 booklets were developed to be used as a manual by smallholder producers in their various farming businesses.

Resource Management

To promote the implementation of sustainable use and management of natural agricultural resources through regulated Land Use (Act 43 of 1983 and Act 70 of 1970). The department facilitated, coordination, monitoring and reporting on optimal land use and sustainable environmental management and protection of biodiversity through area based planning, restoration and rehabilitation of degraded ecosystems, sustainable land use management (e.g. land use planning, land care and land management) and protection of land by implementing conservation of agricultural resources.

Proceeding from the above prescripts, it is evident that there is an urgent necessity to safeguard our natural resources in the quest of achieving sustainable development. Conservation of Agricultural resources Act (CARA Act) on par 55 makes a provision for the conservation of the natural agricultural Resources of the Republic through maintenance of the production potential of land, by combating and prevention of erosion and weakening or destruction of the water sources, protection of the vegetation and the combating of weeds and invader plants. The need to curb the devastating effects of climate change cannot be over emphasized as this is a trend that affects natural resources use, economic prosperity and the livelihood of the people, plants and animals.

To that effect a total of 19 awareness campaigns were conducted in order to create awareness within our farming communities of the above mentioned prescripts in particular with degradation of production land. In addition a total of 4 970 ha of productive land were protected and/or rehabilitated, this was done to bring back production land that is otherwise ruined by invasion of foreign species, 221 ha were cultivated under Conservation Agriculture practices which

aims at compacting land degradation due to constant tillage, 1 012 beneficiaries adopted sustainable production technologies and practices for improved livelihoods, and this resulted to 544 green jobs created.

Furthermore, a total of 1 748 hectares of agricultural land were protected through guiding subdivision/ rezoning/ change of agricultural land use, with a particular focus on ensuring that productive agricultural land is not used for other uses such as residential, industrial etc. A total of 43 farm management plans were developed for effective and efficient management of this natural resource (farm land) and a total of 493 natural/ agricultural resources maps were produced for planning and decision making purposes, while a total of 296 spatial data were disseminated to end users for planning purposes.

Basic Infrastructure

For the purposes of providing producer support services for sustainable agricultural development in line with the National Policy on Comprehensive Producer Development Support (CPDS), the department has embarked on infrastructure support services to contribute to this overall objective, National Policy and nationally recognised infrastructure backlog. To this end a total of 176 agricultural infrastructure projects were completed, this resulted in a total of 5 238 producers of various commodities ranging from Red Meat, Grain, Citrus and other provincial specific commodities supported through completion of on and off farm infrastructure projects and 926 jobs were created through infrastructure projects.

In the period under review the sub-programme had under performed on infrastructure and citrus beneficiaries. These under performances are attributed to non-responsive tenders by prospective suppliers, delays in the procurement process for protective clothing, inclement weather conditions, cash flow problems experienced by contractors, unavailability of materials (such as wind turbines etc.), failure of contractors appointed to finish the work as per the plan, infrastructure projects cancelled due to Environmental Impact Assessment (EIA) related issues, projects cancelled due to poor performance of contractors.

Standard Bidding Document (SBD) 8 dealing with the declaration of bidder's past supply chain management practices, paragraph 3 states that a solution for a non performing contract is not to appoint them again. This will ensure that there is smooth running of our business in terms of addressing the infrastructure backlogs mentioned above. To be stricter on these provisions is the only way that will move us forward towards our destination of commercialised farming communities.

Farmer's and Institutional Capacitation.

In the quest of providing and facilitating a structured and vocational agricultural education and training aimed at establishing a knowledgeable, prosperous and competitive sector. A total of 759 students were enrolled to complete accredited Higher Education and Training (HET) qualifications related to Agriculture, 334 students graduated from Agricultural Training Institutes, 90 youth were supported towards agri-business services.

Furthermore, a total of 2 148 participants were trained in skills development programmes in the sector, 40 educators were capacitated in agricultural science related fields to improve their understanding of the sector needs and also to enable them to impart ground breaking knowledge to their students, 189 out-of-school youth who participated were trained in learner-ship programme, 20 farms / projects were mentored according to their different commodities in order to make them profitable in their agricultural businesses and 184 farm-workers completed accredited and/ or non-accredited training for the purposes of developing a skilled Farm-Workers labour force.

The department, in its endeavours to help our farming communities to be on par with the direction that the department is taking in as far as commercialisation of Agriculture is concerned, has continued with farmer registration in ensuring that farmers needing departmental support are registered in the farmer database. Consequently in the year under review a total of 23 514 farmers were registered and their geographical spread is as follows: Alfred Nzo 4 017, Amathole 5 486, Buffalo City 372, Chris hani 6 294, Joe Gqabi 3 741, Nelson Mandela 1 10, OR Tambo 3 215, Sarah Baartman 279.

The registered farmers are within the following demographics: youth 2 858 (1 524 male, 1 335 female), 36-60 years 11 686 (6 679 males, 5 007 females), older than 60 years 8 831 (6 041 males, 2 790 females) and under 18 years 142 (87 males and 55 female). Officials are encouraged to continue registering farmers as this is a determining factor on the budget the province gets allocated in support of smallholder farmers.

The Smallholder Horticulture Empowerment Programme is progressing very well where farmers are encouraged to produce for the market and they seem to be grasping the concept. In the year under review we had 541 projects across the province participating in vegetable production, poultry and piggyery. The split of projects participating in the programme

are as follows: Sarah Baartman 30 projects (119 males, 126 females, 65 youth and 8 disabled), 151 projects (126 males, 74 females, 78 youth, 3 disabled), Chris Hani 81 projects (77 males, 61 females, 62 youth), Joe Gqabi 110 projects (28 males, 29 females, 110 youth, 2 disabled), OR Tambo 44 project (76 males, 135 females, 8 youth, 1 disabled), Alfred Nzo 125 projects (41 males, 73 females, 11 youth) where in total 718 seasonal and 376 permanent jobs were created.

Grain Production

To support, advise and coordinate the implementation of National policy on Food and Nutrition Security, the department has made tremendous strides in picking up where it left off from the preceding financial year in terms of accelerated support for hectares planted for production of field crops including but not limited to information days held to promote knowledge transfer and skills to producers towards commodity development, agricultural demonstrations steered to practically educate producers on production methods. These advances includes support to the beneficiaries of livestock enterprises, smallholder producers and subsistence producers.

In the reporting period under review, a total of 31 735 hectares have been planted with field crops and fodder. This hectorage benefited a total of 14 822 smallholder producers whilst a total of 662 livestock enterprises were supported to upkeep of viable Agriculture Value Chains.

Household Food Security

It is known that poverty remains a challenge in the country and evidence indicates that it causes stress and negative emotional states.

With this understanding the department has continued to help vulnerable households to help alleviate poverty and hunger related strains and a total of 20 046 subsistence households were supported with vegetable seeds and seedlings, garden tools, piggy feed and poultry feed.

Vegetable Value Chain

Vegetable projects were supported with vegetable seeds and seedling, wheelbarrows, fertilizers, chemicals and insect pest control drugs, vegetable farm shed and pack shed structure and fencing for irrigation projects. The vegetables were sold at various local markets with cabbage heads sold at an average price of R12, 7, spinach bunches sold at R8 per bunch, potatoes sold at an average price of R65 per bag and a considerable income was generated from these sales.

Pineapple Production

Pineapple Production is one the high value commodities in the agricultural space together with horticultural crops of citrus and deciduous fruits. A total of 10ha of pineapple was harvested at Tarfield (2ha) and Bingqala (8ha). Soil preparation was finished for a total of 23ha at Ngqushwa Pineapple project (Cornfields, Tarfield and Barthust). These projects were also supported by ECRDA with forklift (1) and a 4x4 tractor (1). For this financial year, a total of 307 tons of pineapple were sold at R1 800.00 and realised a total amount of R552 600.00 at Bingqala Coop (217 tons at R1 800 =R390 600) and at Cornfields (90 tons by R1 800 =R162 000.00).

Horticultural Crops

Citrus Expansion

Tsolo Agro-processing' (Quench Juice) Installation of ISO panels in preparation for the housing of a juice bottling and labelling machinery has been completed. Harvesting of Naartjies (Satsuma) at Naudershoek 5ha and Siyamila 5ha is under way in preparation for a citrus fruit needed for cold winter conditions. Furthermore, a supply and delivery of citrus sprayer machine for Siyaphambili farm was fully implemented.

In Craighead (Ngqushwa), 27 ha installation of irrigation system has been completed and was commissioned successfully. In Krila (Raymond Mhlaba), 28ha installation of irrigation system has been completed and was commissioned successfully. Waterfall Installation of an irrigation system has also been completed but could not be commissioned due to ill health of Contractor owner and delivery of 2 tractors has been completed to assist heavily with the orchards operations.. Greenwood Citrus Farm (Irrigation system 18ha) was completed and 3 Producers benefited.

In Krila 4.3km and Craighead 5.6km of fencing has been completed. Waterfall- 5.7 km of Fencing has been completed. Procurement of trees for Krila and Craighead has been finalised but transplanting was delayed to September 2022 as most

of the seedlings were not yet ready from the Nurseries. Waterfall tender deferred to 22.23 due to non-response in tenders advertised and delays with Eskom for transformer installation and electricity lines.

Deciduous Fruit production

Gubenxa Orchards; Environmental Impact Assessment (EIA) is in progress and completion is pending the results to be received from Environmental Affairs on the submitted report. Preliminary designs have been issued for dams and the detailed design stage is deferred to when there is budget for development.

Fodder Production

To assist with animal feed for improved animal herd, installation of irrigation system in Shiloh of Chris Hani District has been completed.

Aquaculture Development

Aquaculture has an important role to play in quest of balanced nutritious food. This therefore suggests that a focused investment on this commodity cannot be over emphasised. In the current reporting period, the Tilapia Fish Farm project which replaced Construction of storage shed with ablution and waste management facility for Grahamstown Poultry Development has been completed. Willowmore and Phambile Aquaponics projects still in progress and planned to be completed in Q1 of 2022/23 due to changes of initial designs.

Wool and Mohair Value Chains

Wool Production

This commodity has proven to be a highly sought after product in the whole world over the years. For this reporting period a number of interventions in support of this commodity has been undertaken. In Alfred Nzo, 200 wool producers were supported with Döhne Merino rams for superior genetic material in order to improve wool production (24 producers in Matatiele and 176 producers in Ntabankulu). Perleden Farm in Inxuba Yethemba of Chris Hani District, received 25 Döhne Merino Ewes on 3 March 2022 from Livestock Improvement Programme. Other achievements are as follows:

- One (1) storage shed (Brooklyn) of Sara Baartman is completed
- Chibini wool shed from Chris Hani has been completed
- Wool shearing sheds for both Gqoloma and Feni with small stock dipping tanks have been completed and 54 producers have benefited
- Two (2) Shearing sheds Mangquzu and Ngxakolo in OR Tambo have been completed and 34 smallholders producers were supported whilst 2 (Skhobeni & Mhlanjeni) are still under construction.

Commercialisation of Livestock production

DRDAR Livestock Improvement Scheme programme supported various livestock projects within the districts with superior genetic bulls in February and Rams in March 2022. All the animals received were in healthy condition during the arrival and the department's veterinary services advised farmers on the types of medications to purchase for block treatment/ immunization of bulls against tick-borne diseases.

Farmers on the Livestock improvement Programme were supported with advice on how to do feeding and vaccinating of layers, on feeding and vaccinating of pigs, regarding shearing shed on buying of scale for next shearing season. Farmers participated on an open show where they competed with other farmers to measure the standard of their livestock. Farmers were encouraged to buy rams and bulls to improve their stock. Information days held on sheep management and elements of shearing shed complex, on fodder production for farmers to assist them to cater for supplementary feeding for winter season when grazing is scarce.

Implementation and coordination of Livestock Production and Improvement Scheme. Achieved 0.29% ten-day mortality in the cycle on average of the four municipality (Buffalo City, Nkonkobe, Great Kei and Nxuba). Achieved 0.34% mortality at the end of the cycle. Chris Hani's site visits and monitoring on delivery and installation of wind turbine at Midafa Commonage to provide drinking water for livestock. Monitoring and evaluation of wind turbine project at Egg Rock and demonstration conducted by the Extension Practitioner on how to stop and run the turbine from a control box. Fencing material was delivered at Geluk farm. Demonstration conducted by the Extension Practitioner on how to offload heavy material for safety purposes and check quality-using bill of quantities.

Veterinary Services:

The department provides veterinary services to clients in order to ensure healthy animals, sustainable and profitable animal production enterprises, safe trade in animals and products of animal origin and the wellbeing of animals and the public. To this end, a total of 9 330 715 treatments were applied to sheep for the control of sheep scab to improve the quality and quantity of the wool clip, 3 674 663 treatments were applied to animals for external parasites control and 134 386 animals were vaccinated against controlled animal diseases. In order to control animal diseases occurrences, 1 507 751 epidemiological units were visited for veterinary interventions, whilst a total of 78 526 samples were collected and tested for targeted animal disease surveillance.

Animal exports and products is one of the measures of economic activity in the agricultural sector, to that effect a total of 4 854 veterinary certificates were issued for export facilitation of animals and animal products. These exports are done with the understanding that doing business in your country only, you may be limiting the total potential profits you could earn on opportunities to expand your business worldwide.

In compliance with the prescripts of the Meat Safety Act (Act 40 of 2000) a total of 1 023 inspections were conducted on facilities producing meat, 1 471 interactions were held to restrain dishonest slaughters and sell to the public for consumption and 2 285 samples collected to monitor the safety of meat produced at abattoirs.

In order to provide veterinary diagnostics and investigative services that support and promote animal health and production towards the provision of safe food, a total of 97 134 specimen were tested for diagnostic purposes, 62 583 laboratory tests were performed according to approved standards and 15 399 Primary Animal Health Care (PAHC) interactions were held to minimize the impact of disease occurrence.

Agri-business development

In 2021/22 financial year, with the consistent ease in the lockdown restrictions enabled the Agricultural Economic Services Programme to provide more agribusinesses with marketing services, production economics support and the provision of macroeconomic support to both internal and external clients. The Program managed to assist in the SA GAP accreditation of 6 projects which are in Amathole, Chris Hani, Joe Gqabi, OR Tambo and Sarah Baartman Districts.

There was a significant increase in the provision of the marketing information, especially marketing workshops for various commodities and market prices enquiries. Equally, there was an increase in requests for economic advice as well as assistance in the form of macro-economic information. A total of 1 758 agri-businesses were assisted with marketing service inclusive of cooperative development support, 1 116 agribusinesses were provided with production economic advice linked to business planning, and 3655 macro-economic reports were compiled, inclusive of due diligence requests by the Department of Social Development (DSD).

Rural development coordination

In the year under review, the department set 6 infrastructural targets all of which were achieved. Three spring water protection technologies (Chakini in Ward 3 of Matatiele local municipality, Upper Tsitsana in Ward 9 of Engcobo local municipality and Manzana in Ward 4 of Elundini local municipality) were implemented resulting in the strategically located installation of 65 taps in those three rural villages for the benefit of 4520 villagers 76% of which were youth; 60% female and 77 people with disabilities. Sanitation projects were also implemented in three social entities such as early learning centre in Bizana; a church and secondary school to benefit 260 people 85% of which are youth and 65% women.

The implementation of both types of projects involves community participation wherein the benefitting community forms part of the casual labour. In this regard, 322 people participated, of which 54% were youth and 30% were women. In achieving all these interventions, the department contributed to 3 national priorities: economic transformation and job creation; social cohesion and safety and quality basic services.

In support of the national priority that speaks to economic transformation and job creation, the department during the year under review capacitated 418 beneficiaries with sewing machines, sewing material, arts and craft material alone processing equipment, brick production enterprises and carpentry. Out of this number, 140 were youth, 35 persons with disabilities and 226 were females. The programme planned to support 112 Rural Enterprises but achieved 103 and deviated by nine.

2.2 Service Delivery Improvement Plan

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

Main services provided and standards

Main services	Beneficiaries	Current /actual standard of service	Desired standard of service	Actual achievement
Providing agricultural infrastructure support to farmers. Providing engineering service for agriculture infrastructure.	Subsistence Farmers. Smallholder Farmers. Commercial Farmers.	16% of contractors underperformed or had their contracts cancelled.	2% of Contractors underperformed or had their contracts cancelled.	8% of Contractors underperformed or had their contracts cancelled. Under performance on contracts was 12 which represents 11% out of the 118 projects. Only one contract was cancelled which represent 1% penalties, was applied to the contract which underperformed.

Batho Pele arrangements with beneficiaries (Consultation)

Current arrangements	Desired arrangements	Actual achievements
Infrastructure Development Plan done consultatively (for both communal needs and individual households) in the previous year updating with progress made and cost it for presentation to the Head of Department.	Infrastructure Development Plan done consultatively (for both communal needs and individual households) in the previous year updating with progress made and cost it for presentation to Head of Department.	Infrastructure Development Plan was consultative (for both communal needs and individual households) in the previous year and was tabled by the MEC for finance as part of the 2020/21 budget.

Batho Pele arrangements with beneficiaries (access)

Current/Actual information tools	Desired information tools	Actual achievement
Information is accessible to contractors with adverts (electronically and walk-ins).	Department will use Contractors in a pilot for Bulk SMS service to improve access to information.	Adverts were captured on e-tenders and on departmental website. Adverts for infrastructure tenders were also captured on i-tender who in turn send SMSS to all contractors registered in the required class of work.

Service delivery Information tool And Complaints mechanism

Current /actual complaints mechanism	Desired complaints mechanism	Actual achievements
Register and update complaints and compliments from clients Monitor WhatsApp Line. Monitor Facebook messages. Receive queries and complaints from clients via the Customer Care Line and Presidential Hotline.	Co-ordinate the responses of complaints from the Departmental Toll-Free hotline, enquiries, walk-in clients, faxes, emails, Facebook as well as the Presidential Hotline. Number of requests resolved -	Escalated calls to relevant officials for advice and assistance. Followed-up and contacted clients to give feedback. Consolidated and analysed all logged calls and produce monthly report. Collated received complaints and compliments from suggestion boxes.

Current /actual complaints mechanism	Desired complaints mechanism	Actual achievements
Update complaints register weekly.	Number of requests from the Presidential Hotline resolved - Number of complaints pending	Provided posters and pamphlets of the Customer Care Guidelines in the sub-district office.

2.3 Organisational environment

The operations of the department to a significant degree returned to normal as COVID-19 lockdown restrictions were relaxed by Government. The control environment regulating remote working have improved to ensure productivity, accountability and team collaboration. It has transpired that the majority of employees has become accustomed to the “new normal” as it is commonly known.

The Assessment of the HR Capability to strategically assist the Department to achieve its goals for the period 01 April 2020 to 31 March 2021, has been concluded. The results are: Strategic Partner Dimension (SPD) -100%, Change Agent Role (CAR) - 80%, Employee Champion (EC)- 79.2%, Organisational Development & Design (ODD) - 88.5%, Recruitment & Employee Life Cycle (RELC) - 82.1%, HR Utilisation & Development (HRUD)- 81.9% and Quality of Work Life & Environment Management - 93.7%. The total average score is 86.5% that gives an indication of the level of service delivery satisfaction from internal stakeholders.

The Department has despite a shrinking salary budget, demonstrated its commitment to create job opportunities in the province and simultaneously strengthen organisational capacity. The execution of the 2021/22 Annual Recruitment Plan resulted in 179 new appointments and 35 promotions. The appointments amongst others include Candidate Engineers (CE) (3), Engineering Technicians - Production (ETP) (2), Scientists Production (SP) (4), Animal Health Technicians (AHT) (51) Agricultural Advisor (AA) (15) and Network Controller (NC) (4). The recruitment and attraction of potential suitable qualifying candidates' persons in the Engineering Sector remains a challenge which require extraordinary recruitment methods.

The organisational profile of the Department comprises of 2 617 posts of which 2 464 are filled, 153 are vacant and this translates to a vacancy rate of 5.85% which is below than DPSA threshold of 10%.

The staff turnover, which articulates employee attrition rate emanating from demise, resignation, contract expiry, and retirement, is at 9.9%, at the end of the final year. 250 Employees' exited public service, the decomposition of attritions relates to 39.6% of 99 employees opted to retire, 26.8% of 67 employees resigned, 9.6% of 24 employee's services were terminated as a result of demise, 1.6% of 4 employees their services were terminated as result of ill-health, 0.8% of 2 employees were dismissed in terms of misconduct, 20.4% of 51 employees their employment contracts expired and 1.2% of 3 employees were transferred to other Public Service Departments (PSD). Continued progress has been made to improve the turnaround time for the payment of exit benefits.

DRDAR's female gender representation at SMS level is at 57% and male 43% male representation. This is a demonstration of the Department's commitment to advance gender representation and to comply with the Public Service gender requirement of 50/50% at SMS level. At middle and junior management level, gender representation has not been achieved with the current female ratio being at 39% as opposed to 61% male representation. The overall gender profile of the Department is at 49.43% female and 50.57% male. It is of concern to the Department that no progress can be reported as far as the employment of persons with disabilities are concerned. It can, however, be remarked that collaboration with organizations for persons with disabilities has been improved and that a database of potential employees is being kept updated. To strengthen the agility and capability in the Department to attract talented and suitable candidates, particularly designated employees at all levels, the approved Employment Equity Plan (EEP) is currently being implemented and monitored.

Due to shrinking envelope, DRDAR devised innovative means for capacitation of employees, using the digital online platform and this resulted to one hundred and seventy three (173) employees completing their online courses through National School of Government (NSG). The Department continues to provide financial assistance to previously designated youth in a form of bursaries in order to address scarce skills in the sector that is Veterinary Science. Fifteen (15) students benefited from the department's bursary scheme, six (6) are males and nine (9) females. The fifteen continuing students are all pursuing Veterinary Science.

The Department enhances knowledge and skills of employees through provision of financial assistance to forty-eight (48) employees for them to pursue their studies through Institutions of Higher Learning. This programme assists in improving technical and soft skills of the workforce. The department has created training and experiential space for youth and unemployed graduates in an effort to contribute towards youth unemployment. A total of fourteen (14) graduate interns and twenty-five (25) TVET learners are currently receiving training.

In order to manage the performance of employees, which translates to the overall performance of the organisation, the department has developed a systematic framework that assists in the performance planning, performance monitoring and review of its employees. In this regard, the signed performance contracts for 2021/22 levels 1-12 stands at 93% whilst annual reviews for the previous financial year is at 95%. The SMS performance contracts for 2021/22 is at 98%, whilst annual reviews for 2020/2021 is at 54%. The developed draft PMDS Culture Change Strategy focusing on rebranding PMDS, enforcement of compliance through creation of High Performance Culture in the department to be rolled out in 2022/2023 financial year.

The Department of Rural Development and Agrarian Reform is committed in creating a conducive environment for maximum productivity of its employees through the implementation of the Employee Health and Wellness program. During the period under review, the department made an outstanding effort of ensuring that it complies with COVID-19 directives by providing Protective Personal Equipment (PPE) to its employees in the form of facemasks, hand sanitizers, daily symptom screenings and monitor office occupancy rate to accommodate social distancing.

The department continues to promote a healthy lifestyle amongst its workforce as they participated in health screenings for early detection of diseases. The screenings were conducted on non-communicable diseases (diabetes, cholesterol and hypertension), mental health, HIV and TB reaching 223 employees. Education sessions conducted in this period focused on substance abuse, financial wellness, HIV&TB and mental health. Information Articles sent electronically reached 1700 employees whilst contact or virtual sessions reached 597 employees. Psychosocial therapy in the form of assessment, referral and after care was rendered to 107 employees of the department.

The department continues to implement its 4IR technology interventions in line with the national and provincial digital strategies. During the 2021/22 financial year, the enhancement of the Farmer Support tool to cater for Livestock and Infrastructure support projects has been completed. The revamp of the departmental website in order to meet website standards has been finalised. The department, in collaboration with the Office of the Premier (OTP), has piloted the Electronic Delivery of payslips. This is to improve efficiency and convenience by delivering payslips timeously and directly through employee emails and cell phones in a secured environment.

Interventions to improve network coverage for the Dohne Agricultural Research Institute (ARI) were done through the deployment of latest ICT infrastructure including connectivity of fifteen (15) DRDAR offices through the Provincial broadband project. As part of the Disaster Management and Early Warning initiatives, a five (5)-member team from both IT and Disaster Management units were trained on climate stations set up and maintenance.

The DRDAR's Business Continuity plan implementation is continuing to address the risk of obsolete departmental ICT Infrastructure, the upgrade and deployment of server back-up licenses and hardware maintenance plan have been finalised including the cabling of the new Amathole BKB Building.

To align with the new DPSA e-Governance Policy directives and ensuring that the department operates in a well-controlled and secure environment, the ICT Security Policy as well as the implementation procedures have been reviewed.

2.4 Key Policy Development and Legislative changes

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

3. ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

IMPACT STATEMENT

Table 05: Impact Statement

Impact Statement	A sustainable agriculture sector that drives food security, agro processing and contributes to industrialisation, rural development, and wealth creation.	The achievement of the Impact Statement will be tested after the end of the current electoral cycle. The end of Term Report will contain a tangible progress on achieving the Impact.
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MEASURING OUR OUTCOMES

Table 06: Contribution to MTSF Priority One: Capable, Ethical and Developmental State

MTSF PRIORITY	Priority 01: A Capable, Ethical and Developmental State			Report 2021-22 FY
Outcome	Outcome Indicators	Baseline	MTSF Targets 5 Year targets	
Improved corporate governance	Level of improvement in the audit outcome	Unqualified Financial and pre-determined objectives with emphasis of matters	Clean Audit Outcomes	Clean Audit Report

Table 07: Contribution to MTSF Priority 02: Economic Transformation and Job Creation

MTSF PRIORITY	Priority 02: The Economic Transformation and Job Creation			Report 2021-22 FY
Outcome	Outcome Indicators	Baseline	MTSF Targets	
Improved food security	Increased number of households that are food secure.	22 810	250 000	20 046

INSTITUTIONAL PERFORMANCE INFORMATION BY PROGRAMME



PROGRAMME 1

ADMINISTRATION



4. INSTITUTIONAL PERFORMANCE INFORMATION BY PROGRAMME

4.1 Programme 1: Administration

Purpose: To manage and formulate policy directives and priorities and, to ensure there is appropriate support service to all other programmes with regard to finance, personnel information, communication and procurement.

List of Sub-Programmes:

- **Sub-Programme 1.1: Office of the MEC.**
 - 0 Purpose: To set priorities and political directives in order to meet the needs of clients (for efficient running of the MEC's office).
- **Sub-Programme 1.2: Senior Management.**
 - 0 Purpose: To translate policies and priorities into strategies and programmes for effective service delivery and to manage, monitor and control performance.
- **Sub-Programme 1.3: Corporate Services.**
 - 0 Purpose: To provide support service to the other programmes with regard to human resources management and development, Information Technology and Communication service.
- **Sub-Programme 1.4: Financial Management.**
 - 0 Purpose: To provide effective support service (including monitoring and control) with regard to Budgeting, Provisioning and Procurement.
- **Sub-Programme 1.5: Communication Services.**
 - 0 Purpose: To focus on internal and external communications of the department through written, verbal, visual and electronic media as well as marketing and advertising of the departmental services.

Sub-Programme: 1.1: Office of the MEC											
Outcome	Output	Output Indicator (OI)		Audited Actual Achievement 2018/19	Audited Actual Achievement 2019/20	Audited Actual Achievement 2020/21	Planned Achievement 2021/22	Actual Achievement 2021/22	Deviation from planned target to actual achievement	Comment on deviations	
Improved corporate governance	Political oversight provided.	1.1	Number of meetings or sessions held with senior management.	New OI	New OI	11	10	10	-	No deviation	
		1.2	Number of MEC's engagements with Stakeholders to ensure optimum Alignment of the Department.	New OI	New OI	35	30	30	-	No deviation	
		1.3	Number of MEC's special programmes' interventions implemented to cater for rural development priorities.	New OI	New OI	8	8	17	9	Over performance	

Reasons for all deviations

I.3 The reason for deviation was as a result of Eastern Cape farmers requiring MEC intervention in order to improve their livelihood. As the country was still under the Disaster Management Act - National State of Disaster- COVID19, MEC had to intervene by spreading the wings in bringing better solutions to the people in trying to fight poverty through food security.

Strategy to overcome areas of under performance

None.

Sub-Programme 1.2: Senior Management									
Outcome	Output	Output Indicator	Audited Actual Achievement 2018/19	Audited Actual Achievement 2019/20	Audited Actual Achievement 2020/21	Planned Achievement 2021/22	Actual Achievement 2021/22	Deviation from planned target to actual achievement	Comment on deviations
Improved corporate governance	Effective oversight by governance structures	2.1 Number of strategic leadership and management sessions held to enhance efficiency in the Department.	12	14	21	12	12	-	No deviation
		2.2 Number of organizational performance review sessions concluded.	4	4	4	4	4	-	No deviation
		2.3 Number of governance sessions concluded.	8	10	12	12	13	1	Over performance
		2.4 Number of Reports on mainstreaming Programmes pertaining to designated groups.	-	4	5	4	4	-	No deviation

Reasons for all deviations

2.3 There was an additional special Audit committee meeting held on 11 March 2022.

Strategy to overcome areas of under performance

None.

Sub-Programme 1.3: Corporate Services									
Outcome	Output	Output Indicator	Audited Actual Achievement 2018/19	Audited Actual Achievement 2019/20	Audited Actual Achievement 2020/21	Planned Achievement 2021/22	Actual Achievement 2021/22	Deviation from planned target to actual achievement 2021/22	Comment on deviations
Improved corporate governance	Management of human capital.	3.1 Number of Human Resource Management and Development practices implemented to improve overall performance of the department as per compliance accountability framework.	4	4	4	4	4	-	No deviation
	Effective facilities' management system.	3.2 Number of interventions implemented on auxiliary services as per legislative framework to ensure conducive working environment.	4	4	4	4	4	-	No deviation
	Improved information management services	3.3 Number of ICT interventions implemented in accordance with the ICT Governance Framework to enhance technological efficiencies.	4	2	3	3	3	-	No deviation
	Operations management framework implemented	3.4 Number of service delivery improvement intervention implemented as per the Public Service Regulations, 2016	15	5	5	5	5	-	No deviation
	Policy and regulatory environment enabled	3.5 Number of evidence based Policies developed/reviewed.	5	2	6	5	5	-	No deviation

Reasons for all deviations
None.

Strategy to overcome areas of under performance
None.

Sub-Programme 1.4: Financial Management										
Outcome	Output	Output Indicator		Audited Actual Achievement nt 2018/19	Audited Actual Achievement nt 2019/20	Audited Actual Achievement nt 2020/21	Planned Achievement nt 2021/22	Actual Achievement nt 2021/22	Deviation from planned target to actual achievement nt 2021/22	Comment on deviations
Improved Corporate Governance.	Effective financial management systems implemented.	4.1	Number of days taken to pay suppliers in terms of the PFMA.	16	15	15	30	12	-	No deviation
		4.2	Number of credible Interim and Annual Financial Statements submitted on due date in accordance with the modified cash accounting guidelines.	4	4	4	4	4	-	No deviation
		4.3	Number of budget documents submitted to Provincial Treasury by the due date.	14	14	14	14	14	-	No deviation
		4.4	Number of reports compiled on contracts management.	12	12	12	4	4	-	No deviation

Reasons for all deviations
None.

Strategy to overcome areas of under performance
None.

Sub-Programme 1.5: Communication Services									
Outcome	Output	Output Indicator	Audited Actual Achievement 2018/19	Audited Actual Achievement 2019/20	Audited Actual Achievement 2020/21	Planned Achievement 2021/22	Actual Achievement 2021/22	Deviation from planned target to actual achievement	Comment on deviations
Improved Corporate Governance.	Communication Plan	5.1 Number of projects implemented in accordance with the Communication Plan.	6.5m	4	4	4	4	-	No deviation
	Customer Care Plan.	5.2 Number of reports on the implementation of the Customer Care Plan.	4	4	4	4	4	-	No deviation

Reasons for all deviations

None.

Strategy to overcome areas of under performance

None.

LINKING PERFORMANCE WITH BUDGETS

The programme has achieved 100% of all its targets from a total of eighteen (18) output indicators. The programme has spent 100% of its total annual budget.

Sub-programme expenditure

ADMINISTRATION		2021/2022				2020/2021		
		Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	
I.1	Office of the MEC	9 934	9 936	-2	11 674	11 545		129
I.2	Senior Management	43 405	47 127	-3 722	39 141	391 109		32
I.3	Corporate services	218 043	223 955	-5 912	241 208	240 939		269
I.4	Financial Management	157 026	151 336	5 690	153 934	155 924		-1 990
I.5	Communication services	9 369	9 203	166	8 580	8 357		223
TOTAL		437 777	441 557	-3 780	454 537	455 875		-1 338

Table: Progress on Institutional Response to the COVID-19 Pandemic

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
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-

PROGRAMME 2

SUSTAINABLE RESOURCE USE AND MANAGEMENT



4.2 Programme 2: Sustainable Resource Use and Management

Purpose: To provide agricultural support services to land users in order to ensure sustainable development and management of natural agricultural resources.

List of Sub programmes

- **Sub-Programme 2.1: Agricultural Engineering Services.**
 - Purpose: To provide engineering support (planning, development, operation, monitoring and evaluation) with regard to irrigation and drainage infrastructure, on-farm mechanization, value adding infrastructure, farm structures and resource conservation management. Agricultural Infrastructure projects should be administered according to the Framework for Infrastructure Delivery and Procurement Management (FIDPM).
- **Sub-Programme 2.2: Land Care.**
 - Purpose: To promote the sustainable use and management of natural agricultural resources by engaging in community based initiatives that support sustainability (social, economic and environmental), leading to improved productivity, food security, job creation and agro-ecosystems.
- **Sub-Programme 2.3: Land Use Management.**
 - Purpose: To promote the preservation, sustainable use and management of agricultural land through the administration of Conservation of Agricultural Resources Act (CARA), Subdivision of Agricultural Land Act (SALA), and Fencing Act (FA).
- **Sub-Programme 2.4: Disaster Risk Reduction (DRR).**
 - Purpose: To provide agricultural disaster risk reduction (prevention, mitigation, preparedness, response and relief) support services to producers and other clients.

Sub-Programme 2.1 : Agricultural Engineering Services										
Outcome	Output	Output Indicator		Audited Actual Achievement 2018/19	Audited Actual Achievement 2019/20	Audited Actual Achievement 2020/21	Planned Achievement 2021/22	Actual Achievement 2021/22	Deviation from planned target to actual achievement	Comment on deviations
Sustainable agricultural value chains.	Agricultural infrastructure established.	1.1	Number of agricultural infrastructure established.	82	116	103	106	101	(5)	Under performance
	Effective use and extended service period of agricultural infrastructure and machinery.	1.2	Number of engineering advisory reports/job cards to clients to enable them to plan, operate and maintain infrastructure, machinery or equipment.	902	1 007	774	533	781	248	Over performance

Reasons for all deviations

- I.1** The underperformance is due to late start by contractors with the construction work. Cash flow problems experienced by the Contractors remain the main reason for the delay in the implementation of infrastructure projects, problems were also experienced with Contractors being unable to pay the deposit required for the supply of the wind turbines in time to enable the completion of the stock water projects according to the planned schedule. Complications were experienced with the delivery of steel products for the multipurpose sheds due to the major riots in Gauteng and KZN. A further problem was the heavy rains that was experienced in December, January, February and March which has delayed construction work.
- I.2** The additional requests for advice can be contributed to the improved agricultural activities as a result of the relaxing of COVID 19 restrictions on movement and an increased demand for agricultural products.

Strategy to overcome areas of under performance

- I.1** Improve the contract management of the infrastructure projects that have been delayed and provide support to the Contractors in the identification of critical areas where performance ought to improve.

Sub-Programme 2.2: Land Care										
Outcome	Output	Output Indicator		Audited Actual Achievement 2018/19	Audited Actual Achievement 2019/20	Audited Actual Achievement 2020/21	Planned Achievement 2021/22	Actual Achievement 2021/22	Deviation from planned target to actual achievement	Comment on deviations
Sustainable agricultural value chains.	Informed land users on sustainable land use practices and regulations.	I.1	Number of awareness campaigns conducted on Land Care to promote conservation of natural resources.	9	18	37	30	19	(11)	Under performance
	Increased capacity of communities/land users on Land Care sustainable land use practices.	I.2	Number of capacity building exercises conducted within approved Land Care projects.	44	11	16	10	18	8	Over performance
	Hectares of agricultural land rehabilitated	I.3	Number of hectares of agricultural land rehabilitated.	10 573	5 491.09	8 104.76	5 964	4 970	(994)	Under performance
	Hectares of cultivated fields under Conservation Agriculture practices.	I.4	Number of hectares of cultivated land under Conservation Agriculture practises.	New OI	New OI	New OI	294	221	(73)	Under performance
	Land users practicing sustainable land use practices.	I.5	Number of beneficiaries adopting /practicing sustainable production technologies and practices for improved livelihoods	5 585	1 066	599	608	1 012	404	Over performance

Sub-Programme 2.2: Land Care									
Outcome	Output	Output Indicator	Audited Actual Achievement 2018/19	Audited Actual Achievement 2019/20	Audited Actual Achievement 2020/21	Planned Achievement 2021/22	Actual Achievement 2021/22	Deviation from planned target to actual achievement	Comment on deviations
	Green jobs created.	Green jobs created.	1012	383	276	500	544	44	Over performance

Reasons for all deviations

- 1.1.1** Under Performance - Delay in the approval of the policy and rates for the Conservation Committees delayed implementation of the establishment of the conservation committees. All the output indicators under land care are done under one policy and one approved business plan for each financial year. For ha to be protected / to be rehabilitated an awareness campaign precedes that and is based on the said policy and business plan.
- 1.1.2** Over Performance - The planned targets were achieved, and the over performance is due to additional funding from equitable share additional projects were identified which was not part of the district plans. The projects are normally implemented using Land Care Grant.
- 1.1.3** Under Performance - Delay in procurement processes delayed delivery of inputs and tools implementation of projects. Delay in wage payments made workers to tools down. Lack of monitoring of performance on project activities on monthly basis. Working hours.
Go slow of workers because there was a delay in wages, delivery of working material to the working sites, project monitoring and management.
- 1.1.4** Under Performance - Due to delay in procurement processes, the delivery of inputs was delayed and planting season passed for cash crops e.g some items had to be advertised 5X.
- 1.1.5** Over Performance - Due to funding from equitable share additional projects were identified which was not part of the district plans.
- 1.1.6** Over Performance - Due to funding from equitable share additional projects were identified which was not part of the district plans.

Strategy to overcome areas of under performance

- 1.1.1** Policies and rates for the Conservation Committees are now prepared a year in advance aligned with the APP for the ensuing year.
- 1.1.3:** The following mitigation measures were taken: a) DRDAR investigated the poor performance of the project together with the trust executive and agricultural service provider. b) Meeting with the traditional council were conducted. c) Letter of corrective measures and festive season arrangements were send to the Chevy Chase Trust committee members. d) DRDAR together with the Trust Executive and Agric Service provider restructured the way the project was manage by increasing the supervisors from 1 to 3, Developed a weekly work plan; train supervisors on OHS & HR Empowerment, policies & procedures; field visit with the Trust Members. Rehabilitation has increased from 2ha to 7ha within one month.
- 1.4:** The directorate will liaise with the SCM section to improve the procurement processes but keep following the PFMA & SCM guidelines.

Sub-Programme 2.3: Land Use Management										
Outcome	Output	Output Indicator		Audited Actual Achievement 2018/19	Audited Actual Achievement 2019/20	Audited Actual Achievement 2020/21	Planned Achievement 2021/22	Actual Achievement 2021/22	Deviation from planned target to actual achievement for 2021/22	Comment on deviations
Sustainable agricultural value chains.	Agro-ecosystem management plans developed.	1.1	Number of agro-ecosystem management plans developed.	5	6	6	6	6	-	No deviation
	Informed retention of Agricultural land and production feasibility.	1.2	Number of hectares of agricultural land protected through guiding subdivision/ rezoning/ change of agricultural land use.	1,005	457	1 253	1 225	1 748	523	Over performance
	Farm management plans developed.	1.3	Number of farm management plans developed.	199	55	26	29	43	14	Over performance
	Natural resource management based on credible natural resource management plans.	1.4	Number of natural /agricultural resources maps produced for planning and decision making purposes.	438	509	483	330	493	163	Over performance
	Informed decisions on natural resource management and spatial planning.	1.5	Number of natural resource management plans developed.	438	509	98	58	159	101	Over performance
	Informed decisions on natural resource management and spatial planning.	1.6	Number of agricultural land information systems developed.	New Output Indicator	New Output Indicator	New Output Indicator	1	1	-	No deviation

Reasons for all deviations

- I.2 More requests were received from farmers, hence, the over performance.
- I.3 More requests were received from farmers, hence, the over performance.
- I.4 More requests were received from farmers, hence, the over performance.
- I.5 More requests were received from farmers, hence, the over performance.

Strategy to overcome areas of under performance

None.

Sub-Programme 2.4: Disaster Risk Reduction										
Outcome	Output	Output Indicator		Audited Actual Achievement nt 2018/19	Audited Actual Achievement nt 2019/20	Audited Actual Achievement nt 2020/21	Planned Achievement nt 2021/22	Actual Achievement nt 2021/22	Deviation from planned target to actual achievement nt for	Comment on deviations
Sustainable agricultural value chains improved Food Security	Awareness of disaster risk reduction conducted	I.1	Number of awareness campaigns on disaster risk reduction conducted.	2	2	-	2	2	-	No deviation
	Surveys on uptake for early warning information conducted.	I.2	Number of surveys on uptake for early warning information conducted.	1	1	-	1	1	-	No deviation
	Reliable resource data for planning and decision making.	I.3	Number of Reports submitted on the operationalization of the Early Warning and Disaster Management Centre	New PI	New PI	-	1	1	-	No deviation
		I.4	Number of spatial data disseminated to end users for planning purposes.	182	200	305	230	296	66	Over performance
		I.5	Number of integrated data baseline reports developed on agriculture resource potential to support commercialisation of commodities and policy development.	New OI	New OI	1	1	1	-	No deviation

Reasons for all deviations

I.4 Extra mile performance by the Geographic Information System (GIS) personnel and reinstated GIS technical problem led to over performance.

Strategy to overcome areas of under performance

None.

LINKING PERFORMANCE WITH BUDGETS

The programme has achieved 74% (14/19) of all its targets from a total of nineteen (19) output indicators. The programme has spent 100% of its total annual budget.

Sub-programme expenditure

Sustainable Resource Use and Management	2021/2022				2020/22		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000		Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
2.1 Engineering Services	53 847	53 590	257		53 248	53 398	-150
2.2 Land Care	22 063	22 642	(579)		13 634	13 248	386
2.3 Land Use management	50 205	49 883	322		47 662	48 178	-516
2.4 Disaster Risk Management	5 440	5 440	-		-	-	-
TOTAL	131 555	131 555	-		114 544	114 824	-280

Table: Progress on Institutional Response to the COVID-19 Pandemic

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
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-

PROGRAMME 3

AGRICULTURAL PRODUCER SUPPORT AND DEVELOPMENT



4.3 Programme 3: Agricultural Producer Support and Development

Objective: To provide support to producers through agricultural development programmes. Enable and support transformation of the agriculture sector to actively contribute to economic growth, inclusion, equality and the creation of decent work. Increase food production through producer support and development initiatives.

List of sub programmes

- **Sub-Programme 3.1: Producer Support Services (PSS).**
 - Purpose: To provide producer support services for sustainable agricultural development in line with the National Policy on Comprehensive Producer development Support
- **Sub-Programme 3.2: Extension and Advisory Services (EAS).**
 - Purpose: To promote knowledge transfer and skills development as the foundation for equitable, productive, competitive, profitable and sustainable agricultural value chain enterprises
- **Sub-Programme 3.3: Food Security.**
 - Purpose: To support, advise and coordinate the implementation of National policy on Food and Nutrition Security (NPFNS).

Sub-Programme 3.1: Producer Support Services									
Outcome	Output	Output Indicator	Audited Actual Achievement 2018/19	Audited Actual Achievement 2019/20	Audited Actual Achievement 2020/21	Planned Achievement 2020/21	Actual Achievement 2021/22	Deviation from planned target to actual achievement for 2021/22	Comment on deviations
Sustainable agricultural value chains	Production across the agriculture value chain	1.1 Number of producers supported in the Red Meat Commodity	New OI	New OI	New OI	3 220	3 541	320	Over performance
		1.2 Number of Producers supported in the Grain Commodity	New OI	New OI	New OI	1 369	1 384	15	Over performance
		1.3 Number of producers supported in the Citrus Commodity	New OI	New OI	New OI	54	30	(24)	Under performance
		1.4 Number of producers supported in other provincial priority commodities	New OI	New OI	New OI	225	283	58	Over performance
	Increased agricultural production efficiency	1.5 Number of agricultural infrastructure completed	167	234	254	221	176	(45)	Under performance
	Increased employment in rural agricultural areas	1.6 Number of jobs created through infrastructure projects in support of sustainable agricultural development.	863	908	1 385	797	926	129	Over performance

Reasons for all deviations

1.1 Over-performance in this indicator is attributable to the following :

- Provision of dipping tanks equipment and fencing materials to producers from savings realised in year.
- An increase in number of beneficiaries participating and utilising communal infrastructure motivated by the actual construction of infrastructure projects.
- Completion of projects that could not be completed in the last quarter of 2020/21 financial year as planned thereby increase number of beneficiaries supported

- I.2** Over-performance is caused by :
- participation of more farmers on mechanisation due to the utilisation of anticipated savings from other projects to support mechanisation initiatives
 - Completion of fencing projects that could not be completed in the last quarter of 2020/21 financial year.
 - Provision of fencing materials for farmers that were planned for the 2022/23 financial year from savings realised in year.
- I.3** Under-performance is due to delays in the finalisation of support citrus farmers
- I.4** Over-performance is due to more farmers participating on support of the irrigation schemes
- I.5** Under-performance is attributable to the following
- Non-completion of borehole equipping due to Delays in the DALRRD drilling programme and Inclement weather in the fourth quarter which resulted to inaccessibility of sites to deliver borehole equipment
 - Delays on completion of fences due to inclement weather in the fourth quarter and delays in delivery due KZN riots and financial capability of contractors.
 - Cancellation of shearing sheds contracts due to financial capability of contractors.
- I.6** Over-performance is due to Contractors who were able to employ more workers to fast track completion of the projects as they initially faced delays due to inclement weather conditions.

Strategy to overcome areas of under performance

- I.1 & I.5** 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. Institute proper contract management

Sub-Programme 3.2: Extension and Advisory Services									
Outcome	Output	Output Indicator	Audited Actual Achievement 2018/19	Audited Actual Achievement 2019/20	Audited Actual Achievement 2020/21	Planned Achievement 2021/22	Actual Achievement 2021/22	Deviation from planned target to actual achievement	Comment on deviations
Sustainable agricultural value chains	Enterprise development linked to value chain	I.1 Number of information days held to promote knowledge transfer and skills to producers towards commodity development.	New OI	New OI	New OI	2 156	2 372	216	Over performance
		I.2 Number of agricultural demonstrations facilitated to impart knowledge and skills to producers.	New OI	New OI	New OI	2 458	3 379	921	Over performance
		I.3 Number of extension practitioners capacitated on priority commodities.	New OI	New OI	New OI	185	755	570	Over performance

Reasons for all deviations

I.1 – I.3 These over performances emanates from the fact that districts understood the importance of sticking to their performance indicators as it was the second year with the new output indicator.

Strategy to overcome areas of under performance

None.

Sub-Programme 3.3: Food Security										
Outcome	Output	Output Indicator		Audited Actual Achievement 2018/19	Audited Actual Achievement 2019/20	Audited Actual Achievement 2020/21	Planned Achievement 2021/22	Actual Achievement 2021/22	Deviation from planned target to actual achievement for 2021/22	Comment on deviations
Improved food security	Smallholder producers supported	I.1	Number of smallholder producers supported	New OI	New OI	New OI	14 008	14 822	814	Over performance
	Subsistence producers supported	I.2	Number of subsistence producers supported	New OI	New OI	New OI	20 000	20 046	46	Over performance
	Smallholder producers participating in Agricultural Value Chains	I.3	Number of hectares planted for production of field crops.	18 946	19 839.05	28 808	26 498	31 735	5 237	Over performance
		I.4	Number of Livestock enterprises supported in support of sustainable Agriculture Value Chains	93	120	244	632	662	30	Over performance

Reasons for all deviations

- I.1** The over-performance is as a result of demand for non-tangible technical advice and extension services by the Smallholder producers.
I.2 Over-performed due to savings. Use of Framework Agreements (FA) improved procurement, hence savings were used to support more beneficiaries.
I.3 The over performance is due to a favourable planting season supported by improved procurement performance by the department.
I.4 The over performance on livestock enterprises supported in is attributed to a productive and progressive partnership with Agricultural Research Council (ARC).

Strategy to overcome areas of under performance

None.

LINKING PERFORMANCE WITH BUDGETS

The programme has achieved 85% (11/13) of all its targets from a total of thirteen (13) output indicators. The programme has spent 96% of its total annual budget.

Sub-programme expenditure

		2021/2022			2020/2021		
		Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
3.1	Producer Support Services	156 908	156 823	85	167 309	160 589	6 720
3.2	Extension and Advisory services	435 846	435 283	563	394 298	393 216	1 082
3.3	Food Security	232 350	230 460	1 890	250 342	245 391	4 951
TOTAL		825 104	822 566	2 538	811 949	799 196	12 753

PROGRAMME 4

VETERINARY SERVICES



4.4 Programme 4: Veterinary Services

Purpose: To provide veterinary services to clients in order to ensure healthy animals, sustainable and profitable animal production enterprises, safe trade in animals and products of animal origin and the wellbeing of animals and the public.

List of Sub-Programme

- **Sub-Programme 4.1: Animal Health.**
 - o Purpose: To facilitate and provide animal health services in order to protect the animals and public against identified zoonotic and diseases of economic importance, promote primary animal health and welfare programs / projects, resulting in a favourable zoo-sanitary status that maintains consumer confidence in products of animal origin and enables the export of animals and products of animal origin.
- **Sub-Programme 4.2: Veterinary International Trade Facilitation**
 - o Purpose: To facilitate the import and export of animals, products of animal origin and related products through certification and health status.
- **Sub-Programme 4.3: Veterinary Public Health.**
 - o Purpose: To promote the safety of meat and meat products.
- **Sub-Programme 4.4: Veterinary Diagnostics Services.**
 - o Purpose: To provide veterinary diagnostics and investigative services that support and promote animal health and production towards the provision of safe food.
- **Sub-Programme 4.5: Veterinary Technical Support Services.**
 - o Purpose: To provide a veterinary ancillary support service that addresses and promotes the welfare of animals, animal identification and advisory service.

Sub-Programme 4.1: Animal Health									
Outcome	Output	Output Indicator	Audited Actual Achievement 2018/19	Audited Actual Achievement 2019/20	Audited Actual Achievement 2020/21	Planned Achievement 2021/22	Actual Achievement 2021/22	Deviation from planned target to actual achievement	Comment on deviations
Improved food security.	Biosecurity policies and strategies strengthened.	1.1 Number of samples collected for targeted animal disease surveillance.	New OI	New OI	New OI	83 143	78 526	(4 617)	Under performance
		1.2 Number of visits to epidemiological units for veterinary interventions.	13 859	14 025	14 450	11 711	15 323	3 612	Over performance
	Commercialization of livestock production.	1.3 Number of animals vaccinated against controlled animal diseases according to Animal Disease Act (Act 35 of 1984).	1 474 138	1 262 345	1 391 325	1 355 741	1 507 751	152 010	Over performance
		1.4 Number of treatments applied to sheep for the control of sheep scab to improve the quality and quantity of the wool clip.	8 698 636	8 746 211	8 879 904	8 035 453	9 330 715	1 295 262	Over performance
		1.5 Number of treatments applied to animals for external parasites control.	4 418 235	4 654 838	3 820 393	3 943 087	3 674 663	(268 424)	Under performance

Reasons for all deviations

- I.1** Under performance due to inclement rainy weather conditions as cattle could not go to dipping facilities where samples are collected due to conducive conditions posed by those plunge dip facilities.
- I.2** Over performance due to more awareness campaigns on areas with rabies outbreaks.
- I.3** More pets vaccinated due to rabies outbreaks.
- I.4** Over performance due to sheep scab outbreaks.
- I.5** Under performance due to inclement rainy weather conditions during the dipping period as cattle could not go to dipping facilities.

Strategy to overcome areas of under performance

1.1 The surveillance programme is expected to pick up as the rainy weather conditions subside.

1.5 Clients will bring their cattle for dipping as the rainy weather subsides.

Sub-Programme 4.2: Veterinary International Trade Facilitation										
Outcome	Output	Output Indicator	Audited Actual Achievement				Planned Achievement 2021/22	Actual Achievement 2021/22	Deviation from planned target to actual achievement for 2021/22	Comment on deviations
			2018/19	2019/20	2020/21	2021/22				
Sustainable agricultural value chains.	Biosecurity policies and strategies strengthened.	1.1	4 213	5 629	5 582	4 464	4854	390	Over performance	
	Veterinary services awareness campaigns.	1.2	28	25	24	24	24	-	No deviation	

Reasons for all deviations

Over performance was driven mainly by the demand for exports of dairy products and greasy wool to china.

Strategy to overcome areas of under performance

None.

Sub-Programme 4.3: Veterinary Public Health										
Outcome	Output	Output Indicator		Audited Actual Achievement 2018/19	Audited Actual Achievement 2019/20	Audited Actual Achievement 2020/21	Planned Achievement 2021/22	Actual Achievement 2021/22	Deviation from planned target to actual achievement	Comment on deviations
Sustainable agricultural value chains.	Reduce level of risks associated with food.	I.1	Number of inspections conducted on facilities producing meat.	New OI	New OI	New OI	984	1 023	39	Over performance
	Safe meat produce.	I.2	Number of compliant abattoirs registered and monitored (to support livestock value chain).	99	95	95	97	98	1	Over performance
		I.3	Number of interactions to respond to the Provisions of the Meat Safety Act (Act 40 of 2000).	1 551	1 621	1 317	942	1 471	529	Over performance
		I.4	Number of samples collected to monitor the safety of meat produced at abattoirs as per Meat Safety Act (Act 40 of 2000).	New OI	New OI	New OI	2 039	2 285	246	Over performance

Reasons for all deviations

- I.1 More efforts were put on inspections of facilities producing meat over the festive season.
- I.2 Extra new abattoir registration had to be accommodated in terms of registration.
- I.3 More effort applied on butchery visits to monitor illegal slaughter activities.
- I.4 More effort applied on butchery visits to monitor illegal slaughter activities.

Strategy to overcome areas of under performance

None.

Sub-Programme 4.4: Veterinary Diagnostics Services									
Outcome	Output	Output Indicator	Audited Actual Achievement 2018/19	Audited Actual Achievement 2019/20	Audited Actual Achievement 2020/21	Planned Achievement 2021/22	Actual Achievement 2021/22	Deviation from planned target to actual achievement for 2021/22	Comment on deviations
Improved food security.	Confirmation of disease occurrence to support and promote animal health and production towards provision of safe food.	I.1 Number of specimen tested for diagnostic purposes.	40 377	82 391	94 680	90 600	97 134	6 534	Over performance
	Reduce level of risks associated with food.	I.2 Number of laboratory tests performed according to prescribed standards.	-	61 124	72 889	54 500	62 583	8 083	Over performance
	A healthy productive provincial livestock.	I.3 Number of primary animal health care (PAHC) interactions held to minimize the impact of disease occurrence.	6 125	8 017	8 908	6 125	15 399	9 274	Over performance

Reasons for all deviations

- I.1** Over performance was due to more brucellosis samples submitted to the Grahamstown and Queenstown which are SANAS accredited laboratories.
I.2 Over performance was due to more tests conducted for brucellosis as a result of Grahamstown and Queenstown being SANAS accredited laboratories.
I.3 The increased allocation of CCS Veterinarians and demand of primary animal health care services by communities.

Strategy to overcome areas of under performance

None.

Sub-Programme 4.5: Veterinary Technical Support Services									
Outcome	Output	Output Indicator	Audited Actual Achievement 2018/19	Audited Actual Achievement 2019/20	Audited Actual Achievement 2020/21	Planned Achievement 2021/22	Actual Achievement 2021/22	Deviation from planned target to actual achievement for 2021/22	Comment on deviations
Improved food security.	Address and promotes the welfare of animals, animal identification and advisory services.	I.1				14	12	(2)	Under performance
		Number of Performing Animals Protection Act (PAPA) registration licenses issued.							

Reasons for all deviations

1.1 The indicator is demand driven and depends on requests submitted.

Strategy to overcome areas of under performance

- Target to be adjusted downward for the next financial year.

LINK PERFORMANCE INDICATORS WITH THE BUDGETS

The programme has achieved 80% (12/15) of all its targets from a total of fifteen (15) output indicators. The programme has spent 100% of its total annual budget.

Sub-programme expenditure

		2021 / 2022			2020 / 2021		
		Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
VETERINARY SERVICES							
4.1	Animal Health	252 100	252 100	-	250 940	251 062	-122
4.2	Export Control	9 339	9 339	-	9 908	10 082	-174
4.3	Veterinary Public Health	15 454	15 454	-	16 157	16 045	112
4.4	Veterinary Laboratories	18 613	18 613	-	19 879	19 360	519
TOTAL		295 506	295 506	-	296 884	296 549	335

PROGRAMME 5

RESEARCH AND TECHNOLOGY DEVELOPMENT SERVICES



4.5 Programme 5: Research and Technology Development Services

Purpose: To provide expert, problem focused and client centric agricultural research, technology development and transfer impacting on development.

List sub programmes

- **Sub- Programme 5.1: Agricultural Research.**
 - o Purpose: To improve agricultural production through conducting, facilitating and coordinating research and technology development.
- **Sub-Programme 5.2: Technology Transfer Services.**
 - o Purpose: To disseminate information on research and technology developed to clients, peers and scientific community and relevant stakeholders.
- **Sub-Programme 5.3: Research Infrastructure Services.**
 - o Purpose: To manage and maintain research infrastructure facilities (research farms, laboratories) and provide support services to perform its research and technology transfer functions.

Sub Programme 5.1: Agricultural Research										
Outcome	Output	Output Indicator		Audited Actual Achievement 2018/19	Audited Actual Achievement 2019/20	Audited Actual Achievement 2020/21	Planned Achievement 2021/22	Actual Achievement 2021/22	Deviation from planned target to actual achievement 2021/22	Comment on deviations
Sustainable agricultural value chains improved food security	Research projects implemented.	I.1	Number of research projects implemented to improve agricultural production.	63	64	64	66	66	-	No deviation
	Reliable resource data for planning and decision making.	I.2	Number of samples (Soils, Plants, Feed and Water) analysed to support decision making of clients.	New OI	5 588	3 938	3 200	3 435	235	Over performance

Reasons for all deviations

- I.1** Negative deviation due to nine projects on hold which impacted of infrastructural support on implementation and execution of research projects. The underperformance in terms of the number of research projects implemented was caused by financial constraints and an impending over expenditure, which resulted in official travel being halted at a critical time for trial implementation and monitoring as well as infrastructural support on implementation and execution of research projects.
- I.2** The indicator is demand driven, therefore, more samples were received from clients and analysed during this period.

Strategy to overcome areas of under performance

- I.1** The strategy that was implemented was to change the annual target for the next financial year, as the public Provincial Equitable Share (PES) is continually shrinking.

Sub-Programme 5.2: Technology Transfer Services										
Outcome	Output	Output Indicator		Audited Actual Achievement t 2018/19	Audited Actual Achievement t 2019/20	Audited Actual Achievement t 2020/21	Planned Achievement t 2021/22	Actual Achievement t 2021/22	Deviation from planned target to actual achievement	Comment on deviations
Sustainable agricultural value chains.	Scientific paper published.	I.1	Number of scientific papers published.	16	6	4	4	16	12	Over performance
	Research presented at peer review events.	I.2	Number of research presentations made at peer reviewed events.	57	55	13	20	20	-	No deviation
	Research presented at technology transfer events.	I.3	Number of research presentations made at technology transfer events.	35	57	19	33	37	4	Over performance
	Technologies developed for smallholder producers.	I.4	Number of new technologies developed for the smallholder producers.	New OI	New OI	New OI	4	4	-	No deviation
	Booklets developed for smallholder producers.	I.5	Number of booklets developed for the smallholder producers.	New OI	New OI	New OI	8	8	-	No deviation
	Trial demonstrated.	I.6	Number of demonstration trials conducted with farmers in order to impart knowledge and skills on farming practices.	10	10	12	13	23	10	Over performance

Reasons for all deviations

- I.1** Positive deviation expected due to papers that were published during 2021/22 were initially intended to be published during 2020/21 but process was delayed due to Covid-19 outbreak.
- I.3** There were more demonstration trials conducted with farmers in order to impart knowledge and skills on farming practices due to the fact that it is a cropping season and a conducive time to do so.
- I.6** Target is demand driven hence the over performance.

Strategy to overcome areas of under performance
None.

Sub-Programme 5.3: Research Infrastructure Support S					Comment on deviations
Outcome	Output	Output Indicator		Deviation from planned target to actual achievement for 2021/22	
Sustainable agricultural chains Improved food security.	Research infrastructure managed.	I.1	Number of research infrastructure managed.	Actual Achievement 2021/22	No deviation
				Planned Achievement 2021/22	
				Audited Actual Achievement 2020/21	
				Audited Actual Achievement 2019/20	
				Audited Actual Achievement 2018/19	
				7	
				7	
				7	
				7	
				7	

Reasons for all deviations
None.

Strategy to overcome areas of under performance
None.

LINKING PERFORMANCE WITH BUDGETS

The programme has achieved 100% (5/5) of all its targets from a total of five (5) output indicators. The programme has spent 100% of its total annual budget.

Sub-programme expenditure

		2021/2022			2020/2021		
RESEARCH AND TECHNOLOGY DEVELOPMENT SERVICES		Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
5.1	Agricultural Research	1 12 602	1 12 602	-	121 678	121 187	491
5.2	Technology Transfer Services	4 444	4 444	-	4 687	4 648	39
5.3	Infrastructure Support Services	750	750	-	800	765	35
TOTAL		1 17 796	1 17 796	-	127 165	126 600	565

PROGRAMME 6

AGRICULTURAL ECONOMIC SERVICES



4.6 Programme 6: Agricultural Economic Services

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

List of sub programmes

- **Sub-Programme 6.1: Production Economics and Marketing Support**
 - 0 Purpose: To provide timely and relevant agricultural economic services to ensure equitable participation in the economy
- **Sub-Programme 6.2: Agro-Processing Support**
 - 0 Purpose: To facilitate agro-processing initiatives to ensure participation in the value chain.
- **Sub-Programme 6.3: Macroeconomics Support**
 - 0 Purpose: To provide economic and statistical information on the performance of the agricultural sector in order to inform planning and decision making.

Sub-Programme 6.1: Production Economics and Marketing Support									
Outcome	Output	Output Indicator	Audited Actual Achievement 2018/19	Audited Actual Achievement 2019/20	Audited Actual Achievement 2020/21	Planned Achievement 2021/22	Actual Achievement 2021/22	Deviation from planned target to actual achievement 2021/22	Comment on deviations
Sustainable agricultural value chains.	Agri-business supported with market access.	1.1 Number of Agri-Businesses supported with marketing services.	412	2 785	2 564	1 843	1 758	(85)	Under performance
		1.2 Number of clients supported with production economic services.	3 236	1 640	3 186	966	1 116	150	Over performance
		1.3 Number of producers with SA Gap certification.	New OI	New OI	-	4	4	-	No deviation
		1.4 Number of commercially viable partnerships to drive productivity and competitiveness.	New OI	14	14	4	6	2	Over performance
	Agribusiness supported with BEE.	1.5 Number of agribusiness supported with Black Economic Empowerment advisory services.	New OI	New OI	New OI	15	35	20	Over performance

Reasons for all deviations

- I.1** DALRRD was supposed to conduct a workshop on Agri businesses and they later sent a correspondence postponing, stating the outbreak of Omicron in Gauteng as the reason for postponement.
- I.2** The over performance was a result of the CASP business plans that were still outstanding from Alfred Nzo District
- I.4** Over performance emanated from more interest on SA GAP by smallholder farmers. As a result more farmers participated than planned.
- I.5** During the marketing workshops, farmers also were interested in Agri-BEE fund and compliance, hence the over performance.

Strategy to overcome areas of under performance

- I.1** The planned workshops by DALRRD will be rolled out to the ensuing financial year.

Sub-Programme 6.2: Agro-Processing Support							Comment on deviations
Outcome	Output	Output Indicator	Audited Actual Achievement 2018/19	Audited Actual Achievement 2019/20	Audited Actual Achievement 2020/21	Planned Achievement 2021/22	
Sustainable agricultural value chains	Agri-business supported	I.1 Number of Agri-businesses supported with agro-processing initiatives.	10	8	5	15	Under performance
						7	(8)

Reasons for all deviations

- I.1** The requests were less than the planned targets.

Strategy to overcome areas of under performance

- I.1** The department will ensure that it plans for agro-processing initiatives with other stakeholders in production years to come.

Programme 6.3: Macroeconomics Support						
Outcome	Output	Output Indicator		Actual Achievement 2018/19	Actual Achievement 2019/20	Actual Achievement 2020/21
Sustainable agricultural value chains.	Economic Reports.	I.1	Number of economic reports compiled.	34	42	92
				Actual Achievement 2021/22	Planned Achievement 2021/22	Actual Achievement 2021/22
						Deviation from planned target to actual achievement for 2021/22
						Comment on deviations

Reasons for all deviations

I.1 Over performance resulted from a special request on commodity status reports, food price monitoring in preparation for the strategic development.

Strategy to overcome areas of under performance

None.

LINKING PERFORMANCE WITH BUDGETS

The programme has achieved 71 % (5/7) of all its targets from a total of seven (7) output indicators. The programme has spent 100% of its total annual budget.

Sub-programme expenditure

AGRICULTURAL ECONOMIC SERVICES	2021/2022			2020/2021		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
6.1 Agri-Business Support and Development	28 697	28 697	-	2 886	2 859	27
6.2 Agro-Processing Support	-	-	-	-	-	-
6.3 Macroeconomics Support	3 171	3 171	-	30 785	30 899	- 114
TOTAL	31 868	31 868	-	33 671	33 758	-87

PROGRAMME 7

AGRICULTURAL EDUCATION AND TRAINING



4.7 Programme 7: Agricultural Education and Training

Purpose: To provide and facilitate structured and vocational agricultural education and training to establish a knowledgeable, prosperous and competitive sector.

List Sub-Programmes

- **Sub-Programme 7.1: Higher Education and Training.**
 - o Purpose: To provide and facilitate accredited vocational agricultural qualifications.
- **Sub-Programme 7.2: Agricultural Skills Development.**
 - o Purpose: To provide and facilitate formal and non-formal agricultural skills development through structured vocational education and training programmes.

Sub-Programme 7.1: Higher Education and Training									
Outcome	Output	Output Indicator	Actual Achievement 2018/19	Actual Achievement 2019/20	Actual Achievement 2020/21	Planned Achievement 2021/22	Actual Achievement 2021/22	Deviation from planned target to actual	Comment on deviations
Sustainable agricultural value chains.	Skilled participants and employable graduates in the sector.	I.1 Number of students enrolled to complete accredited Higher Education and Training (HET) qualifications.	578	578	464	400	759	359	Over performance
		I.2 Number of students graduated with agricultural qualification.	129	126	101	125	334	209	Over performance
		I.3 Number of youth supported towards agri-business services.	New OI	New OI	-	75	90	15	Over performance

Reasons for all deviations

- I.1 Fort Cox has introduced the Advance Diplomas in Crop production, Animal Productions and Forestry
I.2 Due to the new Advanced Diplomas Fort Cox contributed 123 graduates though the ceremony will only be held in April/May.
I.3 The support accommodated the graduate placement programme which has a total capacity of 120 graduates, hence the over performance.

Strategy to overcome areas of under performance

None.

Sub-Programme 7.2: Agricultural Skills Development									
Outcome	Output	Output Indicator	Actual Achievement 2018/19	Actual Achievement 2019/20	Actual Achievement 2020/21	Planned Achievement 2021/22	Actual Achievement 2021/22	Deviation from planned target to actual achievement for 2021/22	Comment on deviations
Sustainable agricultural value chains.	Skilled Producers.	1.1 Number of participants trained in skills development programmes in the sector.	2 832	2 772	1 115	2 000	2 148	148	Over performance
	Efficiently capacitated farmers/sector beneficiaries	1.2 Number of Educators capacitated in agricultural science related fields to improve their understanding of the sector needs.	80	40	7	40	40	-	No deviation
		1.3 Number of school going learners exposed to various fields in the agriculture and rural development sector in order to attract new entrants to the sectors.	243	1 661	62	200	293	93	Over performance
		1.4 Number of out of school youth participated /trained in learnership programme.	542	209	335	170	189	19	Over performance
	Enhanced Farming Business acumen.	1.5 Number of farms/projects mentored according to different commodities in order to make them profitable.	154	-	6	20	20	-	No deviation
	Efficiently capacitated farmers / sector beneficiaries.	1.6 Number of Farm-Workers completing accredited and/ or non-accredited training to develop skilled Farm-Workers	220	353	210	210	184	(26)	Under performance
	Efficiently trained graduates.	1.7 Number of infrastructure programmes implemented in Agricultural Colleges developed to	2	4	-	2	-	(2)	Under performance

Sub-Programme 7.2: Agricultural Skills Development										
Outcome	Output	Output Indicator	Actual Achievement 2018/19	Actual Achievement 2019/20	Actual Achievement 2020/21	Planned Achievement 2021/22	Actual Achievement 2021/22	Deviation from planned target to actual achievement for 2021/22	Comment on deviations	

Reasons for all deviations

- I.1** The over performance is due to high demand from the beneficiaries and the availability of funds.
- I.3** Learners from 7 different school in Grades 4; 5; and 6 were exposed to demonstration on planting of vegetables seedlings in support of their schools' nutrition programs and careers in agriculture. The response to the programme gained momentum leading to the planting season with schools looking at starting their own food garden.
- I.4** Two Learner ships from previous financial year overlapped to this financial year.
- I.6** The reasons for deviation is due to challenges encountered with Farm owners who relegate in the agreement made during social facilitation to release Farmworkers when the training day arrives as agreed upon.
- I.7** The project targeted this year on both colleges are still under construction due to the delay in the starting of construction.

Strategy to overcome areas of under performance

- I.6** The recruitment of SDC is in the 2022/23 recruitment plan for execution in the ensuing financial year.
- I.7** Construction started in the current financial year and will be completed in the 2022/23 financial year.

LINKING PERFORMANCE WITH BUDGETS

The programme has achieved 80% (8/10) of all its targets from a total of ten (10) output indicators. The programme has spent 98% of its total annual budget.

Sub-programme expenditure

AGRICULTURAL EDUCATION AND TRAINING	2021/2022			2020/21		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
7.1 Higher Education and Training.	61 199	61 198	1	59 801	59 801	-
7.2 Agricultural Skills Development.	126 899	123 947	2 952	107 505	104 849	2 656
TOTAL	188 098	185 145	2 953	167 306	164 650	2 656

PROGRAMME 8

RURAL DEVELOPMENT



4.8 Programme 8: Rural Development.

Purpose: To coordinate the development programmes by stakeholders in rural areas.

List of sub-programs

- **Sub-programme 8.1: Rural Development Coordination.**
 - 0 Purpose: To initiate, plan and monitor development in specific rural areas (CRDP sites) across the three spheres of government in order to address needs that have been identified.
- **Sub-programme 8.2: Social Facilitation.**
 - 0 Purpose: To engage communities on priorities and to institutionalise and support community organisational structures (NGOs etc.).

Sub-Programme 8.1: Rural Development Coordination										
Outcome	Output	Output Indicator		Actual Achievement nt 2018/19	Actual Achievement nt 2019/20	Actual Achievement nt 2020/21	Planned Achievement nt 2021/22	Actual Achievement nt 2021/22	Deviation from planned target to actual achievement nt for	Comment on deviations
Integrated rural development.	Integrated development plans.	I.1	Number of District Planning Model supported.	New OI	New OI	1	2	2	-	No deviation
	Oversight Reports.	I.2	Number of oversight reports consolidated on rural development projects implemented through ECRDA.	4	4	4	4	4	-	No deviation
	Reliable resource data for planning and decision making.	I.3	Number of profiling reports conducted for promotion of sustainable rural livelihoods in identified areas.	7	7	7	7	8	1	Over performance

Reasons for all deviations

I.3 There is extra report achieved for Mqonci Village which was not part of the original plan but due to pressure to evaluate implemented project this report was achieved.

Strategy to overcome areas of under performance

None.

Sub- Programme 8.2 Social Facilitation									
Outcome	Output	Output Indicator	Actual Achievement 2018/19	Actual Achievement 2019/20	Actual Achievement 2020/21	Planned Achievement 2021/22	Actual Achievement 2021/22	Deviation from planned target to actual	Comment on deviations
Integrated rural development.	Spatial integrated rural development.	I.1 Number of basic infrastructure projects implemented using innovations and appropriate technologies.	8	4	9	6	6	-	No deviation
		I.2 Number of rural development enterprises supported.	100	102	3	112	112	-	No deviation
		I.3 Number of Rural Development interventions implemented in response to Covid 19 pandemic to support rural communities.	New OI	New OI	1	1	1	-	No deviation
		I.4 Number of IGR sessions conducted.	4	4	3	4	4	-	No deviation

Reasons for all deviations
None.

Strategy to overcome areas of under performance
None.

LINKING PERFORMANCE WITH BUDGETS

The programme has achieved 100% (7/7) of all its targets from a total of seven (7) output indicators. The programme has spent 100% of its total annual budget.

Sub-programme expenditure

RURAL DEVELOPMENT COORDINATION	2021/2022			2020/2021		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
8.1 Rural Development Coordination	210 763	210 763	-	237 557	237 508	49
8.2 Social Facilitation	18 140	18 140	-	16 106	15 524	582
TOTAL	228 903	228 903	-	253 663	253 032	631

Reporting on the Institutional Response to the COVID-19 Pandemic

During the year under review, the unit produced some face cloth masks as a backup to respond to Covid-19 Pandemic. Due to vaccination rollout, there were no cases that were reported in the farming community that would need the intervention of the Department.

Table: Progress on Institutional Response to the COVID-19 Pandemic

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
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-

5. TRANSFER PAYMENTS

5.1 Transfer payments to public entities

Public entities receive sizeable transfer payments from government and are often the front-line providers of services on behalf of government. It is therefore important to understand the impact of these services on the community. Departments are requested to provide information on the services provided by these public entities, transfer payments to the public entities, the actual amount spent from the transfer received by the public entities, strategic achievements of the public entity. Departments must also comment on monthly monitoring systems or the lack thereof to monitor spending on such transfer payments. If such monitoring did take place, departments must provide details of difficulties experienced and what steps (if any) were taken to rectify such difficulties.

Transfer payments to Public Entities

Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity R'000	Amount spent by the public entity R'000	Achievements of the public entity
ECRDA	ECRDA Operations & Programmes	R190 755	R184 720	Mechanisation Centres: District Mechanization Centres that received the deliveries of tractors and implements as follows: - Sarah Baartman District: 2 x 68kW tractors were delivered at Kirkwood for Citrus Farmers and Alexandria for Chicory Farmers. - Amathole District: 2 x 55 kW tractors were delivered at Peddie for Pineapple Farmers and Butterworth for Grain Farmers. - Amathole District: One forklift was delivered to Peddie Pineapple Farmers and bush cutter for Amahlathi (Zanyokhwe Irrigation Scheme). - Alfred Nzo District: A boom sprayer and lawn mower was delivered at Matatiele for Grain Farmers. The potato ridger was delivered at Mbizana RED Hub for Potato Farmers Marine Tilapia: Stakeholder registers for training and R&D have been developed. EIA process initiated but not concluded. The appointment of the professional team is subject to the outcomes of the EIA. As a result, no further movement on the infrastructure has taken place. ECRDA had submitted a funding proposal to the National Treasury's Budget Facility for Infrastructure (BFI) for the establishment of the Incubator, plus irrigation infrastructure for farmers across Mbashe, aggregation hubs and roads infrastructure. The application having gone through the evaluation was however rejected by the BFI Technical Committee. Cannabis:

Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity R'000	Amount spent by the public entity R'000	Achievements of the public entity
				ECRDA managed to appoint the contracting engineer and has developed a scope of works and bill of quantities that was used to advertise for the appointment of a building contractor to refurbish the first building for the incubator. The renovation work is on-going and about 70% has been completed. A proposal has also been developed for the DEDEAT innovation fund to establish a cannabis agro-processing hub to unlock the unutilized value of cannabis stalk and seed that are by-products of existing cannabis production in the Emaphondweni region. The following milestones have been achieved in respect of Education and Training on cannabis: a) A Provincial Cannabis Technical Team comprised of District Crop Scientists, Extension Officers and ECRDA technical staff has been established to support Cannabis farmers in all corners of the Province with production skills. b) A concept for the Lusikisiki Cannabis College has been developed for input and discussion. The DPW has undertaken an assessment and estimates that the refurbishment of the campus will cost R134 million. The entity has been facilitating hemp permit applications for farmers. A total of 33 farmers have had their applications lodged with DALRRD. Tshabo RED Hub: The purchase order for construction of 5 bay greenhouse has been issued to the contractor and the site handover has been done. The request for rollover will have to be initiated. Levelling of the site for constructing the greenhouse has been completed. The following items have been procured and delivered: Diesel bowsers, Ridger, Chipper, hydraulic valve, garden tools, personal protective and PPE. RED Hub aggregation centres: In February 2022, Mbizana RED Hub Aggregation Centre has purchased 70 tons of white maize (WMI) which amount to R 307 650.00 from Grainvest. This maize was all processed the first week of March 2022. However, the Centre is still selling the available processed stock on the floor. ECRDA facilitated the engagement of a private sector player called Hello Choices which has continued to buy the Super maize meal products

Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity R'000	Amount spent by the public entity R'000	Achievements of the public entity
				from the RED Hub. The Centre has planted 684 ha with white maize amongst 19 active primary co-operatives. The mechanisation operations that were performed in this financial year were post emergence spray and top-dressing which were concluded on the 11 February 2022. On the 4th March 2022, two tractors were delivered by DRDAR to improve Mbizana RED Hub mechanisation centre. Mqanduli RED Hub Aggregation Centre has holding engagements with LM Holding to form a partnership. The planted land size is only 45 ha and they used the agricultural inputs that were left from previous season. Emalahleni RED Hub procurement has also been affected by Circular no. 15 of 2021/22 on validity Preferential Procurement Regulations of 2017. Emalahleni RED Hub mechanization unit was contracted by DRDAR on 300ha (200ha at Ngcobo & 100ha at Emalahleni) that was worth for a R1million. Ncora RED Hub has procured white maize seeds and agrochemicals for 140ha. The servicing of both milling plant and backup generator were done at Ncora RED Hub. The following maintenance works were conducted, replacement of leaking sheet(s), repair roof fans, sealing of holes on sheets, and replacement of two window glasses (1.5m x 1.5m) and (60mm x 60mm). These items were also procured and delivered two Conditioning water units, two Manual Sewing Machines and one Bush Cutter. Wool Hub & Mohair: Training workshops that dealt with the Business Case Report for the Wool & Mohair Value Enhancement for Emerging and Communal Farmers was conducted during the period under review. The key stakeholders who participated in these workshops were the Elundini Local Municipality, Fulirex, National Wool Growers Association Elundini Farmers Association and ECRDA. Forestry: 5 Community owned forestry projects were supported with all silvicultural activities. Sixhotyeni, Gqukunqa, Mkambathi, Sinawo and Izinini. Silvicultural activities include firebreaks, weeding, land clearing and harvesting.

Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity R'000	Amount spent by the public entity R'000	Achievements of the public entity
				Economic Stimulus (Silos at Elundini): The delay in the project spending on this project was due to the original site that was identified by the Elundini Local Municipality at the proposed agro-processing Zone undergoing an EIA process which will only be completed at the end of this financial year. The entity therefore could not start construction of the grain silos at the site pending the completion of the EIA. The entity and DRDAR have agreed on a new site where the existing mechanisation centre are located. The Board resolved not to approve the appointment of a contractor due to some technicalities related to risk involved should Treasury not approve the roll-over of funds into the 2022/23 financial year. Rural Financial Services: 45 Loans were issued in 2021/22 relating to R2.3m disbursed to loan clients.
	Magwa Tea Estate	R41 853 000	R41 853 000	Magwa tea estate harvested 2 174 720 kilograms of green leaf and processed 417 320 kilograms of tea. Business of value-added products such as loose tea of Majola has continued steadily into the same markets in Western Pondoland area to Mthatha. Teabag sales into the local have been reduced with the logistical challenges being faced. However, there were new developments in the way of the hospitality market demand with the listing of MET as a tea supplier to the Sun International. Procurement of the required stock will have to take place for the 4 000 tagged teabags per week for the demand raised by Sun International. Further engagements proceeded which led to the listing of MET into the Spar EC Distribution Centre database. Refurbishment of the Old Coffee Grove Building as Cannabis Incubator are on course and to be completed end May 2022.
	Amajingqi Macadamia	R0	n/a	n/a

5.2 Transfer payments to all organizations other than public entities

This section provides information on transfer payments made to provinces, municipalities, departmental agencies (excl. public entities), higher education institutions, public corporations, private enterprises, foreign governments, non-profit institutions and households. This excludes payments to public entities as it is included in the previous section. In this section also provide information on where funds were budgeted to be transferred but transfers were not made and the reasons for not transferring funds.

Departments are requested to provide the name of the transferee, the purpose for which these funds were transferred, did the department comply with S38 (1)(j), the amount transferred, the amount spent from the transfer received by the transferee, (excluding individuals or social grant payments) and the reasons for unspent funds by the transferee. Departments must also comment on monthly monitoring systems or the lack thereof to monitor spending on such transfers. If such monitoring did take place, departments must provide details of difficulties experienced and what steps (if any) were taken to rectify such difficulties.

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 the funds were used	Compliance with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity (R'000)	Reasons for the funds unspent by the entity
Fort Cox College	Agricultural College	Agricultural College	Yes	61 198	61 198	n/a

The table below reflects the transfer payments which were budgeted for in the period 1 April 2021 to 31 March 2022 but no transfer payments were made.

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

6. CONDITIONAL GRANTS

6.1 Conditional grants and earmarked funds paid
None.

6.2 Conditional grants and earmarked funds received
The table below details the conditional grants and ear marked funds received for the period 1 April 2021 to 31 March 2022.

COMPREHENSIVE AGRICULTURAL SUPPORT PROGRAMME GRANT:

Department to whom the grant has been transferred to	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 export. - To revitalize agricultural colleges into centres of excellence.
Expected outputs of the grant	742 subsistence, 2 137 smallholder and 11 commercial farmers supported through CASP. 109 youth, 740 women and 0 farmers with disabilities supported through CASP. 80 on-off farm infrastructure provided 0 animals vaccinated for foot and mouth disease in Limpopo and Mpumalanga 4 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 markets access 1 843 526 extension personnel maintained in the system 2 Agricultural colleges upgrading infrastructure

Department to whom the grant has been transferred to	Eastern Cape Department of Rural Development and Agrarian Reform
Actual outputs achieved	• 1 10 subsistence, 2 675 smallholder and 5 black Commercial farmers were supported through CASP • 131 youth, 1 050 women and 0 farmers with disabilities were supported through CASP • 93 on-off farm infrastructure was provided • 2 790 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 – (1 TARDI & FORT COX) • 2 131 Farmers participating in KYD programme.
Amount per amended DORA (R'000)	R 247 246
Amount received	R 247 246
Reasons if amount as per DORA not received	N/A
Amount spent by the department	R 243 645
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 twenty-five graduates that got permanent employment and one natural attrition.
Reasons for deviation on performance	• 2 398 beneficiaries were trained instead of the 2000 planned. This is due to the fact that some of the projects ended up having larger numbers than those that were anticipated as the trainings 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 restriction during the third quarter. • 19 Farming Units were mentored instead of 20 due to the fact that one mentor did not meet the requirements of the advert for the mentorship program.
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 • Institute proper contract management
Monitoring mechanism by the receiving department	• Hold weekly financial and physical progress reporting meeting so that problems are identified and resolved timeously • Conducting Site visits to validate reporting

EXPANDED PUBLIC WORKS PROGRAMME GRANT:

The table below details the conditional grants and earmarked funds received during the period 1 April 2021 to 31 March 2022.

Department who transferred the grant	Department roads and Public Works
Purpose of the grant	Job creation
Expected outputs of the grant	Number of green jobs created expressed as Full-Time Equivalents (FTEs) = 41
Actual outputs achieved	Number of green jobs created expressed as Full-Time Equivalents (FTEs) = 41
Amount per amended DORA (R'000)	2 076
Amount received (R'000)	2 076
Reasons if amount as per DORA was not received	N/A
Amount spent by the Department (R'000)	2 076
Reasons for the funds unspent by the entity	N/A
Reasons for deviations on performance	N/A
Measures taken to improve performance	N/A
Monitoring mechanism by the receiving department	Monthly and quarterly through reports and payments of wages.

ILIMA / LETSEMA CONDITIONAL GRANT:

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 0 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	20 403 subsistence, 8 608 smallholder and 0 black Commercial farmers were supported through ILIMA_LETSEMA - 846 youth, 17 729 women and 0 farmers with disabilities were supported through ILIMA_LETSEMA

Department to whom the grant has been transferred	Eastern Cape Department of Rural Development and Agrarian Reform
	18 232 Ha of Land under agricultural production (field crops such as grains and oilseeds). 969 Jobs were created.
Amount per amended DORA (R'000)	R 74 567
Amount received (R'000)	R 74 567
Reasons if amount as per DORA was not received	N/A
Amount spent by the Department (R'000)	R 74 591
Reasons for the funds unspent by the entity	N/A
Reasons for deviations on performance	- The program 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 hence 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 submission 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 program 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 is provided immediately for districts that may show poor performance and expenditure.

LAND CARE GRANT:

Department who transferred the grant	Department of Agriculture, Land Reform and Rural Development
Purpose of the grant	To promote sustainable use and management of natural resources by engaging in community based initiatives that support the pillars of sustainability (social, economic and environmental), leading to greater productivity, food security, job creation and better well-being for all.
Expected outputs of the grant	Hectares of rangeland protected and rehabilitated =3456 Hectares of arable land protected and rehabilitated=0 Hectares of land under conservation agriculture =294 Number of farmers using conservation Agriculture =294 Number of hectares of land where water resources are protected and rehabilitated=0 Number of capacity building initiatives conducted for land carers and institutions=8 Number of people who benefited from capacity building initiatives=143 Number of awareness campaigns conducted=9 Number of people more aware of sustainable use of natural agricultural resources =327 Hectares of land where weeds and invader plants are under control=3456 Number of kilometres of fence erected=54 Number of green jobs created expressed as Full-Time Equivalents (FTEs) =78
Actual outputs achieved	Hectares of rangeland protected and rehabilitated =5268 Hectares of arable land protected and rehabilitated=0 Hectares of land under conservation agriculture = 221 Number of farmers using conservation Agriculture =221 Number of hectares of land where water resources are protected and rehabilitated=0 Number of capacity building initiatives conducted for land carers and institutions=10 Number of people who benefited from capacity building initiatives=332 Number of awareness campaigns conducted-7 Number of people more aware of sustainable use of natural agricultural resources = 406 Hectares of land where weeds and invader plants are under control=5 268 Number of kilometres of fence erected=49 Number of green jobs created expressed as Full-Time Equivalents (FTEs) =78
Amount per amended DORA (R'000)	12 513
Amount received (R'000)	12 513
Reasons if amount as per DORA was not received	N/A
Amount spent by the Department (R'000)	12 513
Reasons for the funds unspent by the entity	N/A
Reasons for deviations on performance	N/A
Measures taken to improve performance	N/A
Monitoring mechanism by the receiving department	Monthly and quarterly reports.

6.3 Conditional grants and earmarked funds received

None.

7. DONOR FUNDS

7.1 Donor Funds Received

No donor funds were received for the year under review.

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

8. CAPITAL INVESTMENT

8.1 Capital investments, maintenance and asset management plan

Construction of 4 animal handling facilities for small and large stock, 2 portable kraals and Supply and delivery of 2 crush pens all completed as planned. Drilling and testing of 43 boreholes and 5 stock water out of 86 planned due to delays in drilling by DALRRD. 5 Newly constructed 21 dip tank renovations (3 of which were implemented from savings) out of 21 originally planned due to delays in delivery of renovation material and inability to access to site due to inclement weather. Construction of 2 storage sheds- as planned.

Installation of irrigation systems in 7 irrigation schemes out of 5 planned due to projects implemented by savings realized in other projects. 39 Fencing projects for livestock and grain amounting to 201.462 km out of 356 km planned due to financial constraints of appointed service providers. Construction of 7 Multi-purpose sheds out of 9 planned and 1 Grain storage completed as planned due to financial constraints of appointed service providers. Construction of 13 shearing sheds, 1 renovation out of 17 planned and 8 supply and delivery of shearing shed equipment. Construction Fort Cox College Sewer and Water Treatment Works. Construction of piggery rearing structure and a manure dam. Construction of new ablution facilities fish farming.

Assets acquired are barcoded on receipt on the LOGIS system, physically barcoded and captured as and when received in the asset register. Asset reconciliations are then performed monthly against expenditure to ensure that they are all recorded. The current state of the department's capital assets is 60% in good condition, 20% fair and 20% bad. This is due to budgetary constraints to meet all the capital needs of the department. Major maintenance was done in the Tsolo Agriculture and Rural Development Institute (TARDI) and there is a multi-year project that will over to the next financial year.

The department does not own any immovable assets for it to perform or plan for its maintenance but is a user and Department of Public Works & Infrastructure (DPW&I) is the custodian. A User Asset Management Plan (U-AMP) is submitted to DPW&I annually for them to see the maintenance needs of the department and assist to reduce the backlog.

- Infrastructure projects that are currently in progress (list projects) and when they are expected to be completed.

DISTRICT	PROJECT	NATURE OF INVESTMENT	FUNDING SOURCE	NUMBER OF UNITS	COMPLETION DATES	AMOUNT RUNNING OVER TO 2022/23
ALFRED NZO	Matatiele stock water systems	UPGRADE & ADDITIONS CAPITAL	EQUITABLE SHARE	3	30 June 2022	R623 779.20
AMATHOLE	Design, supply, delivery and installation of irrigation equipment for 23ha at Waterfall Farm.	NEW INFRASTRUCTURE CAPITAL	CASP: INFRASTRUCTURE	23Ha	26 May 2022	R165 772.50
AMATHOLE	The construction of Rural Market at Keiskamahoe in the Amahlathi LM of Amathole District	NEW INFRASTRUCTURE CAPITAL	CASP: INFRASTRUCTURE	1	30 September 2022	R972 531.73
CHRIS HANI	Professional Service: Environmental Services-Gubenza	NON INFRASTRUCTURE: CURRENT	CASP: INFRASTRUCTURE	13	28 February 2023	R234 081.70
CHRIS HANI	Professional Service for Environment impact assessment of a 1500 cattle feedlot at Ikhepu Feedlot in the Sakhisizwe LM	NON INFRASTRUCTURE: CURRENT	CASP: INFRASTRUCTURE	1	31 March 2024	R296 382.59
JOE GQABI	SENQU DROUGHT RELIEF (BOREHOLES)	NEW INFRASTRUCTURE CAPITAL	EQUITABLE SHARE	3	30 June 2022	R453 895.16
JOE GQABI	ELUNDINI DROUGHT RELIEF (BOREHOLES)	NEW INFRASTRUCTURE CAPITAL	EQUITABLE SHARE	5	30 June 2022	R812 170.24
JOE GQABI	WALTER SISULU CUSTOM FEEDLOT IRRIGATION	NON INFRASTRUCTURE: CURRENT	CASP: INFRASTRUCTURE	1	30 September 2022	R543 207.45
OR TAMBO	Stock Water system	NEW INFRASTRUCTURE CAPITAL	EQUITABLE SHARE	4	30 June 2022	R511 879.47
OR TAMBO	CONSTRUCTION OF MHLANJENI SHEARING SHED AT NDULINI VILLAGE IN THE NYANDENI LM, OR TAMBO DISTRICT	NEW INFRASTRUCTURE CAPITAL	CASP: INFRASTRUCTURE	1	30 June 2022	R235 927.37
SARAH BAARTMAN	WILLOWMORE AQUAPONICS	NEW INFRASTRUCTURE CAPITAL	CASP: INFRASTRUCTURE	1	31 July 2022	R977 530.95

DISTRICT	PROJECT	NATURE OF INVESTMENT	FUNDING SOURCE	NUMBER OF UNITS	COMPLETION DATES	AMOUNT RUNNING OVER TO 2022/23
SARAH BAARTMAN	GAMTOOS SHED	NEW INFRASTRUCTURE CAPITAL	CASP: INFRASTRUCTURE	1	30 May 2022	R424 281.59
SARAH BAARTMAN	SARAH BAARTMAN BOREHOLE EQUIPMENT	NEW INFRASTRUCTURE CAPITAL	CASP: INFRASTRUCTURE	10	30 May 2022	R557 570.73
HEAD OFFICE	CONSTRUCTION OF INCINERATOR BUILDING WITH INCINERATOR AT TARDI	NEW INFRASTRUCTURE CAPITAL	CASP: INFRASTRUCTURE	1	30 July 2022	R1 522 113.44
HEAD OFFICE	CONSTRUCTION OF THE TARDI ACCESS GATE BUILDING	NEW INFRASTRUCTURE CAPITAL	CASP: INFRASTRUCTURE	1	30 June 2022	R1 376 857.54
HEAD OFFICE	CONSTRUCTION OF TWO FURNISHED LECTURE HALLS AT FORT COX COLLEGE	NEW INFRASTRUCTURE CAPITAL	CASP: INFRASTRUCTURE	1	30 September 2022	R7 547 977.53
OR TAMBO	OR T FENCES	NEW INFRASTRUCTURE CAPITAL	CASP: INFRASTRUCTURE	107km	30 September 2022	R2 033.00
ALFRED NZO	ALFRED NZO FENCES	NEW INFRASTRUCTURE CAPITAL	CASP: INFRASTRUCTURE	21km	30 August 2022	R285.00
AMATHOLE	AMATHOLE FENCES-MQONCI	NEW INFRASTRUCTURE CAPITAL	CASP: INFRASTRUCTURE	2km	30 June 2022	R52 000
SARAH BAARTMAN	SARAH BAARTMAN FENCES	NEW INFRASTRUCTURE CAPITAL	CASP: INFRASTRUCTURE	20.9	30-Aug-22	R140 000

The following project were cancelled during the year due to financial and technical capability of the contractors and will be re-advertised and completed during the 2022/23 financial year:

- TARDI Poultry House Project
- Sonwabile Multi-Purpose Shed
- Skhobeni Shearing Facility
- Mbonisweni Multipurpose Shed
- Chevy Chase Multipurpose Shed

The department does not provide maintenance services for on-farm infrastructure but advises on maintenance procedures in the form of helping the beneficiaries draft their maintenance plans. Maintenance budget is provided for Agricultural Colleges and other state infrastructure supporting farmers like Dohne and its satellite offices. The maintenance of office accommodation is the responsibility of Department of Public Works as the custodian of state assets. There were no major maintenance projects that have been undertaken during the period under review.

Infrastructure Projects	2021/22			2020/21		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
New and replacement assets	108 682	105 809	2 873	130 126	118 236	11 890
Existing infrastructure assets	13 034	11 684	1 350	18 940	33 818	-14 878
- Upgrades and additions	8 543	7 350	1 193	73	7 206	-7 133
- Rehabilitation, renovations and refurbishments	3 857	3 783	74	18 528	26 273	-7 745
- Maintenance and repairs	634	551	83	339	339	-
Infrastructure transfer	9 977	9 977	-	7 991	7 981	10
- Current	-	-	-	-	-	-
- Capital	9 977	9 977	-	7 991	7 981	10
Total	131 693	127 470	4 223	157 057	160 035	-2 978

PART C

GOVERNANCE



I. INTRODUCTION

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

2 RISK MANAGEMENT

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

Risk Assessment and Development of Risk Registers

The risk profile of the Department has been maintained by ensuring that key strategic and operational risks are identified with suitable mitigation plans. The crucial process of identifying risks in the Department was followed and the draft risk registers were presented to the risk management committee for endorsement and later submitted to the Accounting Officer for final approval of the 2021/22 risk registers. The approved Risk Registers were forwarded to Internal Audit for them to develop their risk based Internal Audit Plan for 2021/2022 Financial Year.

The Risk Management Committee (RMC)

The Risk Management Committee has held four meetings for the entire Financial Year in an effort to play its pivotal role which is to assist the Accounting Officer in ensuring an efficient Risk Governance in the Department prevails and has further effected its overall responsibility which is to monitor and approve all Risk Management Policies. The Committee has approved the following Risk Management Strategic documents: Enterprise Risk Management Policy, Methodology and Strategy, Enterprise Risk Management Implementation Plan, Strategic and Operational Risk Registers. The documents were taken through a rigorous process of review within various functional components of the Department.

The Chairperson of the RMC as regulated by the Enterprise Risk Management (ERM) Framework has submitted reports on a quarterly basis to the Accounting Officer and presented reports to the Audit Committee. The Department has submitted quarterly activity reports to the Provincial Treasury and subsequently provided responses that arose from the reports submitted to Provincial Treasury. The fact that the department has reached a level of maturity where risk treatment plan reports are deliberated on, is evident based on the value added by this committee. The Accounting Officer has appointed the Independent Chairperson of the Committee as guided National Treasury. The cross-functional nature of the RMC is central to its effectiveness and has further appointed the Internal Risk Management Committee Members on a permanent basis and would only be reviewed when a member has left the Department where a replacement would be appointed.

A collaborative Approach to Risk Management

A collaborative approach has been established between Risk Management and Internal Audit to share information and reports to enable us to identify new or emerging risks as well as for combined assurance. The Chairperson of the Risk Management Committee, as regulated by the ERM Framework has submitted reports on a quarterly basis to the Accounting Officer and also presented reports to the Audit Committee, regarding the implementation of risk activities in the department. The Chairperson is also a member of the Audit committee to allow for seamless flow and continuity.

Progress in terms of ERM

The ERM is an Enterprise-wide Risk management, which looks at the organization as a whole in terms of coordinated risk management processes with emphasis on collaboration and combined assurance. The department is guided by the Public Sector Risk Management Framework as a guiding tool to implement ERM. Strategies, policies, methodology / procedures and implementation plans are then derived from this document in order to be able to fully implement ERM.

The department has reviewed and approved the Risk management Strategy, policy and implementation plan for the financial year. Monitoring of implementation is done quarterly and reported to the relevant governance structures (Top management, Risk committee, Audit committee, Provincial Treasury, etc.). ERM offers a framework to effectively manage uncertainty, respond in a proactive manner to risks identified and exploit opportunities as they arise in on order to turn every risk into an opportunity for the benefit of the department.

3. FRAUD AND CORRUPTION

TYPES OF ANTI CORRUPTION CASES INVESTIGATED

Type	Number
Corruption	4
Fraud	6
Financial Misconducts	1
Maladministration	8
Total	19

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

Nature of Cases	Number
Fraud & Corruption	10
Forged Signature	-
Tender Irregularities	-
Nepotism	-
Payroll Fraud	-
Procurement Fraud	-
Travel Claims	-
Financial Misconduct	1
Maladministration	9
TOTAL	20

Status of cases:

Type	Status	Number
SAPS Anti-corruption unit	Cases are still under investigation and one has gone to the National Prosecuting Authority for a decision.	3
Departmental Anti-corruption unit	A total of 16 investigations have been finalised and forwarded for consequence management and One (1) case is still under investigation.	17
Closed files		16
Pending cases still need to be finalized and closed	1 under investigation	1
Recommended cases for finalisation to the Accounting Officer		3
Total		40

Pending cases still not finalised:

Type	Year	Number
Fraud and Corruption investigated by the Department's Crime Prevention Unit and Special Investigation Unit	2021/2022	1

CHALLENGES FACED REGARDING THE CASES REPORTED (HOTLINE / DEPARTMENT)

There are not many cases we received from the hotline, however the Anti-corruption unit continues to do awareness sessions, and the hotline number is given to everyone and is also on the departmental website. Employees are also encouraged to whistle blow in order to protect their identity, however, we still have challenges on this area, as employees are hesitant on reporting fraud and corrupt activities. However, cases that are reported are investigated.

4 MINIMISING CONFLICT OF INTEREST

The circular issued by provincial treasury on managing conflict of interest is being rigorously implemented by the department and implementation reported on a quarterly basis.

Period	No. of cases / employees on CSD	Status
Q1	13	Eight (8) are permanent employees and were deregistered on CSD. 5 were interns which are not regarded as conflicted.
Q2	-	N/A.
Q3	3	All employees were deregistered on CSD.
Q4	-	N/A.

5 CODE OF CONDUCT

The department has an Ethics Strategy and Implementation Plan to drive programs that advocates the change in the behavioural conduct of employees. The department conducts awareness throughout the province, the code of conduct and code of ethics to influence and inculcate professionalism in the work place.

6 HEALTH AND SAFETY AND ENVIRONMENTAL ISSUES

The Occupational Health and Safety Act 85 of 1993 section 8(1) requires every employer to provide and maintain, as far as reasonably practicable and working environment that is safe without imposing risk to its employees. In an effort to

comply with the Act, the department has managed to sustain a functional Occupational Health and Safety Governance Structure, which oversees the promotion, maintenance and review measures of ensuring a safe working environment. The Committee is chaired by a 16.2 appointee and had nine (9) sittings.

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

The rate of COVID -19 contamination in the workplace had decreased through implementation of housekeeping rules, provisioning of PPE and continuous health screening of its employees in all departmental entrance points for COVID -19 symptoms. The department ensured that its workforce was well informed on legislative developments of COVID-19, through awareness, distribution of electronic information, pamphlets and display of posters in strategic areas.

The department also raised awareness on COVID-19 registration and vaccination through distribution of posters, pamphlets and electronic messages to employees and resulted to 926 employees confirmed to have vaccinated at the end of the financial year.

An Occupational Health and Safety Risk Assessment was conducted to identifying work related risks and hazards. The Risk Assessment identified about 7162 risks in office buildings, Veterinary Services, Extension, and Engineering Services and of the total, 1210 were regarded as extreme high risks. In response to the outcome of the assessment, Non-Conformance Registers with actions to mitigate risks were developed.

7 PORTFOLIO COMMITTEE

The Department met with the Portfolio Committee on 16 and 19 November 2021 to discuss the Annual Report and the Financial Oversight report. The Portfolio Committee met on 30 November 2021 to finalize and adopt the report. The report was finalized and adopted on 30 November 2021.

RESOLUTIONS/RECOMMENDATIONS OF PORTFOLIO COMMITTEE ON DRDAR'S HALF YEAR FINANCIAL AND PERFORMANCE OVERSIGHT REPORT FOR 2021

Programme I: Administration

FINDINGS	RECOMMENDATIONS	RESPONSES FROM DRDAR
(a) There are delays in the filling of the vacant posts and this can be attributed to the PCMT tedious process.	(a) The Department must within 30 days submit to the Committee a detailed report about the PCMT challenges on the recruitment process.	There were no challenges faced with the PCMT during 2021/2022 financial year. However, the following factors may affect the turnaround times in the filling of posts: • Large numbers of applications were received for the latest departmental circular. • Manual master-listing process delays commencing of the selection process. • Late receipt of posted applications from the Post Office. • Re-advertisement of posts, because no suitable candidates could be found. • Delays in verification of qualifications with tertiary institutions. Going forward in preparation for the 2022/23 recruitment cycle the department will be implementing an e-Recruitment system that will address the challenges associated with response handling and master list processes.

FINDINGS	RECOMMENDATIONS	RESPONSES FROM DRDAR
		The Department has concluded a MOU with the South African Qualification Association this will assist in expediting the verification of qualifications of potential candidate.

Programme 2: Sustainable Resource Management

FINDINGS	RECOMMENDATIONS	RESPONSES FROM DRDAR
(a) There was a delay in the delivery of inputs and protective clothing which resulted in a fewer number of hectares of agricultural land being rehabilitated and green jobs created.	a) The Department must within 30 days submit to the Committee the recovery plan to address the challenge.	Service providers were verbally warned which assisted the delivery of inputs and protective clothing. The deliveries were done resulting in increased hectares rehabilitated using green jobs. The programme is implementing what is prescribed in the PFMA as assisted by SCM. This includes consequence management for the service providers.
(b) Although the drought conditions at Sarah Baartman District are prevalent the Department does not have drought mitigation programmes that are targeting specifically that area.	b) The Department must within 30 days submit to the Committee the intervention plan to mitigate drought in the area.	Drought mitigation programmes include the following: • Veld management that is the building resilience and stability of soil during disaster through the removal of alien plants and bush encroachment control then conduct reseeded. This was done at Sarah Baartman under the Land Care Programme. • Water Management - de-silting of dams done together with proper grazing practices enables use of standing veld and prevents concentration of livestock of already over-grazed areas services by reliable water. Boreholes were drilled and dams were scooped as part of drought mitigation. • Reports on the completed projects for desilting of earth dams and drilling of new boreholes is kept in the district. In 2020/21 a total of ten (10) earth dams have been de-silted and repaired in the Sarah Baartman district. A further seven (7) boreholes have been drilled and equipped with CASP funds. Twelve (12) boreholes have been drilled by DALRRD drilling team in the district. These boreholes were equipped in the 2021/22 financial year with pumps, reservoirs and drinking troughs. The selection of the dams and boreholes are done at district level. • In addition 4 dams were scooped in the Sarah Baartman district. • Early Warning Systems – The department installed 86 weather stations throughout the province in order to provide credible data to monitor climate change and provision of early warning climate data to mitigate disasters like drought. This assists Drought management in that weather stations are forecasting tools that gives daily weather (temperatures and rainfall) alerts that are communicated to Eastern Cape farmers making them aware on time of possible climatic effects. This will enable farmers to pro-

FINDINGS	RECOMMENDATIONS	RESPONSES FROM DRDAR
		actively plan on mitigation and adaptation strategies in response to climatic changes.
(c) The Department has exceeded the set target on the number of engineering advisory reports provided to clients to enable them to plan, operate and maintain infrastructure, machinery and equipment.	(c) The Department is commended for the good performance	The commendation is noted with appreciation.

Programme 3: Farmer Support Development

FINDINGS	RECOMMENDATIONS	RESPONSES FROM DRDAR
(a) The projections in the programme are far below the expectations and are not convincing, it is likely to underspend at the end of the financial year and this negatively affects service delivery.	a) The Department must within 30 days submit a clear plan to prevent the anticipated underspending.	The Programme has revised its procurement plans which are linked to revised budget projections to prevent under expenditure as per the Action Plan.
(b) The target on the number of producers supported in the citrus commodity was not met at all.	b) The Department must submit to the Committee a recovery plan to address this challenge.	The Department will partner with DALRRD, Land Bank and citrus commodity groups to improve support to black producers. These partnerships will increase the number of producers that will have access to a targeted support based on their need.

Programme 4: Veterinary Services

FINDINGS	RECOMMENDATIONS	RESPONSES FROM DRDAR
(a) The Department has failed to achieve all the set targets in the Animal Health sub-programme.	a) The Department must within 30 days submit to the Committee a plan on how these will be achieved before the end of the financial year.	During the period under review, only the sheep scab and cattle dipping performance indicators were not achieved. The sheep scab treatment (annual) target achieved at the end of the third quarter as the department embarks on the annual sheep scab treatment campaign. A total of 6 353 624 treatments were applied to sheep for the control of sheep scab. The summer rains hindered the cattle dipping due to the constant rain, cattle owners missed bringing their cattle to the dipping points. As cattle dipping is a disease management tool animals cannot be dipped more frequently to catch up with lost dipping days as this will interfere with the endemic stability (herd immunity). In addition, all those communities without functional dipping tanks will be provided with Pour-On Treatments.
b) The set targets on the number of treatments applied to animals for external parasites control were not achieved.	b) A plan on how this challenge will be improved must be submitted to the	The department is currently renovating five dip tanks and constructing two new dipping tanks that will result in more animals being treated. The plan was to complete these works during the 3 rd and 4 th Quarters, however,

FINDINGS	RECOMMENDATIONS	RESPONSES FROM DRDAR
	Committee within 30 days.	days were experienced due to the inclement weather in the 3 rd Quarter.
(c) The Department has laboratories of a high standard that are SANAS accredited and is assisting Free State Province with animal sample testing.	c) The Department is commended for the sterling work.	The commendation is noted with appreciation.

Programme 5: Research and Technology Development Services

FINDINGS	RECOMMENDATIONS	RESPONSES FROM DRDAR
(a) There is a concern that the soil sample analysis results take a long time.	a) The Department must improve and speed up the process.	To improve accountability, the programme has introduced a sample registration process that allows their tracking, since some of the delays encountered from the time the samples are received by the Extension Officers at local offices. Engagements with districts will be held to ensure speedy delivery from the farmer. Furthermore, the department seeks to reduce the turnaround time from 21 to 14 days once samples reach the Dohne Laboratories.
(b) There is a concern that the Department is not proactive and this is based on the fact that there is no clear plan for research trials on fodder production.	b) The Department is advised to be proactive and develop a clear plan for research trials on fodder production.	The Department is implementing a number of fodder production research trials that include Lucerne cultivar evaluations, drought fodder production, fodder preservation and legume crop integration into degraded old lands. The outcomes of these trials will be disseminated to farmers at dedicated information days. The programme will be strengthening research-extension-farmer linkages to drive information dissemination and technology adoption.

Programme 6: Agricultural Economics Services

FINDINGS	RECOMMENDATIONS	RESPONSES FROM DRDAR
a) The delays in the finalization of CASP business plans contributed to a fewer number of clients which were supported with production economic services.	a) The Department must within 30 days submit to the Committee a plan on how this challenge will be addressed before the end of the financial year.	The CASP and Ilima Letsema business plans were completed and approved on time.

Programme 7: Structured Agricultural Education and Training

FINDINGS	RECOMMENDATIONS	RESPONSES FROM DRDAR
(a) The staff shortages in the Skills Development component has led to a fewer number of participants trained on skills development programmes and also resulted in a few number of farmworkers completing accredited and non-accredited courses.	a) The Department must within 30 days submit to the Committee an action plan with timeframes on how the challenge of Skills Development Personnel will be addressed.	The department approved some posts to be filled at Mpofu Training Centre and TARDI and some incumbents will assume duties by January 2022. These appointments will alleviate, though not fully, staff shortages to address skills development programs.

Programme 8: Rural Development Coordination

FINDINGS	RECOMMENDATIONS	RESPONSES FROM DRDAR
(a) The under-expenditure on Goods and Services is a concern and this can result in budget cuts.	a) A plan on how the expenditure on Goods and Services will be improved must be submitted to the Committee within 30 days.	The Programme has identified the reasons for under expenditure and to address this has adjusted the plans, and has revised its procurement plans which are linked to revised budget projections to prevent under expenditure.
(b) General management of land use is a challenge and the role of social facilitation to address the matter is not significant.	b) The Department must ensure that general management of land use is prioritized. Social facilitation programmes, as well as awareness campaigns, must be strengthened to address this challenge.	The recommendations is noted and will be implemented through a partnership with all stakeholders (traditional leaders, municipalities, NGO's and CBO's etc.

General Findings:

FINDINGS	RECOMMENDATIONS	RESPONSES FROM DRDAR
(a) There is a lack of correlation between the set targets, performance and expenditure.	a) The Department must improve on its planning, target settings and spending patterns to ensure that the allocated budget is spent as planned. A plan to address this challenge must be submitted to the Committee within 30 days.	Some of the departmental targets are compliance-based targets. Implementation and execution thereof does not necessarily require a budget. The Department continues to intensify monitoring of Strategic Planning Framework which guides planning, monitoring and evaluation. There are reviewal sessions convened by both the MEC and HOD, the sessions seek to identify and address the gaps at an earlier stage. The Strategic Planning Unit through its Monitoring and Evaluation monitors the non-correlation on an ongoing basis. Where deviation detected, recovery plans are developed and implemented in order to mitigate the risk.
(b) The Department consistently underspends on the Conditional Grants and this negatively affects the service delivery.	b) The Department must within 30 days submit to the Committee a turnaround strategy on how the Conditional Grants spending pattern	The programmes have revised their procurement plans which are linked to the revised budget projections to prevent under expenditure, as per the Action Plan.

FINDINGS	RECOMMENDATIONS	RESPONSES FROM DRDAR
	will be improved to prevent the anticipated underspending.	
(c) Performance on the set targets and also the spending patterns on the projections are not convincing.	(c) The Department must provide the Committee with turnaround strategies to improve the situation.	The budget projection strictly be informed by the approved project specific procurement plan to improve the spending. The Departmental Procurement Plans and budget projections are attached for easy of reference
(d) There is a concern that all the projects that were visited by the Portfolio Committee during the Public Participation programme in June 2021 have not yet been assisted.	d) The Office of the MEC should prioritize these projects and ensure that the recommendations made by the Committee are implemented. A progress report must be submitted to the Committee within 30 days.	The recommendations are noted and will be implemented.

RESOLUTIONS / RECOMMENDATIONS OF PORTFOLIO COMMITTEE ON DRDAR FINANCIAL OVERSIGHT REPORT

8. SCOPA RESOLUTIONS

Resolution No.	Subject (Finding)	Details (Recommendation)	Response by the department	Resolved (Yes/No)
Expenditure Management	Effective steps were not taken to prevent fruitless and wasteful expenditure amounting to R541 000 as disclosed in note 25 of annual financial statements, as required by section 38 (1) (c) (ii) of the PFMA and Treasury Regulations 9.1.1. The majority of fruitless and wasteful expenditure was made by interests on late payments. Repeat finding	- The Department must take effective steps to prevent the occurrence of fruitless and wasteful expenditure. - The Department must sufficiently capacitate its employees to ensure that the requirements of Section 45 (c) of the PFMA is complied with. - The Accounting Officer must take disciplinary action in line with Section 38 (1) (h) against officials who have been found to have permitted Fruitless and Wasteful expenditure. - The Department must recover fruitless expenditure from the responsible officials. - The Department must put mechanisms in place to address the root cause.	- During the level 5 lockdown the Government Fleet Management Services (GFMS) decided to email the invoices as there were no officials on duty in the department's registry. The Compliance Office / Pre-Audit Unit of the department did not process copied invoices as this is not in line with the standard procedure and poses a risk of fraudulent and duplicate payments. The interactions between the Transport Entity and the Director in the Fleet Management Office delayed the processing of these invoices. The Director for Fleet Management did not explore the option to arrange someone to receive the invoices from the Entity. - The employees are sufficiently capacitated for the job but COVID -19 lockdown disruptions affected the availability of officials on site. - The Director responsible for Fleet Management in the department is being taken through the disciplinary process. Labour relations unit is facilitating the process. - The disciplinary process is still underway and the expectation is that the recovery of the fruitless expenditure incurred will be part of the sanction flowing from the disciplinary process. - The Standard Operating Procedures for both SCM and Finance have been revised and designated officials have been assigned to perform reconciliations for both vehicle utilisation and invoices.	YES
Internal Control Deficiencies	There was prolonged vacancy in the key position of accounting officer, which resulted in	- The Accounting Officer position is vacant and must be filled. - The Accounting Officer must ensure that the	The Department is unable to indicate when the post will be filled as the mandate rests with the Office of the Premier.	YES

Resolution No.	Subject (Finding)	Details (Recommendation)	Response by the department	Resolved (Yes/No)
	leadership instability and undermined accountability. The absence of this leadership resulted in inadequate direction within the department to guide its strategies and operations such as ensuring compliance with all laws and regulations. Management did not implement all the processes and controls required to ensure compliance with all laws and regulations. Non-compliance with legislation could have been prevented had compliance been properly reviewed and monitored.	Department has adequate capacity to integrate and manage compliance with the existing controls as required by legislative prescripts. - The Department must institute disciplinary measures against those officials who failed to perform their duties in ensuring compliance with applicable laws and regulations. - The Department must put measures in place to implement good practises and comply with the applicable laws and regulations.	- The department does have the capacity to integrate and manage compliance. There is a unit dedicated to pre-audit all transactions with financial implications. The fact that the department has managed to eradicate irregular expenditure serves as an evidence that the controls that are in place by the department are effective. - Consequence management has been instituted against the relevant officials. - The department will continue to strengthen the Pre-audit / Compliance Office to ensure compliance at all times. Corrective measures and consequence management will be implemented. No interest will be paid to Transport until correct invoices are issued. Traffic fines and no show penalties will be recovered from the affected employees.	
Investigations	The President through Proclamation no R36 of 2019 (GG 4257 dated 12 July 2019) has referred matters for investigation by Special Investigating Unit. The matters relate to the following: Maladministration in the affairs of Department of Agriculture, Forestry and Fisheries related to the mismanagement of the comprehensive agriculture support programme grant.	The Department must provide the Committee with status and progress on these investigations	The investigation reported by the Auditor General is conducted at a National Level (DAFF), following a proclamation by the President. The Department has not received any feedback / investigation report from the National Department (DAFF) and therefore is not able to provide a response in this regard.	YES

Resolution No.	Subject (Finding)	Details (Recommendation)	Response by the department	Resolved (Yes/No)
	- Unauthorised, irregular and fruitless and wasteful expenditure. - Irregularities in Supply Chain Management processes.			

9. PRIOR MODIFICATION TO AUDIT REPORTS

Include a discussion on mechanisms put in place by the Accounting Officer to resolve the matters reported by the AGSA in the previous financial year. This should include all matters in the audit report and those noted as important in the management report.

The discussion should be limited to all matters that gave rise to a qualification, disclaimer, adverse opinion and matters of non-compliance only. The department may include the information in a table as follows:

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

10 INTERNAL CONTROL UNIT (ICU)

During the year under review (2021-22 financial year), Internal Control Unit reviewed and monitored the implementation of Audit Intervention Plan through successful action plans to address internal control deficiencies that were identified by the Office of Auditor-General. Successful implementation of the Audit Intervention Plans are submitted and reviewed monthly by Provincial Treasury resulted full implementation of audit findings as at 31 March 2022. Audit Intervention Plans were also submitted to the Audit committee and Risk Management Committee quarterly.

The Audit Intervention Plan is also a standing item in the agenda on the monthly Top Management meetings held by the department. Enforcement of compliance with relevant prescripts, laws & treasury regulations and the periodical review of internal controls and maintenance of Financial BAS systems are always on-going and safeguarding the department on all its payment processes and budget allocations by all programmes. The departmental Information Systems are audited effectively to acknowledge unqualified audit status for the past few years with the Office of Auditor-General. Due to the stringent controls introduced and bi-monthly awareness programmes provided by this unit to all head office and regional offices, there are NO irregular expenditures identified since 2018 financial year to date and fruitless and wasteful expenditures of the department are found minimal.

The departmental approved Finance & Supply Chain Management Compliance Committee (FSCMCC) is functioning effectively at all times as its recommendations and decisions are fully implemented timeously and successfully. Monthly irregular, fruitless & wasteful expenditure registers are attended in the Budget Advisory Committees (BAC). The Unit is assisting The Chief Financial Officer by co-ordinating the external audit processes of the department by submitting all requested information on RFI and CoAFs timely by the given deadlines.

11 INTERNAL AUDIT AND AUDIT COMMITTEES

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

- Assess and make recommendations for improving the governance processes in achieving the department's objectives;
- Evaluate the adequacy and effectiveness and contribute to the improvement of the risk management process;
- Assist the Accounting Officer in maintaining efficient and effective controls by evaluating those controls to determine their effectiveness and efficiency, and by developing recommendations for enhancement or improvement.

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

The Audit Committee is established as a statutory and oversight committee in terms of section 38(1)(a)(ii) of the PFMA and Treasury Regulation, providing independent oversight over governance, risk management and control processes in the Department, which includes oversight and review of the following:

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

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

Name	Qualifications	Internal or external	Chairperson/ Ordinary member	Date appointed	Expiry Date	No. of Meetings attended
Ms L Smith	CA (SA), RA	External	Chairperson	01 February 2021	N/A	7
Adv Gugwini - Peter	Bachelor of Laws degree (LLB)	External	Ordinary member	01 August 2017	31 August 2021	4
Mr M Baza	B.Juris (Private and Criminal Law)	External	Ordinary member	21 November 2018	31 March 2022	7
Mr L Mabombo	B.Comm (Accounting)	External	Ordinary member	21 November 2018	31 March 2022	6
Ms V Hlehliso	B. Tech: Internal Auditing FIISA, CIA, CCSA & BAP(SA)	External	Ordinary member	01 October 2021	N/A	3

12 AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2022.

Audit Committee Responsibility

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

The Effectiveness of Internal Control

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

In-Year Management and Monthly/Quarterly Report

The department has been reporting monthly and quarterly to the Treasury as is required by the PFMA.

Evaluation of Financial Statements

We have reviewed the annual financial statements prepared by the department.

Auditor General's Report

The committee has engaged with and reviewed the conclusions reached by the AGSA on their audit of the March 2022 year end. Their report is noted and accepted. We reviewed the department's Audit Improvement Plan for audit issues raised in the previous year and monitored progress against this plan. This resulted in further escalation with the intention of improving the rate of actioning these matters.

Evaluation of Financial Statements and Annual Performance Report

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

Internal Audit

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

The Committee approved a risk-based three year rolling strategic internal audit plan and an annual audit coverage plan for the period 1 April 2021 to 31 March 2022 covering the following key audit activities:

Type	Total Planned Audits	Total Completed
Regularity and Compliance Audits	4	4
Risk Based Audits	8	8
Information Technology Audits	1	1
Ad hoc audits	2	2
Follow ups	3	3
TOTAL	18	18

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

Finance Annual Financial Statements Transfer Payments Fruitless and Wasteful Expenditure Review	Core Business Crop Production Livestock Improvement Scheme Expanded Public Works Programme Research and Technology development services Veterinary services Mantusini Dairy Project
Administration Performance Information Annual Report Governance Leave review Information Technology audit	Follow ups Crop Production Livestock Production Improvement Scheme Updating of the IA tracking tool for 2018/19 and 2019/20 findings raised.

Management has been slow in implementing the findings that have been raised by internal audit, resulting in non-implementations and weak control environment in some areas.

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

The Committee approved a risk-based three year rolling strategic internal audit plan and an annual audit coverage plan for the period 1 April 2021 to 31 March 2022 covering the following key audit activities:

Risk Management

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

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

The Risk Appetite Framework and Business Continuity Plan are yet to be completed and approved. Appointment of a CRO under the umbrella of Risk Management; Anti-Fraud and corruption and Integrity Management will assist the Department in the elevation of investigation of anti-fraud corruption that had stagnated and elevate the integrity management as guided by DPMA.

The Acting Head of Department committed management of the Department to comply with all relevant Corporate Governance processes. The Audit Committee is concerned that there has not been a permanent Head of Department since September 2018. Based on our observation, this has affected optimal performance and governance in the department and this needs to be resolved with a matter of urgency. Risk management and Internal Audit of the department reports at an appropriate level (administratively report to the Head of Department and functionally to the Audit Committee). All governance structures were established, such as Risk Management and IT Governance Committees.

There is a noticeable increase in risk management awareness in the Department, however the status of implementation of action plans, demonstrates that risk management activities are not consistently applied by management and relevant employees in key functions. For risk management maturity of the Department to improve, it is critical that recommendation made by the RMC are implemented timely by management and effective monitoring of implementation take place. Some risks were unassured due to inherent nature to business, transversal nature and ineffective controls to reduce the risks. The following serve as examples:

- Uncontrolled animal disease outbreaks;
- Failure to meet the accreditation requirements;

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

Investigations/ Fraud management

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

ICT Governance

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

Although, most components of the Corporate Governance of ICT Policy Framework (CGICT) have been addressed, the Audit Committee highlighted the risks of not having the Business Continuity Management Plan in place and a tested Disaster Recovery Plan. The Committee further noted the business disruptions due to downtime that needs urgent management intervention.

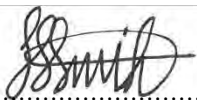
Other than matters stated above, there is nothing of significance that has come to the attention of the committee indicating any material breakdown in the functioning and controls within the department. Low participation or attendance of the ICT steering committee may hamper the progress made in this area which has proven to be a high dependency business support area during the COVID 19 time.

Auditor-General South Africa

The Audit Committee has met with the Auditor General of South Africa to discuss the Audit Strategy at the commencement of the audit.

Appreciation

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



Ms L. Smith

Audit Committee Chairperson

Eastern Cape Department of Rural Development and Agrarian Reform

31 August 2022

13 B-BBEE COMPLIANCE PERFORMANCE INFORMATION

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

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Response Yes / No	Discussion (include a discussion on your response and indicate what measures have been taken to comply)
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	The department is not on economic activity. The role of the department is confined in supporting farming communities (farmers) to be economically viable but not extended into this aspect.
Developing and implementing a preferential procurement policy?	Yes	The Supply Chain Management Policy is developed in line with the Preferential Procurement Policy Framework Act of 2000 and its regulations.
Determining qualification criteria for the sale of state-owned enterprises?	No	The department is a user of state owned enterprises and not a custodian, therefore no sales.
Developing criteria for entering into partnerships with the private sector?	No	There are no Public Private Partnership entered into.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	Yes	The BBBEE levels are applied only during the evaluation of procurement bids.

PART D

HUMAN RESOURCE MANAGEMENT



I INTRODUCTION

The role of department's human resource chief directorate is to ensure that its most important asset, that is, its human capital is being nurtured and supported through the creation and management of programs, policies, and procedures, and by fostering a positive work environment through effective employee-employer relations.

2 OVERVIEW OF HUMAN RESOURCES

DRDAR Human Resource Planning seeks to build on the existing strengths of the workforce and to enhance the development of a highly professional workforce. The Department deems management of the workforce key i.e. aligning them and their performance with institutional values, principles and standards that propel its success. Employees are seen as a key pillar in achieving the strategic objectives of the Department. Therefore, human resource planning aims to ensure that the department has the right people, with the right skills, at the right place at the right time, all the time.

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

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

No	HR Priority	Impact
1.	To design an organisational structure that is aligned to the service delivery model that provides framework, which clearly determines the nature, scope, extent and level of work that constitute the manner in which the agriculture and rural development services must be provided.	Appropriate organisational structure and systems that enhance service delivery.
2.	To build an appropriately sized, adequately competent and sufficiently skilled human capital that will enhance service delivery.	Skilled workforce to improve departmental performance.
3.	Institutionalisation of Batho Pele and a culture of high performance.	High performing, motivated workforce.
4.	Implement a planned approach to reduce the level of skills gaps and shortages that are being experienced in the following occupational classifications i.e. Specialist Agricultural Scientists, Veterinarians, Agricultural Engineers etc.	Increase the supply of critical and scarce skills to the department.
5.	Implement systems that will ensure preservation of institutional memory through knowledge management processes.	Preserved institutional memory through documented process and procedures.
6.	To design and implement Diversity Management strategies to address gaps identified in the following areas: - gender - racial demographics; and -people with disabilities.	Diverse organisation to increase quality of performance. Fair representation of people with disability in the workplace.
7.	Develop a wellness culture in the Department that will ensure employees achieve optimum levels of performance whilst feeling cared for and supported in their respective workplace.	Decrease poor performance due to absenteeism.
8.	Implementation of Health and Safety policies and processes to promote safety of employees in the department.	Reduce the risk of transmission of disease including occupational hazards in the department.
9.	Implementation of processes to ensure efficient and effective management of Labour Relations matters to reduce litigations and foster healthy employee/employer relations.	Capacitated workforce that is able to apply the applicable policies, procedures and legislation pertaining to Labour Relations.
10.	To automate business processes through leveraging ICT innovation.	HR processes that are streamlined and automated to improve efficiencies.

No	HR Priority	Impact
II.	To implement HR Analytics for effective decision-making processes.	Provision of HR trends to advise decision makers

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

Challenges faced by the Department

- a) Department remains challenged with finalization of organizational structure and impacts on implementation of departmental strategy.
- b) Critical shortage in the identified scarce skills in the following disciplines Veterinary Science, Agricultural Engineering and Specialized Agricultural Sciences
- c) The department continues working towards meeting the set targets as stipulated in the Employment Equity Act, however attraction of persons living with disabilities remains a challenge.
- d) Buildings utilized by the department to accommodate its human resources are non-compliant with OHS standards and are not conducive to people with physical disabilities.

Future HR plans / goals

The role of department's human resource chief directorate is to ensure that its most important asset, that is, its human capital is being nurtured and supported through the creation and management of programs, policies, and procedures, and by fostering a positive work environment through effective employee-employer relations.

- a) To design an organisational structure that is aligned to the service delivery model that provides framework that clearly determines the nature, scope, extent and level of work that constitute the manner in which the agriculture and rural development services must be provided.
- b) To build an appropriately sized, adequately competent and sufficiently skilled human capital that will enhance service delivery. Implement a planned approach to reduce the level of skills gaps and shortages that are being experienced in the following occupational classifications i.e. Specialist Agricultural Scientists, Veterinarians, and Agricultural Engineers etc.
- c) Improvement on implementation of 4IR technology within HR practices and environment with specific reference to recruitment and performance management.
- d) To design and implement Diversity Management strategies to address gaps identified and improve compliance with legislative framework relating to Employment Equity focusing on attracting people with disabilities.
- e) Implementation of Health and Safety policies and processes to promote safety of employees in the department.

3. HUMAN RESOURCES OVERSIGHT STATISTICS

3.1 Personnel related expenditure

The following tables summarise the final audited personnel related expenditure by programme and by salary bands. In particular, it provides an indication of the following:

- amount spent on personnel; and
- Amount spent on salaries, overtime, homeowner's allowances and medical aid.

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2021 and 31 March 2022

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services Expenditure (R'000)	Personnel Expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Administration	441 556.00	308 985	-	-	70.50	479.79
Sustainable resource management	131 555.00	93 554	424	-	71.10	640.78
Farmer support & development	822 567.00	364 572	-	-	44.30	580.53
Veterinary services	295 506.00	246 100	-	-	83.3	482.55
Research & technological development services	117 796.00	103 494	-	-	87.90	359.35
Agricultural economics services	31 868.00	29 368	-	-	92.20	699.24
Structured agriculture education & training	185 145.00	81 342	10 366	-	43.90	462.17
Rural development coordination	228 903.00	19 761	-	-	8.60	658.70
TOTAL	2 254 896.00	1 247 176	10 790	-	55.40	480.98

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

Salary band	Personnel Expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	58 161	3.2	406	14 325
Skilled (level 3-5)	104 303	5.8	296	35 238
Highly skilled production (levels 6-8)	525 769	29.1	1263	41 629
Highly skilled supervision (levels 9-12)	464 727	25.7	451	103 044
Senior and Top management (levels 13-16)	60 369	3.3	48	125 769
Abnormal Appointments	33 847	1.9	129	26 238
TOTAL	1 247 176	69.06	2593	48098

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2021 and 31 March 2022

Programme	Basic Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Administration	265 866	86.0	116.6	-	11 918	3.9	17 660.25	5.7
Sustainable resource management	80 983	86.6	-	-	2 358	2.5	3 529.25	3.8
Farmer support & development	310 431	85.1	184.6	0.1	10 354	2.8	18 256.25	5.0
Veterinary services	209 570	85.2	109.6	-	7 637	3.1	12 281.25	5.0
Research & technological development services	88 740	85.7	2 916.6	2.8	5 663	5.5	6 752.25	6.5
Agricultural economics services	25 340	86.3	-	-	675	2.3	1 278.25	4.4
Structured agriculture education & training	71 787	88.3	1 242.6	1.5	2 863	3.5	3 532.25	4.3
Rural development coordination	17 486	88.5	-	0.0	490	2.5	805.25	4.1
TOTAL	1 070 203	85.8	4 570	0.4	41 958	3.4	64 095	5.1

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2021 and 31 March 2022

Salary Bands	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (level 1-2)	47 478.67	81.6	1 722	3.0	5 015	8.6	6 676	11.5
Skilled (level 3-5)	83 929.67	80.5	1 728	1.7	6 610	6.3	9 139	8.8
Highly skilled production (levels 6-8)	435 998.68	82.9	417	0.1	18 342	3.5	33 212	6.3
Highly skilled supervision (levels 9-12)	419 576.66	90.3	703	0.2	9 968	2.1	14 443	3.1
Senior management (level 13-16)	64 352	106.6	-	-	2 023	3.4	625	1.0
Abnormal Appointment	1 8867.66	55.7	-	-	-	-	-	-
Total	1 070 203	85.81	4 570	0.37	41 958	3.36	64 095	5.14

3.2 Employment and Vacancies

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

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

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Programme 1	664	644	3.1	32
Programme 2	155	146	5.8	6
Programme 3	662	628	5.1	1
Programme 4	588	510	13.2	-
Programme 5	291	288	1.0	1
Programme 6	42	42	-	-
Programme 7	185	176	4.86	102
Programme 8	30	30	-	1
TOTAL	2 617	2 464	8.22	143

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
Interns	-	-	-	129
Lower skilled (1-2)	411	406	1.2	1
Skilled (3-5)	318	296	6.92	1
Highly skilled production (6-8)	1349	1263	6.38	2
Highly skilled supervision (9-12)	480	451	6.04	9
Senior management (13-16)	59	48	18.64	1
TOTAL	2 617	2 464	5.85	143

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

Critical Occupations	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Artisans	34	31	8.8	-
Agriculture advisors	542	519	4.2	-
Animal Health Technicians	355	297	16.3	-
Engineering Technicians	26	23	11.5	-
Engineers	13	12	7.7	6
Community Animal Health Worker	101	81	19.8	-
Scientist	34	34	-	-
Veterinary Public Health Officials	24	24	-	-
Scientific Technicians	60	58	3.3	-
State Veterinarian Technologist	13	13	-	-
State Veterinarians	34	34	-	-
TOTAL	1 236	1 126	8.9	6

3.3 Filling of SMS Posts

Table 3.3.1 SMS post 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
Executing Authority	1	1	100	-	-
Head of Department	1	1	100	-	-
Salary Level 15	3	3	100	-	-
Salary Level 14	12	10	83.3	2	16.7
Salary Level 13	42	33	78.6	9	21.4
TOTAL	59	48	81.4%	11	18.6%

Table 3.3.2 SMS post 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
Executive Authority	1	01	100	-	-
Salary Level 16	1	-	-	1	100
Salary Level 15	3	03	100	-	-
Salary Level 14	12	10	83.3	2	16.7
Salary Level 13	54	32	59.3	22	38.9%
TOTAL	71	46	64.8	25	35.2%

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

SMS Level	Advertising	Filling of posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Executive Authority	-	-	-
Salary Level 16 (Head of Department)	-	-	-
Salary Level 15	-	-	-
Salary Level 14	-	-	-
Salary Level 13	-	-	2
TOTAL	-	-	2

Table 3.3.4: Reasons for not having complied with the filling of funded vacant SMS - Advertised posts within six months and filled within 12 months after becoming vacant for the period 1 April 2021 and 31 March 2022

Reasons for vacancies not advertised within six months
Posts advertised after six months of becoming vacant
- Salary level 14 = 2 - Salary level 13 = 10 A total of 12 (twelve) posts became vacant during the latter part of 2021 and were advertised during 2021-2022.

Reasons for vacancies not filled within twelve months
Delays in filling of vacant posts within 12 months emanates from the reprioritisation process of CoE budget.

Table 3.3.5: Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2021 and 31 March 2022

Reasons for vacancies not advertised within six months
Reduction of CoE informed and impacted the recruitment process.

Reasons for vacancies not filled within six months
Delays in filling of vacant posts within the stipulated period emanates from the reprioritisation process of CoE budget.

3.4 Job Evaluation

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

Table 3.4.1: Job Evaluations by Salary band for the period 1 April 2021 and 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 (1-2)	406	-	-	-	-	-	-
Skilled (3-5)	296	-	-	-	-	-	-
Highly skilled production (6-8)	1263	-	-	-	-	-	-
Highly skilled supervision (9-12)	451	-	-	-	-	-	-
Senior management (13-16)	48	-	-	-	-	-	-
TOTAL	2 464	-	-	-	-	-	-

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

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

Gender	African	Asian	Coloured	White	Total
Female	-	-	-	-	-
Male	-	-	-	-	-
TOTAL	-	-	-	-	-

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

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

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

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

Gender	African	Asian	Coloured	White	Total
Female	-	-	-	-	-
Male	-	-	-	-	-
Total	-	-	-	-	-

Employees with a disability	-	-	-	-	-
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Total number of Employees whose salaries exceeded the grades determined by job evaluation	-
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3.5 Employment Changes

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

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

Salary Band	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
Lower skilled (Levels 1-2)	293	22	3	1%
Skilled (Levels 3-5)	406	24	42	10.3%
Highly skilled production (Levels 6-8)	1 147	99	112	9.8%
Highly skilled supervision (Levels 9-12)	624	38	57	9.1%
Senior Management Services (Levels 13-16)	48	4	4	8.3
Other	12	4	32	267
TOTAL	2 530	191	250	9.9

Table 3.5.2: Annual turnover rates by critical occupation for the period 1 April 2021 and 31 March 2022

Critical 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
Artisans	32	5	1	3.1
Agriculture advisors	513	44	19	3.7
Animal Health Technicians	278	-	-	-
Community Animal Health Workers	101	81	20	19.8
Engineering Technicians	12	1	2	16.6
Engineers	7	4	-	-
Veterinary health officials	22	3	-	-
Scientist	26	-	4	15.3
Scientific Technicians	31	-	-	-
State Veterinarian Technologist	9	2	3	33.3
State Veterinarians	32	3	5	15.6
TOTAL	1063	143	54	5.1

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 and 31 March 2022

Termination Type	Number	% of Total Terminations
Death	24	9.6
Resignation	67	26.8
Expiry of contract	51	20.4
Dismissal – operational changes	-	-
Dismissal – misconduct	2	0.8
Dismissal – inefficiency	-	-
Discharged due to ill health	4	1.6
Retirement	99	39.6
Transfers to other Public Service Departments	3	1.2
TOTAL	250	100
Total number of employees who left as a % of total employment	9.9	

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

Table 3.5.4: Promotions by critical occupation for the period 1 April 2021 and 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
Artisans	34	-	-	10	29.4%
Agriculture advisors	542	8	1.48	5	0.9%
Animal Health Technicians	355	1	0.002	-	-
Community Animal Health Workers	101	-	-	-	-
Engineering Technicians	26	-	-	4	7.7%
Engineers	13	1	7.7	2	15.4%
Veterinary Public Health Officer	24	-	-	-	-
Scientists	34	-	-	-	-
Scientific Technicians	60	1	1.7	-	-
State Veterinarian Technologist	13	-	-	-	-
State Veterinarians	34	1	2.9	-	-
TOTAL	1236	12	0.9	21	1.7

3.5.5: Table Promotions by salary band for the period 1 April 2021 and 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 a salary level	Notch progression as a % of employees by salary band
Lower skilled (Levels 1-2)	406	-	-	365	89.9
Skilled (Levels 3-5)	296	-	-	285	96.3
Highly skilled production (Levels 6-8)	1263	15	1.2	1034	81.9
Highly skilled supervision (Levels 9-12)	451	20	4.4	401	88.9
Senior management (Levels 13-16)	48	-	-	35	72.9
TOTAL	2 464	35	1.4	2 120	86.0

3.6 Employment Equity

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

Occupational Category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Professionals	261	2	-	9	254	4	1	13	544
Technicians & Associate Professionals	513	6	1	14	396	4	1	12	947
Labourers & Related Workers	196	5	-	-	179	2	-	-	382
Plant & Machine Operators & Assemblers	26	-	-	-	2	-	-	-	28
Service & Sales Workers	55	3	-	-	38	-	-	-	96
Clerks	101	3	-	1	272	10	1	9	397
Senior Managers	17	1	1	1	26	-	1	1	48
Craft, Related Trade Workers	20	1	-	-	1	-	-	-	22
TOTAL	1189	21	2	25	1168	20	4	35	2464
Employees with disabilities	6	-	-	-	6	-	-	-	12

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

Occupational Category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	6	-		1	8	-		-	15
Senior Management	11	1	1	-	18	-	1	1	33
Professionally qualified and experienced specialists and mid-management	356	3	-	21	219	3	2	15	616
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	470	5	-	3	601	10	1	18	1108
Semi-skilled and discretionary decision making	227	10	-	-	141	5		1	384
Unskilled and defined decision making	129	2	-	-	172	2	-	-	305
TOTAL	1199	21	1	25	1159	20	4	35	2464

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	
Senior Management	-	-	-	-	4	-	-	-	4
Professionally qualified experienced specialists & mid-management	17	-	-	1	15	-	-	1	34
Skilled technical, academically qualified workers, junior management, supervisors, foremen	48	-	-	-	46	1	-	-	95
Semi-skilled and discretionary decision making	12	1	-	-	7	-	-	-	20
Unskilled and defined decision making	15	-	-	-	7	-	-	-	22
Interns	1	-	-	-	3	-	-	-	4
TOTAL	93	1	-	1	82	1	-	1	179
Employees with disabilities	-	-	-	-	-	-	-	-	-

Table 3.6.4: Promotions for the period 1 April 2021 and 31 March 2022

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management	-	-	-	-	-	-	-	-	-
Professionally qualified, experienced specialists & mid-management	13	-	-	-	6	-	1	-	20
Skilled technical & academically qualified workers, junior management, supervisors, foremen	4	-	-	-	11	-	-	-	15
Semi-skilled and discretionary decision making	-	-	-	-	-	-	-	-	-
Unskilled and defined decision making	-	-	-	-	-	-	-	-	-
TOTAL	17	-	-	-	17	-	1	-	35
Employees with disabilities	-	-	-	-	-	-	-	-	-

Table 3.6.5: Terminations for the period 1 April 2021 and 31 March 2022

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management	2	-	-	-	2	-	-	-	4
Professionally qualified and experienced specialists and mid-management	32	-	-	5	20	-	-	-	57
Skilled technical, academically qualified workers, junior management, supervisors, foremen	47	1	-	-	63	-	-	1	112
Semi-skilled & discretionary decision making	29	1	-	-	12	-	-	-	42
Unskilled & defined decision making	1	-	-	-	1	1	-	-	3
Interns	16	-	-	-	16	-	-	-	32
TOTAL	127	2	-	5	114	1	-	1	250
Employees with disabilities	2	-	-	-	2	-	-	-	4

Table 3.6.6: Disciplinary action for the period 1 April 2021 and 31 March 2022

Disciplinary Action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	-	-	-	-	-	-	-	-	-
Senior Management	1	-	1	-	2	-	-	-	4
Professionally qualified and experienced specialists and mid-management	1	-	-	-	3	-	-	-	4
Skilled technical and academically qualified workers, junior management, supervisors, foremen	5	-	-	-	1	-	-	-	6
Semi-skilled and discretionary decision making, Permanent	-	-	-	-	-	-	-	-	-
Unskilled and defined decision making	18	-	-	-	4	-	-	-	22
TOTAL	25	-	1	-	10	-	-	-	36
Employees with disabilities	-	-	-	-	-	-	-	-	-

Table 3.6.7: Skills development for the period 1 April 2021 and 31 March 2022

Occupational Categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	-	-	-	-	1	-	1	-	2
Professionals	19	-	-	2	8	-	-	2	31
Technicians and associate professionals	11	-	-	-	11	-	-	-	22
Clerks	25	2	-	-	90	1	-	-	118
Service and sales workers	-	-	-	-	-	-	-	-	-
Craft and related trades workers	-	-	-	-	-	-	-	-	-
Plant and machine operators and assemblers	-	-	-	-	-	-	-	-	-
Elementary occupations	55	2	-	2	110	1	1	2	173
TOTAL	55	2	-	2	110	1	1	2	173
Employees with disabilities	-	-	-	-	-	-	-	-	-

3.7 Signing of Performance Agreements by SMS Members

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

Table 3.7.1: Signing of Performance Agreements by SMS members as on 31 May 2022

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed agreements	Signed performance agreements as a % of total number of sms members
Head of Department	1	-	-	-
Salary level 15	3	3	3	100%
Salary level 14	12	10	10	100%
Salary level 13	45	34	32	96%
Total	61	47	45	96%

Table 3.7.2: Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2022

Reasons: Two SMS members who have not submitted their performance agreements, due to secondment to ECRDA and placement issue.

Table 3.7.3: Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2022

Reasons: Rules of administrative justice letters were issued as part of audi alteram partem rule and the response was a secondment and placement as a non-factor for non-submission of performance agreements.

3.8 Performance Rewards

Table 3.8.1: Performance Rewards by race, gender and disability for the period 1 April 2021 and 31 March 2022

Race and Gender	Beneficiary Profile			Cost	
	Number of Beneficiaries	Number of employees	% of total within groups	Cost (R'000)	Average Cost per employee
African, Female	360	1 159	31,06	3 193,04	8 869,56
African, Male	310	1 199	25,85	3 092,40	9 975,32
Asian, Female	2	4	50,00	43,08	21 540,00
Asian, Male	0	1	0,00	0,00	0,00
Coloured, Female	5	20	25,00	44,50	8 918,00
Coloured, Male	9	21	42,86	48,03	5 314,44
White, Female	10	35	28,57	107,41	10 741,00
White, Male	9	25	36,00	153,50	16 958,89
Employees with a disability	2	12	16,67	13,07	6 535,00
TOTAL	707	2 476	28,55	6 695	9 468,18

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

Salary Band	Beneficiary Profile			Costs		Total cost as a % of the total personnel expenditure
	Number of Beneficiaries	Number of employees	% of Total within salary bands	Total Cost (R'000)	Average Cost per employees (R)	
Lower Skilled (Levels 1-2)	69	305	22,62	235,09	3407,10	6,9
Skilled (Levels 3-5)	135	384	35,16	738,35	5 469,26	13,50
Highly Skilled Production (Levels 6-8)	348	1 112	31,29	3261,93	9 373,36	3,49
Highly Skilled Supervision (Levels 9-12)	154	616	25,00	2 443,87	15 869,29	15,14
TOTAL	706	2 417	29,21	6 679,24	9 460,68	70,60

Table 3.8.3: Performance Rewards by critical occupation for the period 1 April 2021 and 31 March 2022

Critical Occupations	Beneficiary Profile			Cost	
	Number of Beneficiaries	Number of employees	% of Total within occupation	Total Cost (R'000)	Average Cost per employee
Artisans	2	34	5.88	14 984	7 492
Agriculture advisors	61	542	11.25	728 416	11 941.08
Animal Health Technicians	63	355	17.75	179 664	2851.81
Engineering Technicians	-	26	-	-	-
Engineers	3	13	23	73 550	2 4516.67
Veterinary Public Health Officials	-	24	-	-	-
Community Animal Health Workers	-	101	-	-	-
Scientist	17	34	50	307 432	18 084.24
Scientific Technicians	22	60	37	880 767	40 034.86
State Veterinarian Technologist	6	13	46	105 421	17 570.17
State Veterinarians	8	34	24	123 935	1 549.88
TOTAL	182	1 236	14.72	2 414 169	13 264.6

Table 3.8.4: Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2021 and 31 March 2022

Salary Band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of Beneficiaries	Number of employees	% of total within salary bands	Total cost (R'000)	Average Cost per employee	
Band A	1	33	3,03	14,76	14760	0,03
Band B	-	10	-	-	-	-
Band C	-	3	-	-	-	-
Band D	-	2	-	-	-	-
TOTAL	1	48	12,08	14,76	14 760	0,02

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
Highly skilled production (Levels 6-8)	-	-	-	-	-	-
Highly skilled supervision (Levels 9-12)	15	93,75	12	92,30	12	92,30
Senior management (Levels 13-16)	1	6,25	1	7,70	1	7,70
TOTAL	16	100	13	100	13	100

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

Major Occupation	01 April 2021		31 March 2022		Change	
	Number	% of total	Number	% of total	Number	% Change
Professionals and managers	16	100	13	100	3	100
Technicians and associated professionals	-	-	-	-	-	-
TOTAL	16	100	13	100	3	100

3.10 Leave utilisation

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

Table 3.10.1: Sick leave for the period 1 January 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)	770	88,83	127	16,34	6	446
Skilled (Levels 3-5)	948	88,61	130	16,73	7	832
Highly skilled production (Levels 6-8)	2 149	92,42	291	37,45	7	3 718
Highly skilled supervision (Levels 9-12)	1 335	90,34	208	26,78	6	3 820
Top and Senior management (Levels 13-16)	104	93,27	14	1,80	7	485
Other	32	81,25	7	0,90	-	11
TOTAL	5 338	90,65	777	100	7	9 312

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)	30	100	2	6,7	15	19
Skilled (Levels 3-5)	370	100	7	23,3	53	265
Highly skilled production (Levels 6-8)	687	100	10	33,3	69	1 158
Highly skilled supervision (Levels 9-12)	529	100	11	36,7	48	1 584
Top and Senior management (Levels 13-16)	-	-	-	-	-	-
TOTAL	1616	100	30	100	54	3 026

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	No of Employees using annual leave	Average per employee
Lower Skilled (Levels 1-2)	5 783,84	267	21,66
Skilled (levels 3- 5)	8 012,25	358	22,38
Highly skilled production(levels 6-8)	22 855	1037	22,04
Highly skilled (Levels 9-12)	12 878,4	586	21,98
Senior management (Levels 13-16)	728	41	17,76
Interns (Abnormal)	213	29	7,34
Total	5 0470,49	2 318	21,77

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

Salary band	Total days of capped leave taken	No of employees using capped leave	Av no of days taken per employee	Av capped leave per employee as on (31 December 2021)
Lower Skilled (Levels 1-2)	1	4	5	4,85
Skilled (Levels 3-5)	6	23	82	55
Highly skilled production (Levels 6-8)	35	33	228	195
Highly skilled supervision (Levels 9-12)	78	18	115	205
Senior Management (Level 13-16)	-	2	125	125
TOTAL	120	80	142	142

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

Table 3.10.5: Leave pay-outs for the period 1 April 2021 and 31 March 2022

Reason	Total Amount (R'000)	Number of Employees	Average per Employee (R'000)
Annual Discounting with resignation (workdays)	798	20	39 900
Annual - Discounting: unused vacation credits (work days)	1 330	12	110 833
Gratuity: Death/Retirements/Medical Retirements (Work days)	6 079	109	55 771
Capped - Gratuity: Death/Retirement/Medical Retirement (Work days)	18 577	81	229 346
TOTAL	26 784	222	120 649

3.11 HIV/AIDS & Health Promotion Programmes

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

Units/categories of employees identified to be at high risk of contracting HIV-related diseases (if any)	Key steps taken to reduce the risk
All employees are regarded to be at risk.	HCT and wellness screening sessions were conducted throughout the year. Educational training and counselling services were offered to employees as part of preventative approach in managing HIV and AIDS, including distribution of condoms.

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

Question	Yes	No	Details, if yes
1. Has the Department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	√		Chief Director: Corporate Services Ms N Mabele
2. Does the Department have a dedicated unit or have you designated specific staff members to promote health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	√		The Department does have an Employee Health and Wellness Unit with a total of nine (9) employees; eight (8) EHW Practitioners and one (1) Admin. Support. A budget of R223, 000-00 was allocated for 2021/2022 financial year.
3. Has the Department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of the programme.	√		Awareness and screenings of HIV and Non-Communicable diseases (Diabetes, High Blood Pressure, Cholesterol) and workshops on Gender Based Violence, Multiple and Concurrent Partners, Promotion of Healthy Lifestyle and COVID-19).
4. Has the Department established (a) committee(s) as contemplated in Public Service Regulations as amended? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	√		Yes, all Programme Managers and Labour Representatives.
5. Has the Department reviewed the employment policies and practices of your department to	√		The Department is currently implementing the following policies;

Question	Yes	No	Details, if yes
ensure that these do not unfairly discriminate against employees based on their HIV status? If so, list the employment policies/practices so reviewed.			• Health and Productivity Management Policy, • HIV, TB and STI's Management Policy, • Safety, Health, Environment, Risk and Quality Management Policy and • Wellness Management Policy
6. Has the Department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	√		Awareness sessions were conducted for employees on HIV focusing on the rights enshrined in the Constitution that include equality and respect for human dignity. The policy on HIV, TB and STI's Management has a clause on non-discrimination of infected and affected employees.
7. Does the Department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	√		Sixty-eight (68) employees tested and screened for HIV
8. Has the Department developed measures/indicators to monitor & evaluate the impact of your health promotion programme? If so.	√		The EHWP is monitored through quarterly and annually reporting including the Systems Monitoring Tool, which is used to measure impact.

3.12 Labour Relations

Table 3.12.1: Collective agreements for the period 1 April 2021 and 31 March 2022

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

Total number of collective agreements	none
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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 and 31 March 2022

Outcomes of disciplinary hearings	Number	Percentage (%) of Total
Correctional counselling	-	-
Verbal warning	-	-
Written warning	7	22,6
Final written warning	11	35,5
Suspended without pay	7	22,6
Fine	1	3,2
Demotion	-	-
Dismissal	2	6.5
Not guilty	1	3.2
Case withdrawn	2	6.4
Total	31	100

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

Total number of disciplinary hearing finalised	31
--	----

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

Type of misconduct	Number	Percentage % of Total
Alleged Fraud	2	7.1
Absence Without Authority	15	53.6
Alleged poor work performance	-	-
Misuse of Govt. vehicles	5	17.9
Wilful damage or negligence of government property	2	7.1
Alleged Financial Mismanagement	-	-
Alleged Assault	3	10.7
Alleged Insubordination	-	-
Alleged under influence of alcohol	-	-
Alleged intimidation	1	3.6
TOTAL	28	100

Table 3.12.4: Grievances logged for the period 1 April 2021 and 31 March 2022

Grievances	Number	% of Total
Number of grievances resolved	19	63.3
Number of grievances not resolved	11	36.7
Total number of grievances lodged	30	100

Table 3.12.5: Disputes logged with Councils for the period 1 April 2021 and 31 March 2022

Disputes	Number	% of total
Number of disputes upheld	5	100
Number of disputes dismissed	-	-
Total number of disputes lodged	5	100.00

Table 3.12.6: Strike actions for the period 1 April 2021 and 31 March 2022

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

Table 3.12.7: Precautionary suspensions for the period 1 April 2021 and 31 March 2022

Number of people suspended	1
Number of people whose suspension exceeded 30 days	1
Average number of days suspended	49
Cost (R'000) of suspensions	21 769.31

3.13 Skills development

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

Table 3.13.1: Training needs identified for the period 1 April 2021 and 31 March 2022

Occupational Categories	Gender	Number of employees as at 1 April 2021	Training needs identified at the start of the reporting period			Total
			Learnerships	Skills Programmes & other short courses	Other forms of training	
Legislators, senior officials and managers	Female	28	-	3	-	3
	Male	20	-	3	-	3
Professionals	Female	275	-	7	-	7
	Male	272	-	7	-	7
Technicians and associate professionals	Female	413	-	5	-	5
	Male	534	-	5	-	5
Clerks	Female	292	-	1	-	1
	Male	105	-	1	-	1
Service and sales workers	Female	38	-	-	-	-
	Male	55	-	-	-	-
Craft and related trades workers	Female	1	-	-	-	-
	Male	21	-	-	-	-
Plant and machine operators and assemblers	Female	2	-	-	-	-
	Male	26	-	-	-	-
Elementary occupations	Female	181	-	2	-	2
	Male	201	-	2	-	2
Sub totals	Female	1230	-	18	-	18
	Male	1234	-	18	-	18
Total		2 464	-	36	-	36

Table 3.13.2: Training provided for the period 1 April 2021 and 31 March 2022

Occupational Categories	Gender	Number of employees as at 1 April 2021	Training provided within the reporting period			Total
			Learnerships	Skills Programmes & other short courses	Other forms of training	
Legislators, senior officials and managers	Female	28	-	1	-	1
	Male	20	-	-	-	-
Professionals	Female	275	-	6	-	6
	Male	272	-	6	-	6
Technicians and associate professionals	Female	413	-	3	-	3
	Male	534	-	3	-	3
Clerks	Female	292	-	8	-	8
	Male	105	-	8	-	8
Service and sales workers	Female	38	-	-	-	-
	Male	55	-	-	-	-
Craft and related trades workers	Female	1	-	-	-	-
	Male	21	-	-	-	-
Plant and machine operators and assemblers	Female	2	-	-	-	-
	Male	26	-	-	-	-
Elementary occupations	Female	181	-	-	-	-
	Male	201	-	-	-	-
Sub Gender Totals	Female	1 230	-	18	-	18
	Male	1 234	-	17	-	17
Total		2 464	-	35	-	35

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 and 31 March 2022

Nature of injury on duty	Number	% of total
Required basic medical attention only		
Temporary Total Disablement	-	-
Permanent Disablement	-	-
Fatal	1	100
Total	1	100

3.15 Utilisation of Consultants

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

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

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

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2021 and 31 March 2022

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
-	-	-	-

Total number of projects	Total individual consultants	Total duration work days	Total contract value in Rand
-	-	-	-

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2021 and 31 March 2022

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
-	-	-	-

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2021 and 31 March 2022

Project title	Total Number of consultants that worked on project	Duration (Work days)	Donor and contract value in Rand
-	-	-	-

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

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2021 and 31 March 2022

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
-	-	-	-

3.16 Severance Packages

Table 3.16.1: Granting of employee initiated severance packages for the period 1 April 2021 and 31 March 2022

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

PART E

FINANCIAL INFORMATION



I. REPORT OF THE AUDITOR GENERAL

Report of the auditor-general to the Eastern Cape Provincial Legislature on vote no. 8: Department of Rural Development and Agrarian Reform

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Eastern Cape Department of Rural Development and Agrarian Reform set out on pages 153 to 221, which comprise the appropriation statement, statement of financial position as at 31 March 2022, the 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, the financial statements present fairly, in all material respects, the financial position of the Eastern Cape Department of Rural Development and Agrarian Reform as at 31 March 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 Act 1 of 1999 (PFMA) and the Division of Revenue Act 9 of 2021 (DORA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
4. 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.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other matter

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

Unaudited supplementary schedules

7. The supplementary information set out on pages 222 to 239 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

Responsibilities of the accounting officer for the financial statements

8. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS and the requirements of the PFMA and DORA, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
9. 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

10. 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.

11. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

12. In accordance with the Public Audit Act 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 the selected programme presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
13. 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.
14. 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 programme presented in the department's annual performance report for the year ended 31 March 2022:

Programme	Pages in the annual performance report
Programme 3 – Agricultural Producer Support and Development	51 - 57

15. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

Programme 3 – Agricultural Producer Support and Development

16. I did not identify any material findings on the usefulness and reliability of the reported performance information for this programme.

Other matter

17. I draw attention to the matter below.

Achievement of planned targets

18. Refer to the annual performance report on pages 34 to 88 for information on the achievement of planned targets for the year and management's explanations provided for the under/over achievement of targets.

Report on the audit of compliance with legislation

Introduction and scope

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

Other information

21. 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, the auditor's report and the selected programme presented in the annual performance report that have been specifically reported in this auditor's report.
22. 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.
23. 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.
24. 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

25. 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. I did not identify any significant deficiencies in internal control.

Other reports

26. I draw attention to the following engagements conducted by the Special Investigating Unit (SIU) which had, or could have, an impact on the matters reported in the department's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
27. Through Proclamation R36 of 2019 (GG 42577 dated 12 July 2019), the president referred matters for investigation to the SIU. The matters related to the following:
 - Maladministration in the affairs of the Department of Agriculture, Forestry and Fisheries related to the mismanagement of the comprehensive agriculture support programme grant
 - Unauthorised, irregular and fruitless and wasteful expenditure
 - Irregularities in supply chain management processes
28. The above investigations were still in progress at the date of signing this report.

East London
28 July 2022

Auditor-General



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 the 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 the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the department’s internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
 - conclude on the appropriateness of the accounting office’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 Eastern Cape Department of Rural Development and Agrarian Reform to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor’s report. However, future events or conditions may cause a department to cease operating as a going concern
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

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.

2. Annual Financial Statements

Appropriation per programme									
Programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	2020/21	
	R'000	R'000	R'000	R'000	R'000	R'000	%	Final Appropriation	Actual Expenditure
1. Administration	430 446	-	5 064	435 510	439 290	(3 780)	100,9%	452 329	453 858
2. Sustainable resource management	127 978	-	3 577	131 555	131 555	-	100,0%	114 544	114 824
3. Agricultural producer support & development	830 534	-	(5 430)	825 104	822 566	2 538	99,7%	811 949	799 196
4. Veterinary services	295 141	-	365	295 506	295 506	-	100,0%	296 884	296 549
5. Research and technology development services	117 957	-	(161)	117 796	117 796	-	100,0%	127 165	126 600
6. Agricultural economics services	31 881	-	(13)	31 868	31 868	-	100,0%	33 671	33 758
7. Agricultural education and training	187 646	-	452	188 098	185 145	2 953	98,4%	167 306	164 650
8. Rural development coordination	232 929	-	(4 026)	228 903	228 903	-	100,0%	253 663	253 032
Subtotal	2 254 512	-	(172)	2 254 340	2 252 629	1 711	99,9%	2 257 511	2 242 467
Statutory appropriation Provincial MEC	2 095	-	172	2 267	2 267	-	100,0%	2 208	2 016
TOTAL	2 256 607	-		2 256 607	2 254 896	1 711	99,9%	2 259 719	2 244 483

	2021/22		2020/21
	Final Appropriation	Actual Expenditure	Final Appropriation Actual Expenditure
TOTAL (brought forward)			
Reconciliation with statement of financial performance			
ADD			
Departmental receipts	414		11 800
Actual amounts per statement of financial performance (total revenue)	2 257 021		2 271 519
Actual amounts per statement of financial performance (total expenditure)		2 254 896	2 244 483

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
Economic classification									
Current payments	1 725 404	(1 215)	(130)	1 724 059	1 728 850	(4 791)	100,3%	1 682 993	1 674 603
Compensation of employees	1 248 216	-	1 523	1 249 739	1 249 443	296	100,0%	1 236 392	1 234 327
Salaries and wages	1 057 069	(1 053)	14 188	1 070 204	1 070 203	1	100,0%	1 057 796	1 056 558
Social contributions	191 147	1 053	(12 665)	179 535	179 240	295	99,8%	178 596	177 769
Goods and services	477 117	(1 245)	(1 552)	474 320	479 407	(5 087)	101,1%	446 601	439 777
Administrative fees	429	(10)	(36)	383	384	(1)	100,3%	281	202
Advertising	6 084	(1 264)	139	4 959	4 960	(1)	100,0%	1 507	1 377
Minor assets	10 148	(688)	(3 032)	6 428	1 310	5 118	20,4%	11 520	6 041
Audit costs: External	6 458	-	(7)	6 451	6 452	(1)	100,0%	5 013	5 013
Bursaries: Employees	500	(122)	(42)	336	336	-	100,0%	3 954	4 050
Catering: Departmental activities	7 031	59	2 599	9 689	9 689	-	100,0%	5 854	5 778
Communication	11 112	3 495	1 158	15 765	15 764	1	100,0%	15 001	15 025
Computer services	19 844	(288)	(670)	18 886	20 350	(1 464)	107,8%	22 768	22 590
Consultants: Business and advisory services	6 425	(2 248)	(307)	3 870	3 870	-	100,0%	1 212	1 193
Infrastructure and planning services	2 497	1 348	216	4 061	4 061	-	100,0%	9 475	7 689
Laboratory services	1 014	(85)	(49)	880	880	-	100,0%	2 530	2 526
Legal services	2 793	-	(1 382)	1 411	1 412	(1)	100,1%	1 205	1 205

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
Contractors	4 689	712	52	5 453	7 925	(2 472)	145,3%	3 581	2 331
Agency and support / outsourced services	78 798	(3 198)	(2 015)	73 585	73 585	-	100,0%	66 358	65 211
Entertainment	87	2	(19)	70	69	1	98,6%	69	57
Fleet services	11 777	6 585	(2 215)	16 147	16 148	(1)	100,0%	18 377	17 493
Inventory: Clothing material and accessories	276	4	(60)	220	220	-	100,0%		
Inventory: Farming supplies	118 587	(3 068)	(1 856)	113 663	113 663	-	100,0%	128 579	129 697
Inventory: Food and food supplies	60	-	375	435	435	-	100,0%	77	75
Inventory: Fuel, oil and gas	2 867	(466)	(66)	2 335	2 335	-	100,0%	2 765	2 752
Inventory: Learner and teacher support material	62	(10)	(10)	42	42	-	100,0%	325	293
Inventory: Materials and supplies	15 446	(1 526)	(424)	13 496	20 584	(7 088)	152,5%	5 512	5 072
Inventory: Medical supplies	1 995	(56)	(62)	1 877	1 877	-	100,0%	1 044	1 028
Inventory: Medicine	29 393	(935)	(18)	28 440	28 440	-	100,0%	29 175	29 123
Inventory: Other supplies	14 881	(622)	(421)	13 838	13 479	359	97,4%	5 628	5 168
Consumable supplies	8 712	(599)	(542)	7 571	7 571	-	100,0%	8 880	8 375
Consumable: Stationery, printing and office supplies	5 188	(641)	(261)	4 286	4 286	-	100,0%	4 003	3 923
Operating leases	15 269	(17)	(173)	15 079	15 080	(1)	100,0%	15 228	14 609

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
Property payments	24 436	867	1 645	26 948	27 167	(219)	100,8%	24 889	25 092
Travel and subsistence	48 024	8 315	6 799	63 138	63 137	1	100,0%	43 079	47 966
Training and development	16 686	(4 621)	(591)	11 474	10 790	684	94,0%	3 680	3 611
Operating payments	3 017	(1 745)	(247)	1025	1027	(2)	100,2%	4 124	4 308
Venues and facilities	2 212	(333)	(57)	1 822	1 823	(1)	100,1%	523	521
Rental and hiring	320	(90)	27	257	256	1	99,6%	385	383
Interest and rent on land	71	30	(101)	-	-	-	-	-	499
Interest	71	30	(101)	-	-	-	-	-	499
									-
Transfers and subsidies	320 815	-	71	320 886	330 961	(10 075)	103,1%	346 994	347 033
Departmental agencies and accounts	232 608	-	-	232 608	232 608	-	100,0%	256 505	256 481
Departmental agencies and accounts	232 608	-	-	232 608	232 608	-	100,0%	256 505	256 481
Higher education institutions	61 199	-	-	61 199	61 198	1	100,0%	59 801	59 801
Non-profit institution	-	-	-	-	-	-	-	-	-
Households	27 008	-	71	27 079	37 155	(10 076)	137,2%	30 688	30 751
Social benefits	154	20 493	71	20 718	27 009	(6 291)	130,4%	-	-
Other transfers to households	26 854	(20 493)		6 361	10 146	(3 785)	159,5%	30 688	30 751
Payments for capital assets	210 388	1 215	-	211 603	195 026	16 577	92,2%	229 732	222 847
Buildings and other fixed structures	125 020	(3 206)	(2 966)	118 848	110 114	8 734	92,7%	143 693	137 344
Buildings	49 889	240	(1 607)	48 522	47 179	1 343	97,2%	44 602	41 631

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
Other fixed structures	75 131	(3 446)	(1 359)	70 326	62 935	7 391	89,5%	99 091	95 713
Machinery and equipment	74 797	4 095	2 672	81 564	70 493	11 071	86,4%	73 085	70 252
Transport equipment	29 178	2 100	3 271	34 549	29 781	4 768	86,2%	34 124	35 198
Other machinery and equipment	45 619	1 995	(599)	47 015	40 712	6 303	86,6%	38 961	35 054
Biological assets	10 571	326	294	11 191	14 419	(3 228)	128,8%	12 954	15 251
									-
Payments for financial assets	-	-	59	59	59	-	100,0%	-	-
TOTAL	2 256 607	-	-	2 256 607	2 254 896	1 711	99,9%	2 261 927	2 246 499

Statutory 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
Economic classification									
Current payments	2 095	-	172	2 267	2 267		100%	2 208	2 016
Compensation of employees	2 095	-	-	2 267	2 267			2 208	2 016
Total	2 095	-	172	2 267	2 267		100	2 208	2 016

Programme 1: ADMINISTRATION									
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
Sub programme									
1. OFFICE OF THE MEC	7 946	-	(279)	7 667	7 669	(2)	100,0%	9 466	9 529
2. SENIOR MANAGEMENT	43 206	(54)	253	43 405	47 127	(3 722)	108,6%	39 141	39 109
3. CORPORATE SERVICES	218 052	1 042	(1 051)	218 043	223 955	(5 912)	102,7%	241 208	240 939
4. FINANCIAL MANAGEMENT	151 093	-	5 933	157 026	151 336	5 690	96,4%	153 934	155 924
5. COMMUNICATION SERVICES	10 149	(988)	208	9 369	9 203	166	98,2%	8 580	8 357
Total for sub programmes	430 446	-	5 064	435 510	439 290	(3 780)	100,9%	452 329	453 858
Economic classification									
Current payments	400 442	-	(519)	399 923	401 611	(1 688)	100,4%	411 748	411 605
Compensation of employees	309 466	-	(482)	308 984	308 985	(1)	100,0%	312 455	312 526
Salaries and wages	260 422	(67)	3 512	263 867	263 866	1	100,0%	266 447	266 955
Social contributions	49 044	67	(3 994)	45 117	45 119	(2)	100,0%	46 008	45 571
Goods and services	90 976	(30)	(7)	90 939	92 626	(1 687)	101,9%	99 293	99 074
Administrative fees	97	3	(3)	97	98	(1)	101,0%	47	51
Advertising	4 923	(908)	171	4 186	4 187	(1)	100,0%	1 312	1 298
Minor assets	392	(104)	(5)	283	283	-	100,0%	114	89
Audit costs: External	6 458	-	(7)	6 451	6 452	(1)	100,0%	5 013	5 013
Bursaries: Employees	500	(122)	(90)	288	288	-	100,0%	3 938	3 959

Programme I: ADMINISTRATION										
	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	
Catering: Departmental activities	42	51	62	155	155	-	100,0%	76	61	
Communication	10 969	(82)	(74)	10 813	10 812	1	100,0%	14 949	14 989	
Computer services	14 555	276	(461)	14 370	15 834	(1 464)	100,0%	20 214	20 211	
Consultants: Business and advisory services	1 167	(293)	(207)	667	667	-	100,0%	1 212	1 193	
Legal services	2 793	-	(1 382)	1 411	1 412	(1)	100,1%	1 205	1 205	
Contractors	1 422	(344)	(30)	1 048	1 047	1	99,9%	384	367	
Entertainment	58	2	(15)	45	44	1	96,9%	34	33	
Fleet services	1 952	-	66	2 018	2 019	(1)	100,0%	2 243	2 242	
Inventory: Food supplies			376	376	376	-	100,0%			
Inventory: Fuel, oil and gas	3		(3)	-	-	-	-		-	
Inventory: Materials and supplies	235	7	(20)	222	222	-	100,0%	292	283	
Consumable supplies	1 571	196	(242)	1 525	1 525	-	100,0%	3 177	3 015	
Consumable: Stationery, printing and office supplies	1 440	9	(50)	1 399	1 399	-	100,0%	1 296	1 220	
Operating leases	12 508	44	(106)	12 446	12 447	(1)	100,0%	12 798	12 779	
Property payments	21 366	1 305	2 045	24 716	24 935	(219)	100,9%	22 952	23 039	
Travel and subsistence	7 495	64	(44)	7 515	7 514	1	100,0%	6 801	6 714	
Training and development								8	8	
Operating payments	601	(209)	(13)	379	381	(2)	100,5%	721	801	

Programme I: ADMINISTRATION										
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	
Venues and facilities	429	75	(2)	502	503	(1)	100.2%	487	485	
Rental and hiring			27	27	26	1	96.3%	20	19	
Interest and rent on land	-	30	(30)	-	-	-	100.0%	-	-	
Interest	-	30	(30)	-	-	-	100.0%	-	-	
Transfers and subsidies	20 602	-	-	20 602	30 678	(10 076)	148,9%	28 340	28 403	
Households	20 602	20 493	-	20 493	26 784	(6 291)	130,7%	28 340	28 403	
Other transfers to households	20 602	(20 493)	-	109	3 894	(3 785)	3572,7%	28 340	28 403	
Payments for capital assets	9 402	-	5 524	14 926	6 942	7 984	46,5%	12 241	13 855	
Machinery and equipment	9 402	-	5 524	14 926	6 942	7 984	46,5%	12 241	13 855	
Transport equipment	1 126	-	4 201	5 327	1 122	4 205	21,1%	4 278	6 337	
Other machinery and equipment	8 276	-	1 323	9 599	5 820	3 779	60,6%	7 963	7 518	
Payments for financial assets			59	59	59		100,0%	-	-	
TOTAL	430 446	-	5 064	435 510	439 290	(3 780)	100,9%	452 329	453 858	

Programme 2: SUSTAINABLE RESOURCE MANAGEMENT										
2021/22										2020/21
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
Sub programme	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
1. AGRICULTURAL ENGINEERING SERVICES	55 305	-	(1 458)	53 847	53 590	257	99,5%	53 248	53 398	
2. LAND CARE	20 989	-	1 074	22 063	22 642	(579)	102,6%	13 634	13 248	
3. LAND USE MANAGEMENT	48 684	-	1 521	50 205	49 883	322	99,4%	47 662	48 178	
4. DISASTER RISK REDUCTION	3 000	-	2 440	5 440	5 440	-	100,0%	-	-	
Total for sub programmes	127 978	-	3 577	131 555	131 555	-	100,0%	114 544	114 824	
Economic classification										
Current payments	114 447	(15)	1 814	116 246	118 719	(2 473)	102,1%	106 240	106 632	
Compensation of employees	91 804	-	1 750	93 554	93 554	-	100,0%	90 704	90 706	
Salaries and wages	77 755	(306)	3 534	80 983	80 983	-	100,0%	78 646	78 644	
Social contributions	14 049	306	(1 784)	12 571	12 571	-	100,0%	12 058	12 062	
Goods and services	22 643	(15)	64	22 692	25 165	(2 473)	110,9%	15 536	15 926	
Administrative fees	15	31	(16)	30	30	-	100,0%	1		
Advertising	149	(96)	-	53	53	-	100,0%	105	7	
Minor assets	101	(66)	10	45	45	-	100,0%	30	29	
Bursaries: Employees	-	-	6	6	6	-	100,0%	16	23	
Catering: Departmental activities	193	70	(52)	211	211	-	100,0%	491	463	

Programme 2: SUSTAINABLE RESOURCE MANAGEMENT										
	2021/22						2020/21			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
Sub programme	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Computer services	1 023	(153)	-	870	870	-	100,0%	-	-	35
Consultants :Business and advisories	466	(466)	-	-	-	-	-	-	-	
Infrastructure and planning services	850	(350)	-	500	500	-	100,0%	498	497	
Contractors	2 081	(42)	2 473	4 512	4 512	-	100,0%	604	603	
Agency and support / outsourced services	86	-	-	86	86	-	100,0%	75	74	
Fleet services	1 635	-	-	1 635	1 635	-	100,0%	3 246	3 245	
Inventory: clothing material and accessories	276	4	(60)	220	220	-	100,0%	-	-	
Inventory: Farming supplies	3 375	35	(77)	3 333	3 333	-	100,0%	3 769	3 686	
Inventory: Fuel, oil and gas	408	40	(44)	404	404	-	100,0%	576	567	
Inventory: Materials and supplies	5 471	(94)	204	5 581	5 581	-	100,0%	1 719	1 674	
Inventory: medicine	-	44	(3)	41	41	-	100,0%	-	-	
Inventory: Other supplies	282	413	(288)	407	407	-	100,0%	-	-	
Consumable supplies	998	(43)	(71)	884	884	-	100,0%	412	413	
Consumable: Stationery, printing and office supplies	614	(75)	(31)	508	508	-	100,0%	387	373	
Operating leases	261	(36)	(37)	188	188	-	100,0%	227	162	
Property payments	-	10	(10)	-	-	-	-	-	-	

Programme 2: SUSTAINABLE RESOURCE MANAGEMENT										
	2021/22						2020/21			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
Sub programme	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Travel and subsistence	3 645	815	737	5 197	5 197	-	100,0%	2 550	3 330	
Training and development	535	(33)	(78)	424	424	-	100,0%	409	340	
Operating payments	179	(23)	(126)	30	30	-	100,0%	414	398	
Venues and facilities								7	7	
								-	-	
Transfers and subsidies	7 641	-	-	7 641	7 641	-	100,0%	2 301	2 301	
Departmental agencies and accounts	3 618	-	-	3 618	3 618	-	100,0%	2 301	2 301	
Departmental agencies	3 618	-	-	3 618	3 618	-	100,0%	2 301	2 301	
Households	4 023	-	-	4 023	4 023	-	100,0%	-	-	
Other transfer to households	4 023	-	-	4 023	4 023	-	100,0%			
Payments for capital assets	5 890	15	1 763	7 668	5 195	2 473	67,7%	6 003	5 891	
Machinery and equipment	5 890	15	1 763	7 668	5 195	2 473	67,7%	6 003	5 891	
Transport equipment	1 477	-	-	1 477	1 477	-	100,00%	2 350	2 350	
Other machinery and equipment	4 413	15	1 763	6 191	3 718	2 473	60,1%	3 653	3 541	
Total	127 978	-	3 577	131 555	131 555	-	100,0%	114 544	114 824	

Programme 3 : AGRICULTURAL PRODUCER SUPPORT AND DEVELOPMENT									
2021/22								2020/21	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Sub programme	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. PRODUCER SUPPORT SERVICE	161 291	(363)	(4 020)	156 908	156 823	85	99,9%	167 309	160 589
2. EXTENSION AND ADVISORY SERVICES	426 281	5 243	4 322	435 846	435 283	563	99,9%	394 298	393 216
3. FOOD SECURITY	242 962	(4 880)	(5 732)	232 350	230 460	1 890	99,2%	250 342	245 391
Total for sub programmes	830 534	-	(5 430)	825 104	822 566	2 538	99,7%	811 949	799 196
Economic classification									
Current payments	630 846	-	(862)	629 984	631 595	(1 611)	-	603 094	596 799
Compensation of employees	365 434	-	(862)	364 572	364 572	-	100,0%	359 818	359 816
Salaries and wages	309 548	(66)	949	310 431	310 431	-	100,0%	306 779	307 144
Social contributions	55 886	66	(1 811)	54 141	54 141	-	100,0%	53 039	52 672
Goods and services	265 412	-	-	265 412	267 023	(1 611)	100,6%	243 276	236 983
Administrative fees	101	(30)	-	71	71	-	100,0%	-	-
Advertising	797	(149)	(1)	647	647	-	100,0%	59	59
Minor assets	9 092	(410)	(2 939)	5 743	625	5 118	10,9%	11 261	5 813
Bursaries: Employees	-	-	-	-	-	-	-	-	39
Catering: Departmental activities	684	(42)	-	642	642	-	100,0%	175	175
Communication	-	3 574	1 248	4 822	4 822	-	100,0%	-	-
Computer services	3 185	(411)	-	2 774	2 774	-	100,0%	1 062	1 062

Programme 3 : AGRICULTURAL PRODUCER SUPPORT AND DEVELOPMENT										
	2021/22						2020/21			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
Sub programme	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Consultants: Business advisory services	4 266	(1 562)	-	2 704	2 704	-	100,0%			
Infrastructure and planning services	942	1 698	765	3 405	3 405	-	100,0%	8 777	7 061	
Laboratory services	-	5	(5)	-	-	-	-			
Contractors	19	1	1 525	1 545	1 545	-	100,0%	525	349	
Agency and support / outsourced services	78 712	(3 198)	(2 015)	73 499	73 499	-	100,0%	66 283	65 137	
Entertainment	10	-	-	10	10	-	100,0%	10	10	
Fleet services	6 003	6 585	(2 700)	9 888	9 888	-	100,0%	6 901	6 517	
Inventory: Farming supplies	112 550	(3 103)	(1 445)	108 002	108 002	-	100,0%	121 886	123 444	
Inventory: Fuel, oil and gas	1 848	(443)	(1)	1 404	1 404	-	100,0%	1 388	1 388	
Inventory: Materials and supplies	2 517	(89)	135	2 563	9 651	(7 088)	376,6%	211	212	
Inventory: Medicine								77	77	
Inventory: Other supplies	6 926	(830)	3 193	9 289	8 930	359	96,1%	962	963	
Consumable supplies	3 878	(872)	(23)	2 983	2 983	-	100,0%	1 925	1 908	
Consumable: Stationery, printing and office supplies	1 905	(345)	(42)	1 518	1 518	-	100,0%	983	1 167	
Operating leases								610	434	
Property payments	1 406	60	(20)	1 446	1 446	-	100,0%	-	-	
Travel and subsistence	24 026	4 376	2 380	30 782	30 782	-	100,0%	18 100	18 990	
Training and development	3 497	(3 497)	-	-	-	-	-			

Programme 3 : AGRICULTURAL PRODUCER SUPPORT AND DEVELOPMENT										
	2021/22						2020/21			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
Sub programme	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Operating payments	945	(820)	-	125	125	-	100,0%	1 721	1 818	
Venues and facilities	1 783	(408)	(55)	1 320	1 320	-	100,0%			
Rental and hiring	320	(90)	-	230	230	-	100,0%	360	360	
Transfers and subsidies	31 510	-	-	31 510	31 510	-	100,0%	28 153	28 129	
Departmental agencies and accounts	31 510	-	-	31 510	31 510	-	100,0%	28 153	28 129	
Departmental agencies	31 510	-	-	31 510	31 510	-	100,0%	28 153	28 129	
Payments for capital assets	168 178	-	(4 568)	163 610	159 461	4 149	93,2%	180 702	174 268	
Buildings and other fixed structures	106 706	(3 510)	(1 943)	101 253	94 439	6 814	93,3%	132 850	126 632	
Buildings	37 135	(166)	(584)	36 385	36 385	-	100,0%	44 602	41 631	
Other fixed structures	69 571	(3 344)	(1 359)	64 868	58 054	6 814	89,5%	88 248	85 001	
Machinery and equipment	51 042	3 184	(2 919)	51 307	50 744	563	91,5%	35 041	32 527	
Transport equipment	25 381	2 100	(930)	26 551	25 988	563	94,6%	18 064	17 080	
Other machinery and equipment	25 661	1 084	(1 989)	24 756	24 756	-	88,4%	16 977	15 447	
Biological assets	10 430	326	294	11 050	14 278	(3 228)	129,2%	12 811	15 109	
Total	830 534	-	(5 430)	825 104	822 566	2 538	99,7%	811 949	799 196	

Programme 4 : VETERINARY SERVICES										
	2021/22							2020/21		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
Sub programme	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
1. ANIMAL HEALTH	249 975	495	1 630	252 100	252 100	-	100,0%	250 940	251 062	
2. VETERINARY INTERNATIONAL TRADE FACILITATION	10 331	(300)	(692)	9 339	9 339	-	100,0%	9 908	10 082	
3. VETERINARY PUBLIC HEALTH	15 828	(116)	(258)	15 454	15 454	-	100,0%	16 157	16 045	
4. VETERINARY DIAGNOSTIC SERVICES	19 007	(79)	(315)	18 613	18 613	-	100,0%	19 879	19 360	
Total for sub programmes	295 141	-	365	295 506	295 506	-	100,0%	296 884	296 549	
Economic classification										
Current payments	289 731		957	290 688	290 688	-	100,0%	288 323	288 587	
Compensation of employees	245 234	-	866	246 100	246 100	-	100,0%	239 247	239 170	
Salaries and wages	207 149	(604)	3 025	209 570	209 570	-	100,0%	203 808	203 570	
Social contributions	38 085	604	(2 159)	36 530	36 530	-	100,0%	35 439	35 600	
Goods and services	44 497	-	91	44 588	44 588	-	100,0%	49 076	49 417	
Administrative fees	54	(2)	(11)	41	41	-	100,0%	22	12	
Advertising	214	(111)	(30)	73	73	-	100,0%	-	-	
Minor assets	493	(103)	(33)	357	357	-	100,0%	96	96	
Bursaries: Employees			18	18	18	-	100,0%			
Catering: Departmental activities	40	(20)	(2)	18	18	-	100,0%			

Programme 4 : VETERINARY SERVICES									
	2021/22						2020/21		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Sub programme	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Communication(G&S)	11	(10)	(0)	1	1	-	100,0%	21	19
Computer services	45	-	-	45	45	-	-	46	46
Laboratory services	1 014	(90)	(44)	880	880	-	100,0%	2 530	2 526
Contractors	406	(23)	(146)	237	237	-	100,0%	10	
Fleet services	1 076	-	420	1 496	1 496	-	100,0%	3 379	3 380
Inventory: Fuel, oil and gas	120	(63)	-	57	57	-	100,0%	121	119
Inventory: Materials and supplies	42	(25)	-	17	17	-	100,0%	7	7
Inventory: Medical supplies	1 985	(56)	(62)	1 867	1 867	-	100,0%	1 044	1 028
Inventory: Medicine	28 837	(978)	31	27 890	27 890	-	100,0%	28 568	28 519
Inventory: Other supplies	818	-	(19)	799	799	-	100,0%	580	548
Consumable supplies	342	(122)	(26)	194	194	-	100,0%	310	284
Consumable: Stationery, printing and office supplies	543	(91)	(38)	414	414	-	100,0%	677	657
Operating leases	207	(6)	(21)	180	180	-	100,0%	505	435
Property payments	940	(319)	(8)	613	613	-	100,0%	379	379
Travel and subsistence	6 410	2 670	114	9 194	9 194	-	100,0%	9 875	10 515
Operating payments	900	(651)	(52)	197	197	-	100,0%	886	820
Venues and facilities								15	14
Rental and hiring								5	4
Payments for capital assets	5 410	-	(592)	4 818	4 818	-	100,0%	8 561	7 962

Programme 4 : VETERINARY SERVICES										
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	
Sub programme										
Machinery and equipment	5 410	-	(592)	4 818	4 818	-	100.0%	8 561	7 962	
Transport equipment	1 194	-	-	1 194	1 194	-	100.0%	5 030	5 030	
Other machinery and equipment	4 216	-	(592)	3 624	3 624	-	100.0%	3 531	2 932	
Total	295 141	-	365	295 506	295 506	-	100.0%	296 884	296 549	

Programme 5 : RESEARCH AND TECHNOLOGY DEVELOPMENT SERVICES										
2021/22										2020/21
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
Sub programme	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
1. AGRICULTURAL RESEARCH	112 167	-	435	112 602	112 602	-	100,0%	121 678	121 187	
2. TECHNOLOGY TRANSFER SERVICES	4 676	-	(232)	4 444	4 444	-	100,0%	4 687	4 648	
3. RESEARCH INFRASTRUCTURE SUPPORT SERVICES	1 114	-	(364)	750	750	-	100,0%	800	765	
Total for sub programmes	117 957	-	(161)	117 796	117 796	-	100,0%	127 165	126 600	
Economic classification										
Current payments	116 735	-	(43)	116 692	116 692	-	100,0%	122 614	122 540	
Compensation of employees	104 135	-	(641)	103 494	103 494	-	100,0%	107 610	107 570	
Salaries and wages	87 526	-	1 214	88 740	88 740	-	100,0%	91 546	91 545	
Social contributions	16 609	-	(1 855)	14 754	14 754	-	100,0%	16 064	16 025	
Goods and services	12 600	-	598	13 198	13 198	-	100,0%	15 004	14 970	
Administrative fees	150	(6)	-	144	144	-	100,0%	191	120	
Minor assets	45	-	(45)	-	-	-	-	5	5	
Bursaries: Employees			9	9	9	-	100,0%		9	
Communication	125	15	(14)	126	126	-	100,0%	24	16	
Computer services	763	-	(210)	553	553	-	100,0%	1 188	978	
Consultants: Business advisory services	-	100	(100)	-	-	-	-			

Programme 5 : RESEARCH AND TECHNOLOGY DEVELOPMENT SERVICES										
	2021/22						2020/21			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
Sub programme	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Infrastructure and planning services	191	-	(35)	156	156	-	100,0%	200	131	
Contractors	688	-	(450)	238	238	-	100,0%	1 695	723	
Entertainment	2	-	-	2	2	-	100,0%	12	1	
Fleet services	54	-	(1)	53	53	-	100,0%	544	544	
Inventory: Farming supplies	2 607	-	(306)	2 301	2 301	-	100,0%	2 901	2 547	
Inventory: Fuel, oil and gas	488	-	(18)	470	470	-	100,0%	669	667	
Inventory: Learner and teacher support material	32	(10)	(10)	12	12	-	100,0%	40	8	
Inventory: Materials and supplies	1 091	-	(389)	702	702	-	100,0%	1 360	972	
Inventory : Medical supplies	10	-	-	10	10	-	100,0%	-	-	
Inventory: Medicine	553	-	(44)	509	509	-	100,0%	528	526	
Inventory: Other supplies	132	-	(50)	82	82	-	100,0%	21	15	
Consumable supplies	695	-	(154)	541	541	-	100,0%	1 567	1 396	
Consumable: Stationery, printing and office supplies	326	(45)	(70)	211	211	-	100,0%	354	274	
Operating leases	655	(100)	36	591	591	-	100,0%	626	469	
Property payments	1 695	-	(375)	1 320	1 320	-	100,0%	418	539	
Travel and subsistence	2 095	23	2 825	4 943	4 943	-	100,0%	2 495	4 855	
Training and development	-	-	-	-	-	-	-	-	-	
Operating payments	203	23	(1)	225	225	-	100,0%	166	175	

Programme 5 : RESEARCH AND TECHNOLOGY DEVELOPMENT SERVICES										
	2021/22							2020/21		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
Sub programme	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Payments for capital assets	1 222	-	(118)	1 104	1 104	-	100,0%	4 551	4 060	
Machinery and equipment	1 081	-	(118)	963	963	-	100,0%	4 408	3 918	
Transport equipment								869	869	
Other machinery and equipment	1 081	-	(118)	963	963	-	100,0%	3 539	3 049	
Biological assets	141	-	-	141	141	-	100,0%	143	142	
Total	1 17 957	-	(161)	1 17 796	1 17 796	-	100,0%	127 165	126 600	

Programme 6 : AGRICULTURAL ECONOMICS SERVICES									
	2021/22						2020/21		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Sub programme	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. PRODUCTION ECONOMICS & MARKETING SUPPORT	28 179	(6)	524	28 697	28 697	-	100,0%	2 886	2 859
2. MACROECONOMICS SUPPORT	3 702	6	(537)	3 171	3 171	-	100,0%	30 785	30 899
Total for sub programmes	31 881	-	(13)	31 868	31 868		100,0%	33 671	33 758
Economic classification									
Current payments	31 428	-	(56)	31 372	31 372		100,0%	31 943	32 079
Compensation of employees	29 227	-	141	29 368	29 368		100,0%	30 510	30 500
Salaries and wages	24 853	(10)	497	25 340	25 340		100,0%	26 417	26 412
Social contributions	4 374	10	(356)	4 028	4 028		100,0%	4 093	4 088
Goods and services	2 130	-	(126)	2 004	2 004		100,0%	1 433	1 579
Administrative fees	-	6	(6)	-	-		-	-	-
Advertising								31	13
Catering: Departmental activities								4	4
Computer services	273	-	1	274	274		100,0%	258	258
Consultants: Business advisory services	506	(7)	-	499	499		100,0%		
Contracts	1	(1)							
Entertainment	2	-	-	2	2		100,0%		

Programme 6 : AGRICULTURAL ECONOMICS SERVICES									
	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
Sub programme									
Consumables supplies	30	-	-	30	30	-	100,0%		
Fleet services								118	118
Consumable: Stationery, printing and office supplies	101	(31)	(14)	56	56	-	100,0%	88	55
Travel and subsistence	1 137	88	(82)	1 143	1 143	-	100,0%	881	1 078
Operating payments	80	(55)	(25)	-	-	-	-	53	53
Interest and rent on land	71	-	(71)			-	100,0%		
Interest	71	-	(71)			-	100,0%		
Transfers and subsidies	154	-	71	225	225	-	100,0%	1 253	1 253
Households	154	-	71	225	225	-	100,0%	1 253	1 253
Other transfers to households	154	-	71	225	225	-	100,0%	1 253	1 253
Payments for capital assets	299	-	(28)	271	271		100,0%	475	426
Machinery and equipment	299	-	(28)	271	271		100,0%	475	426
Transport equipment								296	296
Other machinery and equipment	299	-	(28)	271	271		100,0%	179	130
Total	31 881	-	(13)	31 868	31 868		100,0%	33 671	33 758

Programme 7 : AGRICULTURAL EDUCATION AND TRAINING										
	2021/22						2020/21			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
Sub programme	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
1. HIGHER EDUCATION AND TRAINING	61 199	-	-	61 199	61 198	1	100,0%	59 801	59 801	
2. AGRICULTURAL SKILLS DEVELOPMENT	126 447	-	452	126 899	123 947	2 952	97,7%	107 505	104 849	
Total for sub programmes	187 646	-	452	188 098	185 145	2 953	98,4%	167 306	164 650	
Economic classification										
Current payments	104 501	-	1 249	105 750	104 769	981	99,1%	89 385	87 492	
Compensation of employees	81 894	-	(255)	81 639	81 342	297	99,6%	75 181	73 363	
Salaries and wages	71 714	-	73	71 787	71 787	-	100,0%	65 655	64 042	
Social contributions	10 180	-	(328)	9 852	9 555	297	97,0%	9 526	9 321	
Goods and services	22 607	-	1 504	24 111	23 427	684	97,2%	14 204	13 630	
Administrative fees				-	-	-	-	20	19	
Advertising	1	-	(1)	-	-	-	-	-	-	
Minor assets	20	-	(20)			-	-	9	5	
Bursaries: Employees	-	-	15	15	15	-	100,0%	-	11	
Catering: Departmental activities	6 072	-	2 591	8 663	8 663	-	100,0%	5 108	5 075	
Communication	6	(2)	(2)	2	2		100,0%	6	-	
Infrastructure and planning services	514	-	(514)	-	-	-	-	-	-	
Contractors	72	1 121	(847)	346	346	-	100,0%	363	289	
Entertainment	3	-	(2)	1	1	-	100,0%	3	3	

Programme 7 : AGRICULTURAL EDUCATION AND TRAINING									
2021/22							2020/21		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Sub programme	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Fleet services	1 057	-	-	1 057	1 057	-	100,0%	1 946	1 447
Inventory: Farming supplies	55	-	(28)	27	27	-	100,0%	23	20
Inventory: Food and food supplies	60	-	(1)	59	59	-	100,0%	77	75
Inventory: Fuel, oil and gas								11	11
Inventory: Learner and teacher support material	30	-	-	30	30	-	100,0%	285	285
Inventory: Materials and supplies	23	(12)	(5)	6	6	-	100,0%	37	37
Inventory: Medicine	3	(1)	(2)	-	-	-		2	1
Inventory: Other supplies	53	(15)	(2)	36	36	-	100,0%	90	89
Consumable supplies	91	-	(5)	86	86	-	100,0%	575	446
Consumable: Stationery, printing and office supplies	114	(15)	(26)	73	73	-	100,0%	114	81
Operating leases	232	21	(25)	228	228	-	100,0%	462	330
Property payments	6	-	(6)		-	-	-	665	673
Travel and subsistence	1 432	4	927	2 363	2 363	-	100,0%	968	1 212
Training and development	12 654	(1 091)	(513)	11 050	10 366	684	93,8%	3 263	3 263
Operating payments	109	(10)	(30)	69	69	-	100,0%	163	243
Venues and facilities								14	15
Interest and rent on land								-	499
Interest and rent on land								-	499

Programme 7 : AGRICULTURAL EDUCATION AND TRAINING									
2021/22							2020/21		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Sub programme	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	63 428	-	-	63 428	63 427	1	100,0%	60 896	60 896
Higher education institutions	61 199	-	-	61 199	61 198	1	100,0%	59 801	59 801
Households	2 229	-	-	2 229	2 229	-	100,0%	1 095	1 095
Other transfers to households	2 229	-	-	2 229	2 229	-	100,0%	1 095	1 095
Payments for capital assets	19 717	-	(797)	18 920	16 949	1 971	89,6%	17 025	16 262
Buildings and other fixed structures	18 314	(896)	-	17 418	15 498	1 920	89,0%	10 843	10 712
Buildings	12 754	(794)	-	11 960	10 617	1 343	88,8%		
Other fixed structures	5 560	(102)	-	5 458	4 881	577	89,4%	10 843	10 712
Machinery and equipment	1 403	896	(797)	1 502	1 451	51	96,6%	6 182	5 550
Transport equipment								3 237	3 236
Other machinery and equipment	1 403	896	(797)	1 502	1 451	51	96,6%	2 945	2 314
Total	187 646	-	452	188 098	185 145	2 953	98,4%	167 306	164 650

Programme 8 : RURAL DEVELOPMENT									
	2021/22						2020/21		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Sub programme	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. RURAL DEVELOPMENT COORDINATION	213 240	-	(2 477)	210 763	210 763	-	100,0%	237 557	237 508
2. SOCIAL FACILITATION	19 689	-	(1 549)	18 140	18 140	-	100,0%	16 106	15 524
Total for sub programmes	232 929	-	(4 026)	228 903	228 903	-	100,0%	253 663	253 032
Economic classification									
Current payments	35 179	(1 200)	(2 842)	31 137	31 137	-	100,0%	27 438	26 858
Compensation of employees	18 927	-	834	19 761	19 761	-	100,0%	18 659	18 660
Salaries and wages	16 289	-	1 197	17 486	17 486	-	100,0%	16 517	16 497
Social contributions	2 638	-	(363)	2 275	2 275	-	100,0%	2 142	2 163
Goods and services	16 252	(1 200)	(3 676)	11 376	11 376	-	100,0%	8 779	8 198
Administrative fees	12		(12)			-			
Minor assets	5	(5)						5	4
Communication	1	-	-	1	1	-	100,0%	1	1
Consultants: Business and advisory services	20	(20)							
Entertainment	12	-	(2)	10	10	-	100,0%	10	10
Inventory: Materials and supplies	6 067	(1 313)	349	4 405	4 405	-	100,0%	1 886	1 887
Inventory: Other supplies	6 670	(190)	(3 255)	3 225	3 225	-	100,0%	3 975	3 553
Consumable supplies	1 107	242	(21)	1 328	1 328	-	100,0%	914	913
Consumable: Stationery, printing and office supplies	145	(48)	10	107	107	-	100,0%	104	96

Programme 8 : RURAL DEVELOPMENT									
	2021/22						2020/21		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Sub programme	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Property payments	429	(129)	(1)	299	299	-	100,0%	475	462
Travel and subsistence	1 784	275	(58)	2 001	2 001	-	100,0%	1 409	1 272
Transfers and subsidies	197 480	-	-	197 480	197 480	-	100,0%	226 051	226 051
Departmental agencies and accounts	197 480	-	-	197 480	197 480	-	100,0%	226 051	226 051
Departmental agencies	197 480	-	-	197 480	197 480	-	100,0%	226 051	226 051
Payments for capital assets	270	1 200	(1 184)	286	286	-	100,0%	174	123
Buildings and other fixed structures	-	1 200	(1 023)	177	177	-	100,0%	-	-
Buildings		1 200	(1 023)	177	177	-	100,0%	-	-
Machinery and equipment	270	-	(161)	109	109	-	100,0%	174	123
Other machinery and equipment	270	-	(161)	109	109	-	100,0%	174	123
Total	232 929	-	(4 026)	228 903	228 903	-	100,0%	253 663	253 032

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

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

3. Detail on payments for financial assets

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

4. Material variances

An explanation will be provided for all variances above the threshold of R2 million. All variances below R2 million will be considered immaterial.

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

5.1	Per programme	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
		R'000	R'000	R'000	R'000
	Administration	437 777	441 557	(3 780)	(0,86%)
	Sustainable Resource Management	131 555	131 555	-	0,00%
	Agricultural producer support & development	825 104	822 566	2 538	0,31%
	Veterinary Services	295 506	295 506	-	0,00%
	Research and Technology	117 796	117 796	-	0,00%
	Agricultural Economics Services	31 868	31 868	-	0,00%
	Agricultural Education and Training	188 098	185 145	2 953	1,57%
	Rural Development	228 903	228 903	-	0,00%
	Totals	2 256 607	2 254 896	1 711	0,08%

5.2 Per economic classification	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation R'000
Current payments	1 724 059	1 728 850	(4 791)	(0,28%)
Compensation of employees	1 249 739	1 249 443	296	0,02%
Goods and services	474 320	479 407	(5 087)	(1,07%)
Interest and rent on land	-	-	-	0,00%
Transfers and subsidies	320 886	330 961	(10 075)	(3,14%)
Departmental agencies and accounts	232 608	232 608	-	0.00%
Higher education institutions	61 199	61 198	1	0,00%
Households	27 079	37 155	(10 076)	(37,21%)
Payments for capital assets	211 603	195 026	16 577	7.83%
Buildings and other fixed structures	118 848	110 114	8 734	7,35%
Machinery and equipment	81 564	70 493	11 071	13,57%
Biological assets	11 191	14 419	(3 228)	(28,84%)
Payment of Financial assets	59	59	-	0.00%
	59	59	-	0.00%

1. PROGRAMME 1: ADMINISTRATION

The department overspent on households as a result of claims against the state (court orders) amounting to R10 million that were not budgeted.

2. PROGRAMME 3: AGRICULTURAL PRODUCER SUPPORT & DEVELOPMENT

The underspending of R2,5 million was due to delays in the procurement of mechanisation equipment and there were delays in delivery of IT equipment for the extension programme by service providers.

3. PROGRAMME 7: AGRICULTURAL EDUCATION & TRAINING

The department had to cancel a poultry project due to a service provider that abandoned the site and delays in the awarding of service provider for the TARDI exam hall.

5.3	Per conditional grant	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
		R'000	R'000	R'000	R'000
	Comprehensive Agricultural Support Grant	247 246	243 645	3 601	1.46%
	Land care	12 513	12 513	-	0.00%
	Lima/Letsema	74 567	74 591	(24)	(0.03%)
	Extended Public Works Programme	2 076	2 076	-	0.00%
		336 402	332 825	3 577	1,06%

I. COMPREHENSIVE AGRICULTURAL SUPPORT GRANT

The underspending was due to delays in the procurement of mechanisation equipment and there were delays in delivery of IT equipment for the extension programme by service providers.

	Note	2021/22 R'000	2020/21 R'000
REVENUE			
Annual appropriation	1	2 254 340	2 257 511
Statutory appropriation	2	2 267	2 208
Departmental revenue	3	414	11 800
TOTAL REVENUE		2 257 021	2 271 519
EXPENDITURE			
Current expenditure			
Compensation of employees	4	1 249 443	1 234 327
Goods and services	5	479 407	439 777
Interest and rent on land	6	-	499
Total current expenditure		1 728 850	1 674 603
Transfers and subsidies			
Transfers and subsidies	8	330 961	347 033
Total transfers and subsidies		330 961	347 033
Expenditure for capital assets			
Tangible assets	9	195 026	222 847
Total expenditure for capital assets		195 026	222 847
Payments for financial assets	7	59	-
TOTAL EXPENDITURE		2 254 896	2 244 483
SURPLUS/(DEFICIT) FOR THE YEAR		2 125	27 036
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		1 711	15 236
Annual appropriation		(1 866)	7 563
Statutory appropriation		-	-
Conditional grants		3 577	7 673
Departmental revenue and NRF Receipts	14	414	11 800
SURPLUS/(DEFICIT) FOR THE YEAR		2 125	27 036

	Note	2021/22 R'000	2020/21 R'000
ASSETS			
Current assets		4 065	19 326
Cash and cash equivalents	10	1 608	13 144
Prepayments and advances	11	-	3 454
Receivables	12	2 457	2 728
Non-current assets		4 655	4 655
Receivables	12	4 655	4 655
TOTAL ASSETS		8 720	23 981
LIABILITIES			
Current liabilities		7 901	23 981
Voted funds to be surrendered to the Revenue Fund	13	1 626	15 236
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	14	286	268
Payables	15	5 989	8 477
TOTAL LIABILITIES		7 901	23 981
NET ASSETS		819	-

	Note	2021/22 R'000	2020/21 R'000
Represented by:			
Recoverable revenue		819	-
TOTAL		819	-

	R'000	R'000
Recoverable revenue		
Opening balance	-	-
Transfers:		
Debts raised	819	-
Closing balance	819	-
TOTAL	819	-

	Note	2021/22 R'000	2020/21 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		2 263 424	2 272 858
Annual appropriated funds received	<u>1.1</u>	2 254 255	2 257 511
Statutory appropriated funds received	<u>2</u>	2 267	2 208
Departmental revenue received		6 857	13 137
Interest received	3.2	45	2
Net (increase)/decrease in working capital		1 237	(1 440)
Surrendered to Revenue Fund		(23 237)	(39 054)
Current payments		(1 728 850)	(1 674 104)
Interest paid	6	-	(499)
Payments for financial assets		(59)	-
Transfers and subsidies paid		(330 961)	(347 033)
Net cash flow available from operating activities	16	181 554	210 728
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	9	(1 195 026)	(222 847)
Proceeds from sale of capital assets	<u>3.3</u>	1 117	930
Net cash flows from investing activities		(1 193 909)	(221 917)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		819	-
Net cash flows from financing activities		819	-
Net increase/(decrease) in cash and cash equivalents		(11 536)	(11 189)
Cash and cash equivalents at beginning of period		13 144	24 333
Unrealised gain and losses within cash and cash equivalents			
Cash and cash equivalents at end of period	17	1 608	13 144

Summary of significant accounting policies	
The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the department's primary and secondary information. The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation. Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.	
1	Basis of preparation The financial statements have been prepared in accordance with the Modified Cash Standard.
2	Going concern The financial statements have been prepared on a going concern basis.
3	Presentation currency Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.
4	Rounding Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).
5	Foreign currency translation Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.
6	Comparative information
6.1	Prior period comparative information Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.
6.2	Current year comparison with budget A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.
7	Revenue
7.1	Appropriated funds Appropriated funds 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.
7.2	Departmental revenue 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.
7.3	Accrued departmental revenue Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when: - it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and - the amount of revenue can be measured reliably.

	The accrued revenue is measured at the fair value of the consideration receivable. Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents. Write-offs are made according to the department's debt write-off policy
8	Expenditure
8.1	Compensation of employees
8.1.1	Salaries and wages Salaries and wages are recognised in the statement of financial performance on the date of payment.
8.1.2	Social contributions Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment. Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.
8.2	Other expenditure Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.
8.3	Accruals and payables not recognised Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.
8.4	Leases
8.4.1	Operating leases Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. Operating lease payments received are recognised as departmental revenue. The operating lease commitments are recorded in the notes to the financial statements. Operating lease payments received are recognised as departmental revenue.
8.4.2	Finance leases Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment. Finance lease payments received are recognised as departmental revenue. The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions. Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of: • cost, being the fair value of the asset; or • the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest. Finance lease payments received are recognised as departmental revenue.
9	Cash and cash equivalents Cash and cash equivalents are stated at cost in the statement of financial position. Bank overdrafts are shown separately on the face of the statement of financial position as a current liability. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.
10	Prepayments and advances Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash. Prepayments and advances are initially and subsequently measured at cost.
11	Loans and receivables Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.

12	Financial assets
12.1	Financial assets (not covered elsewhere) A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial 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.
12.2	Impairment of financial assets Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.
13	Payables Payables recognised in the statement of financial position are recognised at cost.
14	Capital Assets
14.1	Immovable capital assets 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 of a capital nature forms part of the cost of the existing asset when ready for use. Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.
14.2	Movable capital assets Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition. Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R I. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R I. Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. Biological assets are subsequently carried at fair value. Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.
14.3	Intangible assets Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition. Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project. Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R I. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R I. 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.
14.4	Project Costs: Work-in-progress Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid. 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. Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.
15	Provisions and Contingents
15.1	Provisions

	Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.
15.2	Contingent liabilities Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.
15.3	Contingent assets Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.
15.4	Capital commitments Capital commitments are recorded at cost in the notes to the financial statements.
16	Fruitless and wasteful expenditure Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred. Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables or written off. 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.
17	Irregular expenditure Irregular expenditure is recorded in the notes to the financial statements when confirmed after its assessment. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note. Irregular expenditure is reduced from the note when it is either condoned by the relevant authority, transferred to receivables for recovery, not condoned and removed or written-off. 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.
18	Changes in accounting estimates and errors 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.
19	Events after the reporting date Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.
20	Principal-Agent arrangements The department is not party to a principal-agent arrangement.
21	Departures from the MCS requirements Management has concluded that the financial statements present fairly the department's primary and secondary information; that the department complied with the Standard. The department has not departed from the requirement to achieve fair presentation.
22	Capitalisation reserve The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.

23	Recoverable revenue Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.
24	Related party transactions Related party transactions within the MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length. The number of individuals and the full compensation of key management personnel is recorded in the notes to the financial statements.
25	Inventories (<i>Effective from date determined in a Treasury Instruction</i>) 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.
26	Public-Private Partnerships 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.
27	Employee benefits The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.

I. Annual Appropriation

I.1 Annual Appropriation

	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	
Administration	435 510	435 510		452 329	452 329	-
Sustainable resource management	131 555	131 470	85	114 544	114 544	-
Agricultural producer support & development	825 104	825 104		811 949	811 949	-
Veterinary services	295 506	295 506		296 884	296 884	-
Research and technology development	117 796	117 796		127 165	127 165	-
Agricultural economics services	31 868	31 868		33 671	33 671	-
Structured agriculture education and training	188 098	188 098		167 306	167 306	-
Rural development	228 903	228 903		253 663	253 663	-
						-
Total	2 254 340	2 254 255	85	2 257 511	2 257 511	-

I. The department did not receive an amount of R85 000 from Department of Agriculture, Land Reforms and Rural Development for Land Care Grant.

I.2 Conditional grants

	Note	2021/22	2020/21
	34	R'000	R'000
Total grants received		336 317	282 396

2. Statutory Appropriation

	2021/22	2020/21
	R'000	R'000
Members' remuneration	2 267	2 208
Total	2 267	2 208
Actual Statutory Appropriation received	2 267	2 208

3. Departmental revenue

	Note	2021/22 R'000	2020/21 R'000
Tax revenue			
Sales of goods and services other than capital assets	3.1	5 903	4 396
Interest, dividends and rent on land	3.2	45	2
Sales of capital assets	3.3	1 117	930
Transactions in financial assets and liabilities	3.4	954	8 741
Total revenue collected		8 019	14 069
Less: Own revenue included in appropriation	14	(7 605)	(2 269)
Departmental revenue collected		414	11 800

3.1 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	3	4 790	4 281
Sales by market establishment		149	163
Administrative fees		428	161
Other sales		4 213	3 957
Sales of scrap, waste and other used current goods		1 113	115
Total		5 903	4 396

3.2 Interest, dividends and rent on land

	Note	2021/22 R'000	2020/21 R'000
Interest	3	45	2
Total		45	2

3.3 Sale of capital assets

	Note	2021/212 R'000	2020/21 R'000
Tangible assets	3	1 117	930
Biological assets		1 117	930
Total		1 117	930

3.4 Transactions in financial assets and liabilities

	Note	2021/22	2020/21
	3	R'000	R'000
Receivables		954	202
Other Receipts including Recoverable Revenue		-	8 539
Total		954	8 741

4. In the prior year, the department received voted funds to be surrendered from ECRDA.

4. Compensation of employees

4.1 Salaries and Wages

	Note	2021/22	2020/21
		R'000	R'000
Basic salary		847 647	873 633
Performance award		6 695	9 707
Service Based		1 081	2 914
Compensative/circumstantial		7 903	7 030
Other non-pensionable allowances		206 877	163 274
Total		1 070 203	1 056 558

4.2 Social contributions

	Note	2021/22	2020/21
		R'000	R'000
Employer contributions			
Pension		108 688	111 471
Medical		64 095	64 180
Bargaining council		265	267
Insurance		6 192	1 851
Total		179 240	177 769
Total compensation of employees		1 249 443	1 234 327
Average number of employees		2 464	2 530

1. Other non-pensionable allowances relate to the once off payment that was received by employees as per PSCBC Resolution.
2. The increase relates to the insurance paid for subsidised vehicles that were acquired in the prior year.

5. Goods and services

	Note	2021/22 R'000	2020/21 R'000
Administrative fees		384	202
Advertising		4 960	1 377
Minor assets	5.1	1 310	6 041
Bursaries (employees)		336	4 050
Catering		9 689	5 778
Communication		15 764	15 025
Computer services	5.2	20 350	22 590
Consultants: Business and advisory services		3 870	1 193
Infrastructure and planning services		4 061	7 689
Laboratory services		880	2 526
Legal services		1 412	1 205
Contractors		7 925	2 331
Agency and support / outsourced services		73 585	65 211
Entertainment		69	57
Audit cost – external	5.3	6 452	5 013
Fleet services		16 148	17 493
Inventory	5.4	181 075	173 208
Consumables	5.5	11 857	12 298
Operating leases		15 080	14 609
Property payments	5.6	27 167	25 092
Rental and hiring		256	383
Travel and subsistence	5.7	63 137	47 966
Venues and facilities		1 823	521
Training and development		10 790	3 611
Other operating expenditure	5.8	1 027	4 308
Total		479 407	439 777

1. **Advertising:** The increase emanates from recruitment and external bursaries
2. **Minor assets:** In the prior year, the department purchased a larger number of minor assets (biological assets) as a result the focus on the current year was on major assets.
3. **Bursaries (Employees):** The department was required to re-prioritise the budget to meet requirements of the baseline cuts.
4. **Catering:** The expenditure was incurred for TARDI students and the increase was affected by high food prices.
5. **Infrastructure and planning services:** The planning costs for major projects were incurred in the prior year, therefore, the costs decreased due to fewer projects planned in the current year.
6. **Contractors:** The department weather stations these were installed in the current year.
7. **Agency and support/outsourced services:** The department increased the number of hectares that were planted during the current year.
8. **Travelling and Subsistence:** In the prior year, there were more restrictions on travelling due to the lockdown. The extension officer had a backlog that were resolved in the current year.
9. **Training and development:** In the current year, the department resumed its training programme for farmers and interns. In the prior year, the training programme was affected by the lockdown.
10. **Laboratory services:** In the prior year, a large amount was incurred for the maintenance of the labs.

5.1 Minor assets

	Note	2021/22	2020/21
	5	R'000	R'000
Tangible assets		1 310	6 041
Biological assets		511	5 747
Machinery and equipment		799	294
Total		1 310	6 041

In the prior year, the department purchased a larger number of minor assets (biological assets) as a result the focus in the current year was on major assets.

5.2 Computer services

	Note	2021/22	2020/21
	5	R'000	R'000
SITA computer services		4 810	4 784
External computer service providers		15 540	17 806
Total		20 350	22 590

5.3 Audit cost – External

	Note	2021/22	2020/21
	5	R'000	R'000
Regularity audits		6 452	5 013
Total		6 452	5 013

5.4 Inventory

	Note	2021/22	2020/21
	5	R'000	R'000
Clothing material and accessories		220	-
Farming Suppliers		113 663	129 696
Food and food supplies		435	75
Fuel, oil and gas		2 336	2 752
Learning, teaching and support material		42	293
Materials and supplies		20 584	5 074
Medical supplies		1 876	1 028
Medicine		28 441	29 123
Other supplies	5.4.1	13 478	5 167
Total		181 075	173 208

Material and supplies:

In the current year, the department implemented more land care conservation works when compared to the prior year.

5.4.1 Other supplies

	Note	2021/22	2020/21
	5.4	R'000	R'000
Ammunition and security supplies		12 579	4 292
Assets for distribution			
Machinery and equipment		12 037	3 571
Other assets for distribution		542	721
Other		899	875
Total		13 478	5 167

Machinery and equipment:

The department purchased more machinery and equipment for farming community projects.

5.5 Consumables

	Note	2021/22	2020/21
	5	R'000	R'000
Consumable supplies		7 571	8 377
Uniform and clothing		3 832	1 730
Household supplies		2 731	1 741
IT consumables		195	65
Other consumables		813	4 841
Stationery, printing and office supplies		4 286	3 921
Total		11 857	12 298

5.6 Property payments

	Note	2021/22	2020/21
	5	R'000	R'000
Municipal services		7 073	6 481
Property management fees		16 698	16 366
Property maintenance and repairs		3 396	2 245
Total		27 167	25 092

5.7 Travel and subsistence

	Note	2021/22	2020/21
	5	R'000	R'000
Local		63 137	47 797
Foreign		-	169
Total		63 137	47 966

In the prior year, there were more restrictions on travelling due to the lockdown. The extension officer had a backlog that were resolved in the current year.

5.8 Other operating expenditure

	Note	2021/22	2020/21
	5	R'000	R'000
Professional bodies, membership and subscription fees		28	125
Resettlement costs		270	836
Other		729	3 347
Total		1 027	4 308

The department did not utilise the courier services in the current year.

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

		Note	2021/22	2020/21
			R'000	R'000
Name of Commission / Committee	No. of members			
Audit committee	4		414	
Risk committee	1		84	
Total			498	-

- Audit Committee:** The committee consist of four members. During the current year, the audit committee had seven meetings.

Ms L Smith (Chairperson)	R189 378.00
Adv. Gugwini-Peter (Member, contract ended 30 Aug 2021)	R 56,347.00
Mr. Baza (Member, contract ended 31 Mar 2021)	R 77,720.00
Mr. L. Mabombo (Member, contract ended 31 Mar 2021)	R 60,233.00
Ms. V. Hlehliso (Member appointed 1 Nov. 2021)	R 30,440.00
- Risk Committee:** The committee has an independent chairperson delegated by the Audit Committee.

Adv. Gugwini-Peter (Contract ended 30 August 2021)	R 30,828.00
Ms V. Hlehliso (Newly appointed as at 1 November 2021)	R 52,848.00

6. Interest and rent on land

	Note	2021/22	2020/21
		R'000	R'000
Interest paid		-	499
Total		-	499

7. Payments for financial assets

	Note	2021/22 R'000	2020/21 R'000
Forex loss		59	-
Total		59	-

8. Transfers and subsidies

	Note	2021/22 R'000	2020/21 R'000
Departmental agencies and accounts	Annexure 1A	232 608	256 481
Higher education institutions	Annexure 1B	61 198	59 801
Households	Annexure 1C	37 155	30 751
Total		330 961	347 033

9. Expenditure for capital assets

	Note	2021/22 R'000	2020/21 R'000
Tangible assets		195 026	222 847
Buildings and other fixed structures		110 112	137 344
Machinery and equipment		70 495	70 252
Biological assets		14 419	15 251
Total		195 026	222 847

9.1 Analysis of funds utilised to acquire capital assets – 2021/22

	Voted funds R'000	Total R'000
Tangible assets		
Buildings and other fixed structures	110 112	110 112
Machinery and equipment	70 495	70 495
Biological assets	14 419	14 419
Total	195 026	195 026

9.2 Analysis of funds utilised to acquire capital assets – 2020/21

	Voted funds R'000	Total R'000
Tangible assets	222 847	222 847
Buildings and other fixed structures	137 344	137 344
Machinery and equipment	70 252	70 252
Biological assets	15 251	15 251
Total	222 847	222 847

9.3 Finance lease expenditure included in Expenditure for capital assets

	Note	2021/22 R'000	2020/21 R'000
Tangible assets			
Machinery and equipment		39 021	42 730
Total		39 021	42 730

10 Cash and cash equivalents

	Note	2021/22 R'000	2020/21 R'000
Consolidated Paymaster General Account		1 608	13 144
Total		1 608	13 144

The balance of cash and cash equivalents decrease in relation to the expenditure incurred by the department.

11 Prepayments and advances

	Note	2021/22 R'000	2020/21 R'000
Prepayments (Expensed)	11.2	-	896
Advances paid (Expensed)	11.1	-	2 558
Total		-	3 454

11.1 Advances paid (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
	11	R'000	R'000	R'000	R'000	R'000
Public entities		2 558	(2 558)	-	-	-
Total		2 558	(2 558)	-	-	-

	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
	11	R'000	R'000	R'000	R'000	R'000
Public entities		2 558				2 558
Total		2 558				2 558

11.2 Prepayments (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
	11	R'000	R'000	R'000	R'000	R'000
Capital assets		896	(896)	-	-	-
Total			-	-	-	

	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
Capital assets		896	-	-	-	896
Total		896	-	-	-	896

12. Receivables

	Note	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	88		88	118		118
Recoverable expenditure	12.2	(86)	4 655	4 569	1 272	4 655	5 927
Staff debt	12.3	2 266		2 266	1 164		1 164
Fruitless and wasteful expenditure	12.4	189		189	174		174
Total		2 457	4 655	7 112	2 728	4 655	7 383

12.1 Claims recoverable

	Note	2021/22 R'000	2020/21 R'000
Provincial departments	12 and Annex 4	88	118
Total		88	118

12.2 Recoverable expenditure (disallowance accounts)

	Note	2021/22 R'000	2020/21 R'000
Salary related	12	(86)	1 272
Disallowance account		4 655	4 655
Total		4 569	5 297

12.3 Staff debt

	Note	2021/22 R'000	2020/21 R'000
Debt Account	12	2 266	1 164
Total		2 266	1 164

The increase in the closing balance relates to a large debt owed by one employee (R895 000) who has since made a repayment arrangement of which recovery is in progress.

12.4 Fruitless and wasteful expenditure

	Note	2021/22	2020/21
	12	R'000	R'000
Opening balance		174	174
Transfer from note 25: Fruitless and wasteful expenditure		15	-
Total		189	174

13. Voted funds to be surrendered to the Revenue Fund

	Note	2021/22	2020/21
		R'000	R'000
Opening balance		15 236	25 087
Prior period error		-	-
Transfer from statement of financial performance (as restated)		1 711	15 236
Voted funds not requested/not received	1.1	(85)	-
Paid during the year		(15 236)	(25 087)
Closing balance		1 626	15 236

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

	Note	2021/22	2020/21
		R'000	R'000
Opening balance		268	166
Prior period error		-	-
Transfer from Statement of Financial Performance (as restated)		414	11 800
Own revenue included in appropriation		7 605	2 269
Paid during the year		(8 001)	(13 967)
Closing balance		286	268

15. Payables – current

	Note	2021/22	2020/21
		R'000	R'000
Amounts owing to other entities		3 055	2 786
Clearing accounts	15.1	2 934	5 691
Total		5 989	8 477

15.1 Clearing accounts

	Note	2021/22	2020/21
	15	R'000	R'000
Salary related clearing accounts		2 934	5 691
Total		2 934	5 691

The amounts owing to other entities include funds from HWSETA for the students at TARDI.
The clearing accounts include a balance due and payable to SARS as at year end.

16. Net cash flow available from operating activities

	Note	2021/22	2020/21
		R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance		2 125	27 036
Add back non cash/cash movements not deemed operating activities		179 429	183 692
(Increase)/decrease in receivables		271	(1 233)
(Increase)/decrease in prepayments and advances		3 454	-
Increase/(decrease) in payables – current		(2 488)	(207)
Proceeds from sale of capital assets		(1 117)	(930)
Expenditure on capital assets		195 026	222 847
Surrenders to Revenue Fund		(23 237)	(39 054)
Voted funds not requested/not received		(85)	-
Own revenue included in appropriation		7 605	2 269
Other no-cash items		-	-
Net cash flow generated by operating activities		181 554	210 728

17 Reconciliation of cash and cash equivalents for cash flow purposes

	Note	2021/20	2020/21
		R'000	R'000
Consolidated Paymaster General account		1 608	13 144
Total		1 608	13 144

18. Contingent liabilities and contingent assets

18.1 Contingent liabilities

		Note	2021/22 R'000	2020/21 R'000
Liable to	Nature			
Housing loan guarantees	Employees	Annex 3A	185	286
Claims against the department		Annex 3B	21 234	32 453
Total			21 419	32 739

18.2 Contingent assets

	Note	2021/22 R'000	2020/21 R'000
Nature of contingent asset			
Guadrisk Insurance		989	989
SARS TAX		11 976	11 976
Cotton star		895	
Total		13 860	12 965

19. Capital commitments

	Note	2021/22 R'000	2020/21 R'000
Buildings and other fixed structures		19 871	11 379
Machinery and equipment		5 202	2 389
		25 073	13 768

The balance increased due to the number of multi-year projects that were implemented in the current year and R16 million relates to the outer years.

20. Accruals and payables not recognised

20.1 Accruals

			2021/22 R'000	2020/21 R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	17 148		17 148	6 604
Capital assets	1 033		1 033	30
Total	18 181		18 181	6 634

	Note	2021/22 R'000	2020/21 R'000
Listed by programme level			
Administration		12 633	5 300
Sustainable Resource Management		2 561	3
Farmer support & Development		52	773
Veterinary Service		1 353	-
Technology Research & Dev Service		440	-
Agricultural Economics		5	-
Structured Agriculture Training		1 098	467
Rural Development		39	91
Total		18 181	6 634

Invoices from service providers were received after year end.
The department received credit notes amounting to R1,1 million from Government Fleet Management Services (GFMS). These credit notes will be utilised in the coming financial year against invoices received from GFMS.

20.2 Payables not recognized

		2021/22 R'000	2020/21 R'000
Listed by economic classification			
	30 Days	30+ Days	Total
Goods and services	5 749	345	6 094
Capital assets	2 226	141	2 367
Total	7 975	486	8 461

	Note	2021/21 R'000	2020/21 R'000
Listed by programme level			
Administration		3 336	285
Sustainable Resource Management		31	-
Farmer support & Development		4 259	659
Veterinary Service		29	41
Technology Research & Dev Service		-	-
Agricultural Economics		-	-
Structured Agriculture Training		763	16
Rural Development		43	-
Total		8 461	1 001

	Note	2021/22 R'000	2020/21 R'000
Included in the above totals are the following:			
Confirmed balances with other departments	Annex 5	4	174
Confirmed balances with other government entities	Annex 5	3 051	2 613
Total		3 055	2 787

In the current year, the invoices were received after the last payment run.

21. Employee benefits

	Note	2021/22 R'000	2020/21 R'000
Leave entitlement		94 240	109 742
Service bonus		34 925	35 643
Performance awards		23	705
Capped leave		96 667	110 829
Other		8 648	17 084
Total		234 503	274 003

Leave entitlement includes negative leave balance amounting to R167 264.01.

22. Lease commitments

22.1 Operating leases

2021/22	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	9 072	-	9 072
Later than 1 year and not later than 5 years	6 755	-	6 755
Total lease commitments	15 827	-	15 827

2020/21	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	5 163	-	5 163
Later than 1 year and not later than 5 years	8 852	-	8 852
Total lease commitments	14 015	-	14 015

22.2 Finance leases **

2021/22	Motor Vehicles	Machinery and equipment	Total
	R'000	R'000	R'000
Not later than 1 year	24 810	13 219	38 029
Later than 1 year and not later than 5 years	49 506	15 693	65 199
Total lease commitments	74 316	28 912	103 228

2020/21	Motor Vehicles	Machinery and equipment	Total
	R'000	R'000	R'000
Not later than 1 year	12 079	7 740	19 820
Later than 1 year and not later than 5 years	14 409	3 709	18 119
Total lease commitments	26 489	11 449	37 939

The increase has been on fleet leases and mobile services.

1. There has been a replacement of 68 vehicles in the year under review with a lease period of 48 months. The replacements are for old vehicles, vehicles that were in accidents and write offs.
2. The mobile service contract was entered into in August 2021 for a period of 4 years. Phones and data were on a month to month extension and therefore not much commitment.

23. Accrued departmental revenue

	Note	2021/22	2020/21
		R'000	R'000
Sales of goods and services other than capital assets		200	260
Sales of capital assets		86	8
Transactions in financial assets and liabilities		-	-
Total		286	268

23.1 Analysis of accrued departmental revenue

	Note	2021/22	2020/21
		R'000	R'000
Amounts recorded		286	268
Total		286	268

24. Irregular expenditure

24.1 Reconciliation of irregular expenditure

	Note	2021/22 R'000	2020/21 R'000
Opening balance		21	21
Prior period error			-
Less: Prior year amounts condoned		(21)	-
Closing balance			21
Analysis of closing balance			
Current year		-	
Prior years		-	21
Total		-	21

24.2 Details of prior year irregular expenditure removed – (condoned)

Incident	Not condoned by (relevant authority)	2021/22 R'000
Contravention of procurement process		21
Total		21

25 Fruitless and wasteful expenditure

25.1 Reconciliation of fruitless and wasteful expenditure

	Note	2021/22 R'000	2020/21 R'000
Opening balance		853	1 293
Prior period error			-
As restated			1 293
Fruitless and wasteful expenditure – relating to prior year		-	895
Fruitless and wasteful expenditure – relating to current year		16	541
Less: Amounts recoverable	12.4	(15)	(898)
Less: Amounts written off		(854)	(978)
Closing balance		-	853

25.2 Details of current and prior year fruitless and wasteful expenditure – added current year (under determination and investigation)

Incident	Disciplinary steps taken/criminal proceedings	2021/22 R'000
Cancellation fees	Cost will be recovered from the employees	6
No show accommodation	Cost will be recovered from the employees	4
After hours charge	Cost will be recovered from the employees	6
Total		16

25.3 Details of fruitless and wasteful expenditure recoverable

Incident	2021/22 R'000
Cancellation fees	5
No show accommodation	4
After hours charge	6
Total	15

25.4 Details of fruitless and wasteful expenditure written off

Incident	2021/22 R'000
Cancellation fees	57
Interest	797
Total	854

26. Related party transactions

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

27. Key management personnel

	No. of Individuals	2021/22 R'000	2020/21 R'000
Political office bearers (provide detail below)			
Officials:	1	1 978	1 978
Level 15 to 16	4	7 001	4 774
Level 14 (incl. CFO)	10	16 058	14 459
Acting allowance	3	278	165
Family members of Key management personnel	4	2 025	1 961
Total		27 340	23 337

28. Provisions

	Note	2021/22 R'000	2020/21 R'000
Retention		3 407	2 411
Total		3 407	2 411

28.1 Reconciliation of movement in provisions – 2021/222

	Retention R'000	Total provisions R'000
Opening balance	2 411	2 411
Increase in provision	3 407	3 407
Settlement of provision	(2 411)	(2 411)
Closing balance	3 407	3 407

28.2 Reconciliation of movement in provisions – 2020/21

	Retention R'000	Total provisions R'000
Opening balance	1 785	1 785
Increase in provision	2 411	2 411
Settlement of provision	(1 785)	(1 785)
Closing balance	2 411	2 411

1) Retention is a percentage of the contract value held by the department when it enters into a contract for services to be rendered. The timing of the outflow of economic benefits is 3 – 6 months after the completion of the project.

29. 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
MACHINERY AND EQUIPMENT	254 897	-	31 118	(18 080)	267 935
Transport assets	21 809	-	2 450	(2 631)	21 628
Computer equipment	68 466	-	5 507	(3 176)	70 797
Furniture and office equipment	21 555	-	313	(331)	21 537
Other machinery and equipment	143 067	-	22 848	(11 942)	153 973
BIOLOGICAL ASSETS	6 059	-	15 010	(14 315)	6 754
Biological assets	6 059	-	15 010	(14 315)	6 754
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	260 956	-	46 128	(32 395)	274 689

29.1 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
MACHINERY AND EQUIPMENT	237 616	-	27 899	(10 618)	254 897
Transport assets	13 952	-	7 857	-	21 809
Computer equipment	65 020	-	4 184	(738)	68 466
Furniture and office equipment	21 171	-	426	(42)	21 555
Other machinery and equipment	137 473	-	15 432	(9 838)	143 067
BIOLOGICAL ASSETS	4 556	16	17 689	(16 202)	6 059
Biological assets	4 556	16	17 689	(16 202)	6 059

TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	242 172	16	45 588	(26 820)	260 956
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29.1.1 Prior period error

	Note	2020/21 R'000
Nature of prior period error		
Relating to 2020/21 <i>[affecting the opening balance]</i>		
Biological asset		16
Total prior period errors		16

29.2 MOVEMENT IN MINOR ASSETS FOR THE YEAR ENDED 31 MARCH 2022

	Intangible assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	48	38 489	3 014	41 551
Value adjustments	-	-	-	-
Additions	-	815	1 173	1 988
Disposals	-	(881)	(1 556)	2 437
TOTAL MINOR ASSETS	48	38 423	2 631	41 102

	Intangible assets	Machinery and equipment	Biological assets	Total
Number of RI minor assets		7		7
Number of minor assets at cost		28	2	30
TOTAL NUMBER OF MINOR ASSETS		35	2	37

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2021

	Intangible assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	48	38 480	3 407	41 935
Prior period error	-	-	(64)	(64)
Additions	-	293	6400	6 693
Disposals	-	(284)	(6 729)	(7 013)
TOTAL MINOR ASSETS	48	38 489	3 014	41 551

	Intangible assets	Machinery and equipment	Biological assets	Total
Number of RI minor assets	18	8	-	26
Number of minor assets at cost	15	26	3	44
TOTAL NUMBER OF MINOR ASSETS	33	34	3	70

29.3.1 Prior period error

	Note	2020/21 R'000
Nature of prior period error		
Relating to 2019/20 [affecting the opening balance]		
Biological asset		(64)
Total prior period errors		(64)

30 Intangible Capital Assets

MOVEMENT IN INTANGIBLE 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
SOFTWARE	8 642	-	-	-	8 642
TOTAL INTANGIBLE CAPITAL ASSETS	8 642	-	-	-	8 642

30.1 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	9 063	-	-	(421)	8 642
TOTAL INTANGIBLE CAPITAL ASSETS	9 063	-	-	(421)	8 642

31 Immovable Tangible Capital Assets

MOVEMENT IN IMMOVABLE 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
BUILDINGS AND OTHER FIXED STRUCTURES	20 310	-	111 566	(131 876)	-
Non-residential buildings		-	35 340	(35 340)	-
Other fixed structures	20 310	-	76 226	(96 536)	-
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	20 310	-	111 566	(131 876)	-

31.1 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
BUILDINGS AND OTHER FIXED STRUCTURES	21 997	(2 194)	113 410	(112 903)	20 310
Non-residential buildings			52 755	(52 755)	-
Other fixed structures	21 997	(2 194)	60 655	(60 148))	20 310
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	21 997	(2 194)	113 410	(112 903)	20 310

31.1.1 Prior period error

Note

2020/21

R'000

Nature of prior period error

Relating to 2019/20 [affecting the opening balance]

Other fixed structure

(2 194)

Total prior period errors

(2 194)

31.2 Capital Work-in-progress

CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2022

Note	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	85 693	39 201	40 654	84 240
TOTAL	85 693	39 201	40 654	84 240

CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2021

Note	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	61 918		137 344	(113 569)	85 693
TOTAL	61 918		137 344	(113 569)	85 693

The department has completed projects at TARDI. The transfer of the assets to the Department of Public Works will be completed in the next financial year.

32 Prior period errors

Correction of prior period errors

Note	Amount before error correction 2020/21 R'000	Prior period error 2021/22 R'000	Restated Amount 2021/22 R'000
Assets:			
Biological assets: minor	6 043	16	6 059
Biological assets: major	3 078	(64)	3 014
Other fixed structure	21 997	(2 194)	19 803
Net effect	31 118	(2 242)	28 876

33. Inventories (Effective from date determined in a Treasury Instruction)

Inventories for the year ended 31 March 2022	Clothing material and accessories	Farming Supplies	Materials & supplies	Food & food supplies	Fuel, oil, gas	Learn & teach material	Medical supplies	Medicine	Other supplies	TOTAL
		R'000					R'000	R'000	R'000	R'000
Opening balance	220	113 663	20 584	435	2 336	42	1 876	28 441	13 478	181 075
Add: Additions:Cash										
(Less): Issues	(220)	(113 663)	(20 584)	(435)	(2 336)	(42)	(1 876)	(28 441)	(13 478)	(181 075)
Closing balance	-	-	-	-	-	-	-	-	-	-

Inventories for the year ended 31 March 2021	Farming Supplies	Materials & supplies	Food & food supplies	Fuel, oil, gas	Learn & teach material	Medical supplies	Medicine	Other supplies	TOTAL
	R'000					R'000	R'000	R'000	R'000
Opening balance	129 697	5 074	75	2 752	293	1 028	29 122	5 167	173 208
Add: Addition:Cash									
(Less): Issues	(129 697)	(5 074)	(75)	(2 752)	(293)	(1 028)	(29 122)	(5 167)	(173 208)
Closing balance	-	-	-	-	-	-	-	-	-

34. STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF GRANT	GRANT ALLOCATION					SPENT				2020/21	
	Division of Revenue Act/ Provincial Grants	Roll Overs	DORA Adjustments	Other Adjustments	Total Available	Amount received by department	Amount spent by department	Under / (Overspending)	% of available funds spent by department	Division of Revenue Act	Amount spent by department
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
CASP	246 610	636			247 246	247 246	243 645	3 601	99%	182 317	176 861
LAND CARE	12 513	-	-	-	12 513	12 428	12 513	-	101%	50 360	49 756
ILIMA/LETSEMA	74 567				74 567	74 567	74 591	-24	100%	12 224	11 838
EPWP	2 076				2 076	2 076	2 076	-	100%	2 410	2 410
Disaster Drought Relief										35 000	33 773
	335 766	636	-	-	336 402	336 317	332 825	3 577	-	282 311	274 638

35. BROAD BASED BLACK ECONOMIC EMPOWERMENT PERFORMANCE

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

36. COVID 19 Response Expenditure

	Note	2021/22	2020/21
	Annexure 9	R'000	R'000
Goods and services		583	45 208
Total		583	45 208

ANNEXURE 1A

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENTAL AGENCY/ ACCOUNT	TRANSFER ALLOCATION 2021/22					TRANSFER 2021/22		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	
ECRDA	129 156			129 156	129 156	100%	158 911	
Magwa Rescue programme	41 853			41 853	41 853	100%	47 263	
Chris Hani Development Agency(Irrigation schemes)	2 209			2 209	2 209	100%	1 565	
RED HUB	11 200			11 200	11 200	100%	11 200	
MECHANISATION	7 900			7 900	7 900	100%	8 190	
Casual Labourers	11 248			11 248	11 248	100%	10 640	
Cannabis	4 500			4 500	4 500	100%	97 00	
KSD Mech Centre						100%	4 112	
Yellow Fleet	7 000			7 000	7 000	100%	4 000	
Forestry & Fisheries						100%	1 900	
Economic Stimulus	8 500			8 500	8 500	100%	910	
Pineapple	1 300			1 300	1 300	100%		
Technical Advisory Services	5 200			5 200	5 200	100%		
Administration	2 542			2 542	2 542	100%		
TOTAL	232 608			232 608	232 608		256 415	

ANNEXURE 1B

STATEMENT OF TRANSFERS TO HIGHER EDUCATION INSTITUTIONS

NAME OF HIGHER EDUCATION INSTITUTION	TRANSFER ALLOCATION				TRANSFER			2020/21
	Adjusted Appropriation	Roll Overs	Adjust-ments	Total Available	Actual Transfer	Amount not transferred	% of Available funds Transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000	
Fort Cox(Subsidiary)	61 199			61 199	61 198	1	0%	59 801
TOTAL	61 199			61 199	61 198	1	-	59 801

ANNEXURE 1C
STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2020/21
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	
	R'000	R'000	R'000	R'000	R'000	%	
Transfers							
Leave Gratuity	22 274			22 274	26 855	131%	25 483
Claim Against the State: Arbitration award	6 515			6 515	10 300	158%	5 204
TOTAL							
28 789				28 789		37 155	
						30 687	

ANNEXURE ID

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE

NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of organisation)	2021/22	2020/21
	R'000	R'000
Made in kind		
Donation livestock	70	156
TOTAL	70	156

ANNEXURE 2

STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO ENTITIES (CONTINUED)

Name of Public Entity	Nature of business	Cost of investment		Net Asset value of Investment		Amounts owing to Entities		Amounts owing by Entities	
		R'000		R'000		R'000		R'000	
		2021/22	2020/21	2020/22	2020/21	2021/22	2020/21	2021/22	2020/21
Controlled entities									
Magwa Tea Estate				18 576	18 576				
Subtotal				18 576	18 576				
TOTAL				18 576	18 576				

ANNEXURE 3A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2022 – LOCAL

Guarantor institution	Original guaranteed capital amount R'000	Opening balance 1 April 2021 R'000	Guarantees draw downs during the year R'000	Guarantees repayments/ cancelled/ reduced during the year R'000	Revaluation due to foreign currency movements R'000	Closing balance 31 March 2022 R'000	Revaluations due to inflation rate movements R'000	Accrued guaranteed interest for year ended 31 March 2022 R'000
Housing								
Standard Bank	-	115	-	(15)	-	100	-	-
Nedbank	-	21	-	(21)	-	-	-	-
First National Bank	-	19	-	(19)	-	-	-	-
ABSA	-	124	-	(39)	-	85	-	-
Unique Finance	-	7	-	(7)	-	-	-	-
TOTAL		286		(101)		185		

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
Claims against the department					
MTHATHA					
Ningiza Horner Inc/ ECATU & Premier EC	749				749
Nokwanda Ndlebe/ MEC for DRDAR	350				350
Robert Boakye Yiadom / MEC for DRDAR	50				50
Manelisi Zukile Somhlahllo/ MEC for DRDAR & Ather	100				100
Manengele Kholekile	50				50
Ncora irrigation	100				100
Mzwabantu Mbana	116			-	116
Davies Jongikhaya Dondolo	191				191
Lungiswa Nomkopo	100				100
Mongezi Jozana	100				100
Vuyokazi Fono/Synod Gxishe&MEC for DRDAR		400			400
Nceba Khongo& 4Others		1 714			1 714
EAST LONDON					
L. Sibanyoni	50				50
Eagles Multi-purpose Primary Co-operative	4 983				4 983

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
Nonceba Princess Goniwe	50				50
Zanele Mpondlana	50				50
Mfusi Maria Mapekula/ Director & MEC for DRDAR	100				100
Tulile Ntombozuko Gege/ MEC for DRDAR	850				850
Konwaba Trading Solution cc/MEC FOR DRDAR		463			463
Emthonjeni Agricultural irrigation systems	100				100
DRDAR/Cotton Star		100			100
Mavuvela Trading	248				248
MEC Public Works/Balasi Traditional Council, DRDAR		100			100
DRDAR/Nomakhaya Moioa		100			100
Umuhle Development	100		100		-
Zimele Sandi & 3 others	100		100		-
Nozipho Hlongwane	12 200		12 200		-
Ayabulela Ngoqo	58		58		-
Easten Cape Development Corporation	565		565		-
Siphindilela Majjobela	100		100		-
TM Ngalwa	773		773		-
Neliswa Manuqalaza	50		50		-
Mncedisi Dike & 7 others	50		50		-
Fikile Black	100		100		-

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
PORT ELIZABETH					
Xplosive Investments 902cc	-				-
Azile Ndaba	200				200
Malibongwe Mayekiso	100				100
Sizwe Mayekiso	100				100
TO Molefe	100				100
Beta Advusory	3 953				3 953
Sanisiwe Matola	100			-	100
N Jim & 8 Others/DRDAR	100		(100)		
NCSPCA/AI Mawashi & 9 Others	100				100
Qwathi-Tolo Property Farm Holdings/DRDAR	5 067				5 067
Simpiwe Diki/ECDARAR	-				-
Vukile Myemane & 9 others		100			100
CK Mafu		100			100
PRETORIA					
SM SKOTO	200				200
Subtotal	32 453	3 077	(14 296)	-	21 234
TOTAL	32 453	3 077	(14 296)	-	21 234

ANNEXURE 3B (continued)

Nature of Liabilities recoverable	Opening Balance 1 April 2021 R'000	Details of Liability and Recoverability	Movement during year R'000	Closing Balance 31 March 2022 R'000
Gotshana & Nehawu	4 655	The claim relates to a job evaluation that was implemented incorrectly and subsequently reversed. The department has won the case on July 2020 and the recovery process will be resumed.		4 655

TOTAL

4 655

4 655

ANNEXURE 4

CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2020/21	
	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
Department								
Dep of Correctional Service			1	1	1	1		
Gauteng Department of Health			6	6	6	6		
Office of the Premier			-	111	-	111		
Dep of Justice			48	-	48			
Dep of water & Sanitation			33	-	33			
			88	118	88	118		
TOTAL			88	118	88	118		

TOTAL

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
DEPARTMENTS								
Current								
Department of Health		34	-	-		34		
National Department of Agriculture Land Reform		85	-	-		85		
Department of Sport		21	-	-		21		
DAFF		34	-	-		34		
Dept. of Water & Sanitation	39				39			
WC Department of Agriculture	(73)		-	-	(73)			
NW Office of the Premier	38		-	-	38			
TOTAL	4	174	-	-	4	174		

OTHER GOVERNMENT ENTITY

Current

Agriseta	2 134	2 319	-		2 134	279	
HWSETA	902	279	-		902	2 371	
Mhlontlo Municipality	12	12	-		12	12	
Or Tambo Municipality	3	3	-		3	3	

Subtotal

	3 051	2 613	-		3 051	2 613	
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TOTAL INTERGOVERNMENT
PAYABLES

	3 055	2 787	-		3 055	2 787	
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ANNEXURE 6

INVENTORIES

Inventories for the year ended 31 March 2022		Clothing	Farming Supplies	Food & food supplies	Fuel, oil, gas	Learn & teach material	Materials & supplies	Medical supplies	Medicine	Labs	Asset Distribution	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: Additions/Purchases – Cash	220	113 663	435	2 336	42	20 584	1 876	28 441	899	12 579		181 075
(Less): Issues	(220)	(113 663)	(435)	(2 336)	(42)	(20 584)	(1 876)	(28 441)	(899)	(12 579)		(181 075)
Closing balance	-	-	-	-	-	-	-	-	-	-	-	-

Inventories for the year ended 31 March 2021		Farming Supplies	Materials & supplies	Food & food supplies	Fuel, oil, gas	Learn & teach material	Medical supplies	Medicine	Other supplies	TOTAL
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	-	-	-	-	-	-	-	-	-
Add: Additions/Purchases – Cash	129 697	5 074	75	2 752	293	1 028	29 122	5 167	173 208	
(Less): Issues	(129 697)	(5 074)	(75)	(2 752)	(293)	(1 028)	(29 122)	(5 167)	(173 208)	
Closing balance	-	-	-	-	-	-	-	-	-	-

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
BUILDINGS AND OTHER FIXED STRUCTURES	85 693	39 201	(40 654)	84 240
Dwellings				
Non-residential buildings	6 688	16 315	(4 477)	18 526
Other fixed structures	79 005	22 886	(36 177)	65 714
TOTAL	85 693	39 201	(40 654)	84 240

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
BUILDINGS AND OTHER FIXED STRUCTURES	61 918		137 344	(113 569)	85 693
Dwellings					
Non-residential buildings	6 464		41 631	(52 755)	6 688
Other fixed structures	55 454		95 713	(60 814)	79 005
TOTAL	61 918		137 344	(113 569)	85 693

ANNEXURE 8
INTER-ENTITY ADVANCES PAID

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
PUBLIC ENTITIES						
Post Office			-	2 558	-	2 558
TOTAL			-	2 558	-	2 558

ANNEXURE 9

COVID 19 RESPONSE EXPENDITURE

Per quarter and in total

	2021/22					2020/21
	Q1	Q2	Q3	Q4	Total	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Expenditure per economic classification						
Goods and services						
DOMESTIC Equipment<R 5000	123	132	147	96	498	29
Cons Supp: Medical Suppliers	-	46	26	13	85	4 449
Consu Hous Sup:Lin & Soft Furnsh						48
P/P: Pest Cntrl/Fumigation Ser						262
						40 420
TOTAL COVID 19 RESPONSE EXPENDITURE	123	178	173	109	583	45 208

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