



drdar

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

**DEPARTMENT OF RURAL DEVELOPMENT AND AGRARIAN
REFORM
EASTERN CAPE
VOTE: 8
ANNUAL REPORT
2022/2023 FINANCIAL YEAR**

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PART A

GENERAL INFORMATION



I. DEPARTMENT GENERAL INFORMATION

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2. LIST OF ABBREVIATIONS

AGSA	Auditor General of South Africa	NDP	National Development Plan
AHT	Animal Health Technician	NQF	National Qualifications Framework
APP	Annual Performance Plan	OHS	Occupational Health Safety
ARP	Annual Recruitment Plan	OHSA	Occupational Health Safety Act
BAC	Budget Advisory Committee	OIE	Office Internationale Etizooties
CASP	Comprehensive Agricultural Support Programme	OP	Operational Plan
CFO	Chief Financial Officer	OSD	Occupational Specific Dispensation
CoAFs	Confirmation of Accuracy Forms	OTP	Office of the Premier
COE	Compensation of Employees	PAETV	Provincial Agriculture and Training Forum
COGTA	Cooperative Governance and traditional Affairs	PAHC	Public Animal Health Care
COO	Chief Operations Officer	PCMT	Provincial Coordinating Monitoring Team
DAAC	District Agri-park Advisory Councils	PDI	Previously Disadvantage Individual
DAFF	Department of Agriculture, Forestry and Fisheries	PERSAL	Payroll and Salaries
DAPOT	District Agri Park Organising Task Team	PFMA	Public Finance Management Act
DRDAR	Department of Rural Development and Agrarian Reform	PI	Output Indicator
ECAETS	Eastern Cape Agricultural Economic Transformation Strategy	PLAS	Proactive Land Acquisition Strategy
ECATU	Eastern Cape Appropriate Technology Unit	PoA	Program of Action
ECDC	Eastern Cape Development Corporation	PPE	Personal Protective Equipment
ECGP	Eastern Cape Provincial Government	PPPFA	Preferential Procurement Policy Framework
ECPT	Eastern Cape Provincial Treasury	PWC	Price Waterhouse Coopers
ECRDA	Eastern Cape Rural Development Agency	QAR	Quality Assurance Review
EE	Employment Equity	RFIs	Request for Information
EEP	Employment Equity Policy	RMC	Risk Management Committee
EIA	Environmental Impact Assessment	SABS	South African Bureau of Standards
EPWP	Extended Public Works Programme	SACNSP	South African Council for National Science Profession
ERM	Enterprise Risk Management	SAMDI	South African Multidimensional Poverty Index
EXCO	Executive Council	SANAS	South African National Accreditation System
FAS	Financial Accounting Services	SANSAE	South African Society for Agricultural Extension
FET	Further Education and Training	SASAE	South African Society for Agricultural Extension
FMD	Food and Mouth Disease	SASAT	South African Society Agricultural Technologists

FSCMCC	Finance and Supply Chain Management Compliance Committee	SCM	Supply Chain Management
FTE's	Full Time Equivalents	MTSF	Medium Term Strategic Framework
GARD-AG	Government Agricultural Research and Development Action Group	NAMC	National Agricultural Marketing Council
GIS	Geographic Information System	NCDT	Nguni Cattle Development Trust
GITO	Government Information Technology Office	NCR	Non-Conformance Registers
HET	Higher Education and Training	SCOPA	Standing Committee on Public Accounts
HIV	Human Immune deficiency Virus	SDGs	Sustainable Development Goals
HOD	Head of Department	SDIP	Service Delivery Improvement Plan
HR	Human Resources	SDM	Service Delivery Model
HROPT	Human Resource Operations Project Task Team	SETA	Sector Education Training Agency
IAA	Internal Audit Activity	SHE	Safety Health Environment
ICP--OES	Inductive Coupled Plasma-Optical Emission Spectroscopy	SHERQ	Safety, Health, Environment , Risk and Quality
ICT	Information Communication and Technology	SLA	Service Level Agreement
ICU	Internal Control Unit	SMME	Small Medium Micro Enterprise
IOD	Injury on Duty	SMS	Senior Management Service
ISPPIA	International Standards for the Professional Practice of internal Auditing	SOMPED	Society for Medicinal Plants and Economic Development
IT	Information Technology	SPLUMA	Spatial Planning and Land Use Management Act of 2013
LMF	Labour Management Forum	TARDI	Tsolo Agricultural and Rural Development Institute
MEC	Member of the Executive Council	TB	Tuberculosis
MOU	Memorandum of Understanding		

3. FOREWORD BY THE MEC

“Poverty is not an accident. Like slavery and apartheid, it is man-made and can be removed by the actions of human beings.” Nelson Mandela

The 2022/23 financial year marks the midpoint of the term of the 6th administration of the current government. It is an important milestone to reflect on the extent to which provincial government in general, and our department in particular has managed to perform against the goals it has set for itself in the Provincial Development Plan 2030 and specifically in the Provincial Medium Term Strategic Framework 2020-2025.

The department contributes to Strategic Goal 3 of the revised Provincial Development Plan 2030, which is, “rural development and an innovative and high value agricultural sector”. In order to realise this goal, the department has identified food security, land rehabilitation, and development of agricultural value chains as game changers which will enable the province to build a resilient agriculture sector that will create jobs, improve rural livelihoods, and build a strong export base through targeted development of high value commodities.

This report presents the achievements of the department in the aftermath of the covid pandemic which had a devastating impact on agriculture and other sectors. The current conflict between Ukraine and Russia has also negatively affected the sector, especially the cost of agricultural inputs. As if that was not enough, the province was not immune from the impact of climate change, with natural disasters negatively impacting on the crops and yields of the farming communities in certain parts of Sarah Baartman, Amathole, OR Tambo, and Chris Hani districts.

During the period under review, through our support, the small holder producers in the province planted 31 139 hectares for production of field crops. The department supported 12 539 smaller holder producers and a further 22 645 subsistence producers with production inputs such as maize seeds, fertilisers mixtures and related the health and safety of their crops. We further created 531 green jobs, and an additional 755 jobs under our Procedure Support Programme were created.

Under the Comprehensive Agricultural Support Programme, we supported 311 youth and 2 188 women in agriculture throughout the province. This demonstrates government’s unwavering intention to increase youth and women participation in agriculture in the province.

Our stated goal is to commercialise agriculture. We are aware and dealing with the structural challenges that are hindering our efforts to fast track this goal. As the input and production cost rise, farmers find it difficult to maintain viable operations and profitability. This is especially true if the prices of their agricultural products do not increase in proportion to the rising costs. As a result, farmers may have to sell their produce at lower prices or cut back on investments, impacting their ability to modernize their farming practices or expand their operations. We are working tirelessly to address the high cost of production for farmers. This requires a holistic approach, including policies that support fair prices for agricultural products, access to affordable inputs, and investments in rural infrastructure and services. Additionally, promoting sustainable agricultural practices and diversifying income sources for farmers can help mitigate the impact of high production costs on their farming operations.

In addition to that, the department has undertaken numerous appointments that are expected to bring significant value, particularly in addressing the critical technical skills needed to support our farmers. By filling these critical positions, the department aims to alleviate the strain on our overstretched officials and to enhance its ability to effectively manage and allocate resources.



Nonkqubela Pieters
Member of Executive Council
(MEC)

The employment of 764 Assistant Agricultural Practitioners is further commitment of the department to ensure that our farmers receive relevant and timely support to undertake their work. These appointments are viewed as a strategic investment in the department's workforce, enabling the department to better fulfil its mandate and deliver efficient services to our farming community.

The department has enhanced its governance systems and internal controls, leading to improved audit results and a decrease in instances of non-compliance or significant findings. I have taken special interest in ensuring that we maintain sound governance practices in all my interactions with management. Good governance provides a solid foundation for an improved service delivery.

Notwithstanding the strides we have made, given all the challenges faced by the sector, we are the first to admit that the 83% performance against our planned targets is not enough, we will continue to work with our partners to address the historical, structural, and systemic underdevelopment of our emerging and household farmers.

On behalf of the department, I wish to express gratitude to the Premier of the province for his support, management of the department for the positive results and all the partners with whom we have maintained collaboration in the fields of grain, infrastructure, citrus, and other commodities. The accomplishments achieved were the result of extensive focus on transforming the sector and making a meaningful change. We acknowledge the existence of areas for improvement and are building the necessary capacity to improve the impact of our interventions in the agricultural sector in the Eastern Cape province.



HON NONKQUBELA PIETERS, (MPL)

MEMBER OF THE EXECUTIVE

DATE: 31 AUGUST 2023

4. REPORT OF THE ACCOUNTING OFFICER

During the year under review, the department strived to improve the performance of the provincial economy by supporting smallholder's farmers to participate throughout the agricultural value chain. In this context, it is important to note that the Eastern Cape economy grew by 0,6% in Q1 of 2023. This was higher than the national growth rate of 0,4 percent while, the agricultural Gross Value Added (GVA) unfortunately contracted downwards by 12,3% (868 million). The GVA in Quarter 4 of 2022 was 6737 but declined to 5769 in quarter 1 of 2023. The decline in output was recorded in field crops and animal products.

In terms of employment in 2023Q1, the unemployment rate in South Africa increased by 0,2%. However, the provincial unemployment rate declined by 2.1%. The agricultural sector employment grew by 622 jobs from 89 260 in Q4 of 2022 to 89 882 in Q1 of 2023). The sector performance requires the department to strengthen its support to smallholder farmers so that they may increase their productivity and competitiveness which in turn will positively contribute to growth and employment.

The adoption of the Agriculture and Agro-processing Master Plan by all stakeholders throughout the country gave the impetus to increase customised support to smallholder farmers along their commodity corridors and value chains. In 2022/2023, the Department integrated and customised and synergised farmer support in order to achieve greater impact with respect to contribution to growth and employment. The specific focus of the support was on export oriented high value crops, even though these commodities (e.g., citrus and macadamia) were adversely affected by the rapid increase in production costs coupled with European protectionist attempts to prevent the exports products to their markets. The Department was forced to provide strategic interventions to protect the sector from total collapse, which would have had a negative impact on the government investment and the workforce employed by these commodities. The partners in the commodities supported by the department are currently developing and implementing Business Recovery Plans to improve commercial viability and sustainability.

In 2022/2023, the Eastern Cape experienced favourable above-normal rains which were a blessing, enabling farmers to commence their production operations on time. Sadly, other areas in the province, specifically in OR Tambo, Alfred Nzo and Joe Gqabi experienced floods which destroyed infrastructure and agricultural produce. In some instances, the rain delayed the commence of production. This inevitably forced the department to provide extension support and where possible commence with infrastructure and production support.

Despite these challenges, the cropping programme progressed well in grain, the farmers increased their commercial production and are expecting above average yield. The critical success factor in smallholder and communal commercial grain production is the aggregation of communal and smallholder land parcels into productive units at the required commercial scale for local industry markets such as feed and dairy. Farmers were also supported with the infrastructure to improve grain production in areas such as fencing of arable land, temporary storage facilities etc.

Furthermore, our livestock programme was implemented with a special focus on animal health, provision of export support and distribution of superior genetic material. In addition, farmers were also provided with customised livestock infrastructure such as animal handling facilities, shearing sheds, stock water system etc. Despite, the outbreak of disease from time to time, the veterinary services were able to curb and prevent the negative impact in the sector.

The department also implemented various rural development initiatives that had greater impact on rural communities.



Siphokazi Ndudane
Head of Department (HoD)

The Spring Water Protection Programme provided rural communities access to water and in turn were able to use that water for vegetable production for food security. Rural cooperatives were also provided with the sewing machines in order to fully participate in the clothing and textile industry. A significant progress has been made in the establishment of Rural Market Centres, with the Amathole one close to completion and ready for operations. All these initiatives are driven through the District Development Model to ensure integrated government support to rural communities.

Overview of the departmental performance

The department has made strides to achieve its planned targets during the period under review notwithstanding the challenges outlined above. This work would not have been possible without concerted efforts of the departmental workforce. During the period under review the department embarked on a process to recruit staff on critical service delivery areas. To date the department has surpassed the gender equity target of 50% for the employment of females in the Senior Management Service (SMS). Currently, there are 26 females (58%) and 19 males (42%) serving as Senior Managers within the Department. However, continued dedication is required to achieve gender equity at the middle management level, specifically at salary levels 9 to 12. This category currently consists of 242 females (41%) and 354 males (59%). It is important to note that the historically male-dominated nature of the agriculture sector has contributed to this imbalance.

In the table below is a highlight of the departmental performance per programme. The overall performance of the department stands at 83% which is a marginal regression compared to the previous financial year's performance.

Programme Description	No of the target outputs	No of the actual outputs	% Achieved
Administration	20	20	100
Sustainable Resource Management	19	13	68
Agricultural Producer Support and Development	13	11	85
Veterinary Services	15	13	87
Research and Technology Development services	9	8	89
Agricultural Economic Services	7	5	71
Agricultural Education and Training	10	6	60
Rural Development	6	6	100
TOTAL	99	82	83

Overview of the financial results of the department

Departmental Receipts	2021/2022			2022/2023		
	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)	5 342	4 585	757
Transfers received	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-
Interest, dividends and rent on land	4	45	(41)	50	98	(48)
Sale of capital assets	1 900	1 117	783	850	1 123	727
Financial transactions in assets and liabilities	600	954	(354)	720	10 684	(9 964)
TOTAL	7 605	8 019	(414)	7 962	16 490	(8 528)

During the 2022/23 financial year, the department exceeded its revenue target by R8.5 million. The main contributors to this over collection were administrative fees, services provided by vet services, interest received, and transactions in financial assets and liabilities. To optimize revenue generation, the department implemented speed points at revenue collection centers in the districts.

The department reviews and implements its tariff policy annually, taking into account the inflation rate determined by the National Treasury. In the 2022/23 financial year, the tariff policy included a 4.2% adjustment to account for inflation. All services provided by the department are considered in the tariff policy, with exemptions for services rendered during disease outbreaks identified in the Eastern Cape.

However, the department experienced under collection in revenue from the sale of capital assets, the sale of goods and services other than capital assets. This includes a shortfall in revenue from commissions received from insurance and the sale of biological assets. These revenue sources are influenced by economic conditions.

Departmental expenditure by programme:

Programme Description	2021/2022			2022/2023		
	R'000			R'000		
	Final Appropriation	Actual Expenditure	Variance	Final Appropriation	Actual Expenditure	Variance
Administration	437 777	441 557	-3 780	474 577	474 124	453
Sustainable Resource Management	131 555	131 555	-	136 406	131 532	4 874
Agricultural Producer Support and Development	825 104	822 566	2 538	835 775	821 864	13 911
Veterinary Services	295 506	295 506	-	338 319	337 845	474
Research and Technology Development services	117 796	117 796	-	132 599	131 706	893
Agricultural Economic Services	31 868	31 868	-	35 087	34 519	568
Agricultural Education and Training	188 098	185 145	2 953	192 590	180 815	11 775
Rural Development	228 903	228 903	-	210 160	206 678	3 482
TOTALS	2 256 607	2 254 896	1 711	2 355 513	2 319 083	36 430

Explanation of variances

Programme 1

Under-expenditure is mainly due delays in delivery of computer equipments.

Programme 2

Under-expenditure is mainly as result of delays in the filling of posts due to lengthy recruitment processes, as well as delays in late delivery of farming supplies for land rehabilitation programmes.

Programme 3

Under-expenditure caused by lengthy recruitment processes (verification of certificate process of Agricultural Advisors posts by SAQA). Also contributing to under-expenditure was above normal rainfall that affected the cropping programme, as it was not completed on time/as planned due to floods occurred during the critical times of the planting season, @greendotmedia which then delayed the process and therefore could not submit invoices as planned. Lastly, delays in the delivery of production inputs by service providers which resulted in late submission of invoices, whereby the department could not process these invoices before the end of the year

Programme 4

Under-expenditure is mainly as result of delays in the filling of posts due to lengthy recruitment processes.

Programme 5

Under-expenditure is largely caused by the delays in the filling of posts due to lengthy recruitment processes.

Programme 6

Under-expenditure mainly attributable to fleet services invoices that could not be processed in March due to network challenges.

Programme 7

Under-expenditure can be ascribed to challenges in finding suitable and qualified training service providers of Farm Workers training in the department's training database, as well as due to delays in the implementation of construction of TARDI Exam Hall. The Graduate Entrepreneur Internship program had an under expenditure due a total of 96 out of 120 graduates leaving the program before its end by March 2023 due to finding employment elsewhere. This led to stipends not paid and planned trainings paid only for those that were still within the program.

Programme 8

Under-expenditure was mainly attributable to the late delivery of material procured for the spring water protection projects. The service provider could not deliver on time due to the public sector workers protest which took place in the first two weeks of March. As such, the service provider started with delivery in the third week and submitted invoices after the last payment run in March. Also contributing to under-expenditure was construction of the Rural Market Centre project in Port St Johns, whereby there were challenges with the site, this has since been resolved and this project will be implemented in 2023/24.

A description of the reasons for unauthorised, fruitless and wasteful expenditure and the amounts involved as well as steps taken to address and prevent a recurrence.

During the financial year ending on the 31 March 2023, the department incurred fruitless and wasteful expenditure totalling R 32 437.57. This amount includes an opening balance of R 1 800.00 carried forward from the previous financial year, as well as additional expenditure amounting to R 30 637.57. To address this issue, transactions totalling R 7666.79 were deducted from officials' salaries as part of cost recoveries in the current year.

The nature of these transactions primarily involved charges related to no-shows on accommodation, cancellation fees, accidental damages on rental vehicles, and after-hours fees charged by travel agencies. Recognizing the seriousness of these transgressions, the Head of Department has taken decisive actions and implemented measures to prevent their recurrence.

One of the key steps taken is the recovery of the incurred costs from officials' salaries, unless a recommendation for condonement is provided by the Finance & Supply Chain Management Compliance Committee (FSC-MCC) and approved by the Head of Department. Additionally, consequences are imposed in cases where none of the aforementioned actions are taken, ensuring accountability and deterrence.

By implementing these measures and emphasizing responsible financial management, the department aims to prevent and mitigate instances of fruitless and wasteful expenditure in the future.

Steps taken to address and prevent a re-occurrence of such expenditures:

The department has implemented a series of steps to address and manage fruitless and wasteful expenditure:

Step 1: Cost recovery letters were sent to officials who have transgressed, requesting them to arrange payment through the Financial Accounting Services Directorate.

Step 2: In cases where the expenditures are not agreed upon in Step 1, the affected officials are required to respond to the condonement request made by the Finance & SCM Compliance Committee, seeking condonation for such expenditures.

Step 3: Acknowledgement of debt forms are also sent to the officials, ensuring that they acknowledge the debt and its takeover by the FAS Directorate.

Step 4: If all previous steps fail, the department has no option but to recover the debt directly from the officials' salaries through the PERSAL system.

Step 5: The fruitless and wasteful expenditure register is updated to reflect the actions taken in accordance with the above steps.

The Internal Control Directorate, responsible for ensuring compliance with departmental processes, is actively engaged in mitigating and eliminating irregular, fruitless, and wasteful expenditures. This is achieved through robust pre-audit processes and awareness programs that address internal control weaknesses in procurement and payments.

It is worth noting that the department has maintained a NIL balance in terms of irregular expenditure since 2018 to the present date. Additionally, no unauthorized expenditure was incurred during the financial year, indicating a strong commitment to financial discipline and adherence to regulations.

Strategic focus over the short to medium term period

The strategic focus for agriculture in the short to medium term includes promoting sustainable practices, adopting technology and innovation, developing the agricultural value chain, ensuring access to finance and inputs, building capacity and transferring knowledge, investing in rural infrastructure, and implementing policy and regulatory reforms. These areas aim to enhance productivity, sustainability, and rural development, ultimately contributing to food security, poverty reduction, and economic growth in the agricultural sector.

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

No unsolicited bid proposals were received during the reviewed year. The process of preventing irregular expenditure begins at Procurement Services when the procuring entity submits requisitions for generating orders. All necessary supporting documents are thoroughly checked for completeness before authorization is granted for the order. The procurement voucher is subsequently sent to Pre-Audit for additional verification and the issuance of a compliance certificate before the 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 guidance provided by the Hon. MEC Pieters and the support of the management team. The work of the department would not have been possible without the support of the stakeholders, farmers, communities, and committed dedicated staff.

Conclusion

The department implemented strategic programmes which over time will yield desired impacts in the reduction of poverty, underdevelopment, and unemployment. This is a demonstration of an effective and efficient utilisation of resources to deliver rural development and agriculture-related priority programmes.

pp 

S NDUDANE

ACCOUNTING OFFICER

DATE: 31 AUGUST 2023

5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR 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.

The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgments 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 2023.

Yours faithfully

pp 

S NDUDANE
ACCOUNTING OFFICER

DATE: 31 AUGUST 2023

6. STRATEGIC OVERVIEW

6.1 Vision

A sustainable agricultural sector; 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".

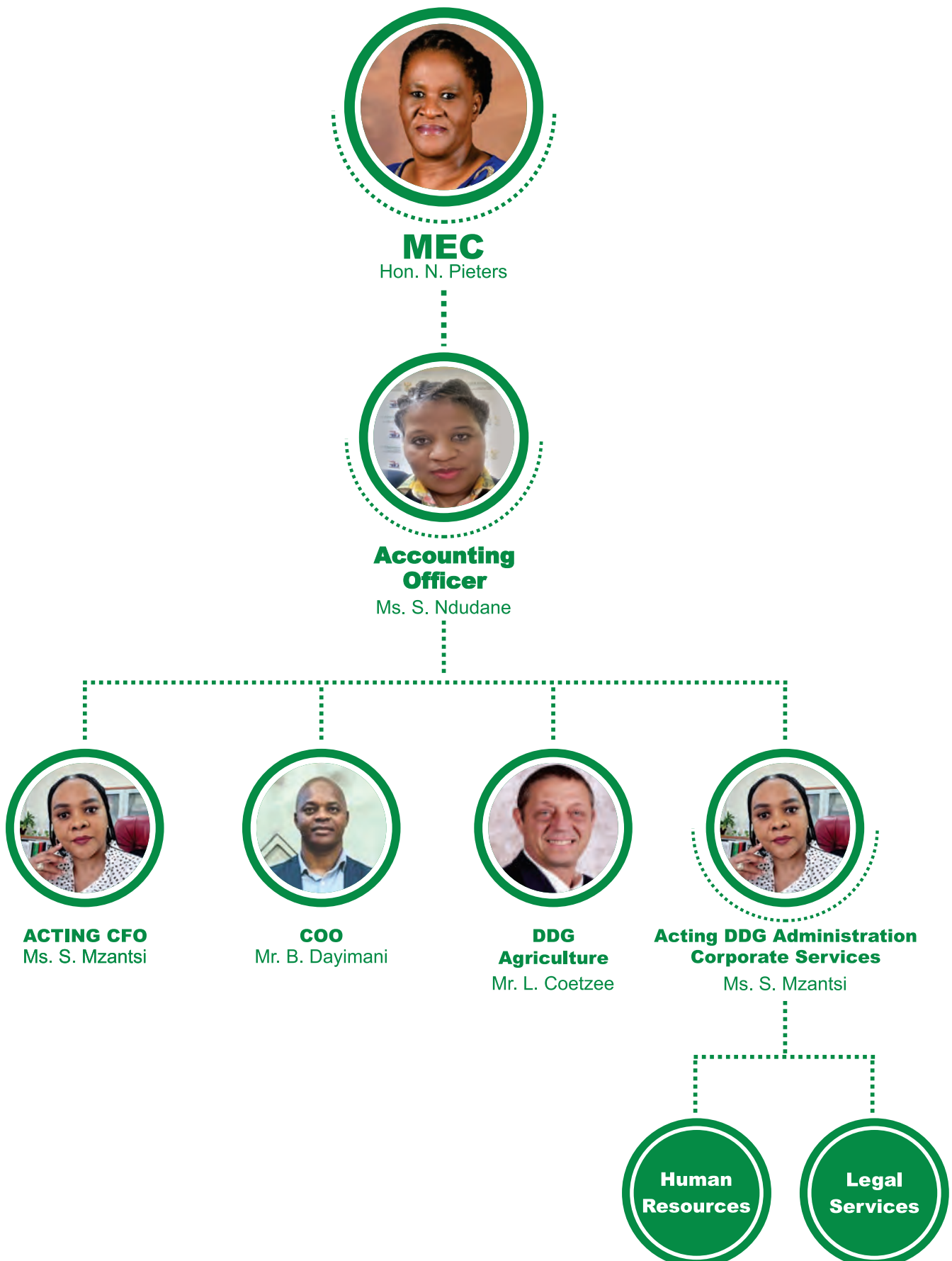
7. LEGISLATIVE AND OTHER MANDATES

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

- Constitution of the Republic of South Africa, Act 108 of 1996
- The Agriculture Development Act, 1999
- Conservation of Agricultural Resources Act, 1983
- Eastern Cape Rural Finance Corporation, Act 1 of 2012
- Veterinary and Para-Veterinary Professions Act, 1982
- The Animal Health Act, 2002
- The Animal Identification Act, 2002
- The Meat Safety Act, 2000
- Animal Diseases Act, 1984
- Animal Improvement Act, 1998
- Animal Protection Act, 1962
- Livestock Improvement Act, 1997
- Agricultural Pests Act, 1983
- Fertilizers, Farm Feeds, Agricultural Remedies and Stock Remedies Act, 1947
- Agricultural Research Amendment Act, 2001
- Marketing of Agricultural Products Act, 1996
- Fencing Act, 1963
- Land Tenure Rights Act, 1991
- Intergovernmental Relations Framework Act, 2005
- Public Finance Management Act, 1999
- Basic Conditions of Employment Act, 1997
- Division of Revenue Act, 2009
- Preferential Procurement Policy Framework Act, 2000
- Public Service Act and Regulations, 1994
- Skills Development Act, 1998
- Occupational Health and Safety Act, 1993
- Employment Equity Act, 1998
- Promotion of Access to Information Act, 2000
- Treasury Regulations issued in terms of PFMA Act, 1999
- Promotion of Administrative Justice Act, 2000
- Spatial Planning and Land Use Management Act, 2013
- Protection of Personal Information Act, 2013

- Act No 108 of 1996
- Act No. 67 of 1999
- Act No. 43 of 1983
- Act No. 9 of 1999 as Amended by Act I of 2012
- Act No. 19 of 1982
- Act No. 7 of 2002
- Act No. 6 of 2002
- Act No. 40 of 2000
- Act No. 35 of 1984
- Act No. 62 of 1998
- Act No. 71 of 1962
- Act No. 25 of 1997
- Act No. 36 of 1983
- Act No. 36 of 1947
- Act No. 27 of 2001
- Act No. 47 of 1996
- Act No. 31 of 1963
- Act No. 112 of 1991
- Act No. 13 of 2005
- Act No. 1 of 1999
- Act No. 75 of 1997
- Act No. 12 of 2009
- Act No. 5 of 2000
- Act No. 103 of 1994
- Act No. 97 of 1998
- Act No. 85 of 1993
- Act No. 55 of 1998
- Act No. 2 of 2000
- Act No. 29 of 2000
- Act No. 2 of 2000
- Act No. 16 of 2013
- Act No. 4 of 2013

8. ORGANISATIONAL STRUCTURE



9. ENTITIES REPORTING TO THE MEC

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

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). 2022/23 Budget allocation was R137m.	• Administrative. • Project Management. • Rural Financial Services (Rural Finance).



PART B

PERFORMANCE INFORMATION



I. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The AGSA 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 149 - 150 of the Report of the Auditor General, published as Part F: Financial Information.

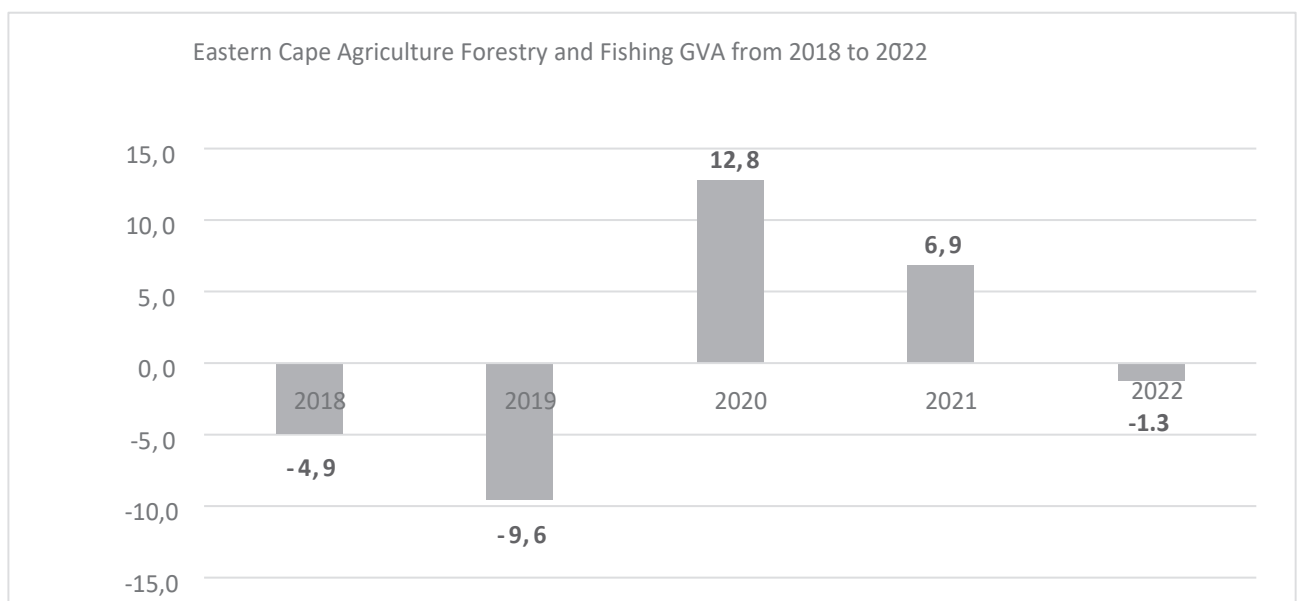
2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

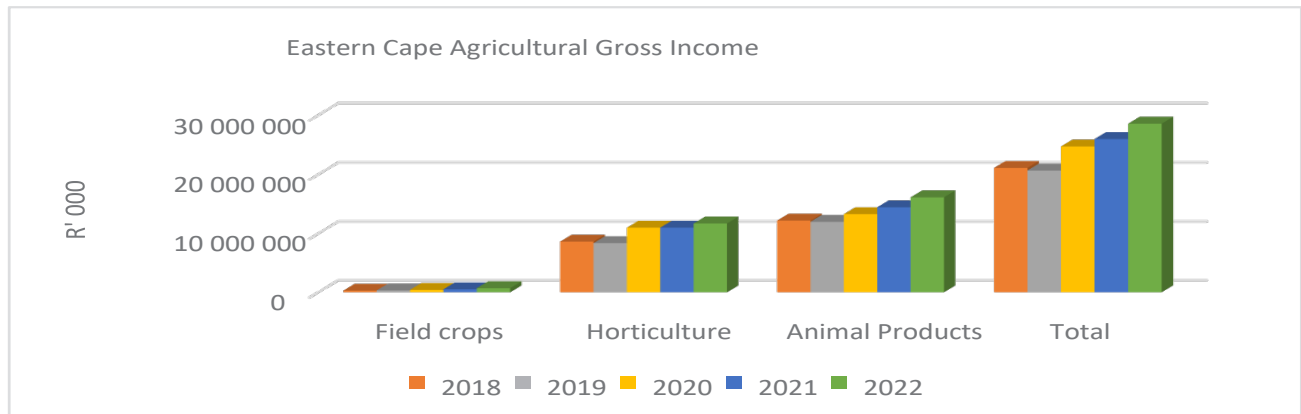
Introduction To Service Delivery Environment

Most of the country received average to above-average rainfall since about 2020. Flooding or water-logged conditions occurred in some areas, causing damage to crops and infrastructure. The very wet conditions since 2020 are in contrast to the severe drought conditions over large parts of the country from about 2014 to 2019. La Niña conditions started to develop in the spring of 2020, causing favourable rainfall conditions initially over the eastern and central parts of the country but gradually spreading to the western parts. La Niña conditions are still present, and continued until the beginning of 2023. Records indicate that it will only be the third time since 1950 that there will be three consecutive La Niña events, because La Niña events are usually lasting only one season – starting from about September and ending in about March/April. As a result, average to above-average rainfall was received until December, which continued to January/February 2023.

Eastern Cape agricultural forestry and fishing industry was among the five industries that had a negative growth rate, it contracted to -1,27% in 2022. This is in contrast to the favourable climatic conditions and international prices that the industry received during 2022. The contraction in the agriculture industry growth rate was affected by escalating input prices, load shedding, rising input costs and delayed fruit exports in Cape town ports. The cost of production was extremely high for the South African farmer in the year 2022. This was because of the international markets that supply the major agricultural inputs, the Russia Ukraine War affected fuel prices and fertiliser prices significantly. Diesel prices increased by 68% inland and by 49% coastal, whilst petrol increased by 31% inland and by 30 % coastal, while fertiliser also increased by 61% in the same period.



The total gross income of Eastern Cape agricultural products increased by 4,7% from R26 billion in 2021 to R29 billion to 2022. Grains were leading with an increased growth of 38.1%, followed by animal products by 11,7% and horticultural products at 6,5% (Figure x). However, in terms of contribution to the total the Gross income, animal products had the highest contribution to the total Eastern Cape Gross agricultural income at 57% (R16 billion) followed by horticulture and field crops at 41% and 2,5% respectively. Wool, eggs and poultry and cattle slaughtered grew by 24.6%, 18,7% 16,6% and 14,1% respectively.



The number of people employed in the agriculture sector in Eastern Cape, continues to rise from 100 000 in 2021 to 103 000 in 2022. The industry contributed by 7,6% to the Eastern cape employment during 2022. The growth in the number of jobs in the agricultural industry can be attributed to the favourable weather conditions, which resulted to 15% increase in the quantities of maize produced and the quantities of citrus and deciduous fruit harvested also increased during 2022

The purpose of the Annual Report is to present information about an institution's performance during the previous financial year, serving as a means for performance assessment, knowledge acquisition, and oversight. These reports are created by referring to the Annual Performance Plans, which outline the objectives and targets for the specific year. Furthermore, there's a legal leg mandating the department to produce this document, hence called statutory document.

Chapter 3 of the Public Service Regulations outlines the criteria and guidelines for the creation of Strategic Plans, Annual Reports, and the Service Delivery Improvement Plan. Regulation 31 specifies the procedures for developing, presenting, and submitting Annual Reports. In addition, Section 40 (3) (a) and 55 (2) (a) of the PFMA (Public Finance Management Act) require institutions to report on their performance in relation to predetermined objectives within their Annual Reports, that is the whole parts except the last part of the Annual Report (Part F dealing with Annual Financial Statements).

Agri-business development

Agribusiness development encompasses the application of business principles and strategies to the agricultural sector, aiming to enhance the overall efficiency and profitability of the industry. This approach involves integrating and optimizing all stages of the agricultural value chain, including production, processing, distribution, marketing, and sales. By adopting business-oriented practices, agribusiness development seeks to meet the increasing global demand for food and other agricultural products while ensuring sustainability and competitiveness.

At the core of agribusiness development is the recognition that agriculture is not just about farming, but also about managing a complex network of interconnected activities. By applying business principles, such as strategic planning, market analysis, risk management, and financial management, agribusiness development seeks to optimize resource allocation, reduce costs, and maximize profits. It emphasizes the importance of efficiency, innovation, and entrepreneurship in agricultural operations.

One key aspect of agribusiness development is the integration of various value chain stages. This involves aligning production activities with market demands and consumer preferences. For example, understanding market trends and consumer preferences can help farmers make informed decisions about what crops to grow and when to produce them. Similarly, agribusiness development focuses on establishing efficient processing facilities that can transform raw agricultural products into value-added goods, meeting quality standards and market requirements.

Furthermore, agribusiness development emphasizes the need for effective distribution and marketing strategies. It involves developing robust distribution networks, establishing partnerships with retailers and wholesalers, and implementing targeted marketing campaigns to reach consumers effectively. By enhancing market access and creating strong linkages between producers and consumers, agribusiness development aims to ensure the timely delivery of high-quality agricultural products to the market.

Significant strides were made by the department in facilitating the growth and sustainability of the agricultural industry, as a result a total of 1 134 Agri Businesses were supported with marketing services, 646 clients were supported with production economic services, nine (9) producers were awarded with SA Gap certification, three (3) commercially viable partnership was entered into to drive productivity and competitiveness, 21 Agri-businesses were supported with Black Economic Empowerment advisory services, 16 Agri-businesses were supported with agro-processing initiatives and 17 economic reports were compiled.

In addition to improving operational efficiency, agribusiness development also recognizes the importance of sustainability and environmental stewardship. It promotes the adoption of sustainable farming practices, such as precision agriculture, organic farming, and water and energy management techniques, to minimize environmental impact and ensure long-term resource availability. Overall, agribusiness development plays a vital role in transforming the agricultural sector into a dynamic and resilient industry. By applying business principles and practices, it seeks to create a more efficient, profitable, and sustainable agricultural system capable of meeting the evolving demands of a growing global population.

Rural development and Coordination

Rural development and coordination are closely interconnected processes that work together to facilitate effective and integrated efforts in improving rural areas. Coordination serves as a vital mechanism for bringing together diverse stakeholders, aligning their activities, and fostering collaboration to achieve common goals in rural development.

In rural areas, multiple stakeholders are involved in various aspects of development, such as government agencies, non-governmental organizations (NGOs), community-based organizations (CBOs), local communities, and private sector entities. Each of these stakeholders brings unique expertise, resources, and perspectives to the table. Coordination helps in harnessing these diverse strengths by creating a platform for cooperation and synergy.

Home Industry Services

On May 18, 2022, the Honourable MEC handed over 22 domestic sewing machines and 1 100m of fabric to Siyakhana Clothing and Textile Cooperation in Debera. These machines were procured during the 2021/22 financial year. Furthermore, a total of 38 specialized machines and 21 sewing equipment for the Training Centre, the Hub, and Kolo Trading and Embroidery from Joe Gqabi were delivered in the first week of July. The total cost amounted to R2,049,184.86, and the payment was made on July 12, 2022. The department also procured a Screen Printing machine and a Heat Presser for Liberty Moon from OR Tambo District. These machines were delivered to the beneficiary on September 22, 2022.

In the 2022/23 financial year, the department procured 201 industrial sewing machines worth R1.9 million for 103 rural development enterprises across all six districts. The honorable MEC officially handed over these machines to the beneficiaries, benefiting a total of 356 individuals. The beneficiaries included 127 youth, 51 people with disabilities, 147 women, and 31 males, highlighting the programme's commitment to inclusivity and empowerment of marginalised groups, particularly in rural areas.

The department also provided support to two small bakeries in Raymond Mhlaba Local Municipality and Enoch Mgijima Local Municipality, providing bakery equipment worth R483,412. Additionally, juice processing equipment ordered from China in 2021, valued at R893,000, arrived during the year and was delivered in Gqeberha to support Impilo Juice Enterprise. The Ubusi Bemveli Honey Processing project in Mnquma Local Municipality received necessary equipment valued at R150,000.

Innovations and Appropriate Technologies

During the 2022/23 financial year, the department supported the COGTA (Department of Cooperative Governance and Traditional Affairs) and local government through intergovernmental relations by implementing spring water protection technology in eight rural villages across the province. This initiative provided water to three villages in Chris Hani, one in Joe Gqabi, one in OR Tambo, one in Amathole, and two in Alfred Nzo district municipalities. A total budget of R5.8 million was allocated for the spring water project, which not only provided water to the benefiting villages but also created 459 temporary jobs and imparted artisanal skills to the participating citizens.

On April 13, 2022, the Honourable MEC handed over the spring water project at Lupapasi village in Emalahleni Local Municipality, located in the Chris Hani District Municipality. The implementation of spring water protection projects was successfully carried out in several areas, including Goso village in Dr AB Xuma Local Municipality, Rwantsana village in Emalahleni Local Municipality, Mcambalala village in Intsika Yethu Local Municipality, Sigoga village in Elundini Local Municipality, two villages of Hala/Sompondo in Raymond Mhlaba Local Municipality, Upper Chulunca village in Ward 16 of Mhlontlo Local Municipality, Mthukukazi Village in Ward 7 of Ntabankulu Local Municipality, and Caba Village in Ward 20 of KSD Local Municipality. These projects provided a total of 246 taps, benefiting 2,089 households and creating 454 temporary jobs.

DDM & IGR

Significant progress has been made in the development of the One Plan Diagnostic report, Vision & Development Strategies, and Implementation Commitments. Draft One Plans have been created by all districts and two metros. The draft One Plans have been published for public comments, and municipalities are currently consolidating the feedback received in order to submit the final drafts for Council Resolution. There has been a focus on expanding and commercializing crop production. Municipal Managers have been requested to appoint individuals responsible for the implementation of the DDM (District Development Model) One Plan in their municipalities.

The department continues to actively participate in Provincial Intergovernmental Relations (IGR) structures. In the 2022/23 financial year, activities such as Provincial Technical IGR sessions, the Technical MuniMEC, and the Technical Implementation Forum (TIF) took place. During these sessions, the department presented its quarterly Programme of Action report, specifically focusing on the implementation of the Medium-Term Strategic Framework (MTSF) Priorities 2.3 and 5.

Rural Market Centres (RMCs)

The establishment of Rural Market Centres is a significant accomplishment for the department as it will create a centralized platform for farmers to sell their agricultural products and improve their access to markets. This initiative aligns with the department's broader objectives of enhancing food security, promoting sustainable agriculture, and supporting rural development.

The department successfully implemented a pilot project for Rural Market Centres in three districts, namely Amathole, Chris Hani, and OR Tambo. However, out of the three projects, only two, namely Amahlathi and PSJ, were able to be advertised and awarded. The construction of the new Rural Market Centre in Keiskammahoek commenced during the 2022/23 financial year and was near completion by the end of the fiscal year. Despite facing challenges that were beyond the department's control, progress was made in establishing the Rural Market Centre in Keiskammahoek.

Socio-Economic Research

The department is embarking on the reviewal, evaluation and profiling of projects implemented in the province. This is done through data collection, compiling provincial and district demographic profiles. The data was captured and analysed and finalised 7 reports for the financial year. Socio infrastructure report of the province and the Emalahleni RED Hub evaluation report were also produced in the process.

The department is currently engaged in a process of reviewing, evaluating, and profiling projects that have been implemented in the province. This involves collecting data and compiling demographic profiles at both the provincial and district levels. The collected data has been analyzed, and as a result, seven reports have been finalized for the financial year. Additionally, during this process, the department has produced reports on the socio-infrastructure of the province and an evaluation report for the Emalahleni RED Hub.

Research & Technology Development

Agricultural innovation involves the application of scientific methods and technologies to enhance different aspects of farming. Agricultural research on other hand encompasses a broad spectrum of activities aimed at improving agriculture, such as the development of new plant varieties, advancements in soil fertility management, innovation in irrigation systems, improved approaches to pest and disease control, enhanced crop protection measures, and the promotion of efficient agricultural practices, among others. For the year under review, a total of

- Seven (07) research infrastructures were managed for improved / efficacy of agricultural activities;
- 60 Research projects were implemented to improve agricultural production;
- 1 904 Samples (Soils, Plants, Feed, and Water) were analysed to support the decision-making of clients;
- 30 Research presentations were conducted at technology transfer events and
- 16 Scientific papers were published in relevant research journals to contribute to the body of knowledge in this field.

Research and technology development in agriculture are crucial for the future of food production. With the world's population growing, it is essential to find new and innovative ways to produce more food while reducing waste and protecting the environment. Through continuous research and development, farmers can improve their yields, reduce costs, and improve the nutritional quality of their crops, making agriculture a more sustainable and profitable industry.

Resource Management

Resource management in agriculture entails the efficient and sustainable utilisation of available resources to attain optimal agricultural productivity. These resources encompass land, water, fertilizers, seeds, and labour. In agricultural practices, resource management entails striking a balance between crop production and the preservation of natural resources. Successful land management involves identifying suitable crops based on factors such as soil type, climate, and water availability. Experts in this field recommend that farmers adopt practices like crop rotation, utilization of cover crops, and conservation tillage to maintain soil fertility, prevent erosion, and enhance water retention. To that effect a total of

- 7 283 Hectares of agricultural land were protected and/or rehabilitated for increased agricultural use.
- 787 Beneficiaries adopted / practised sustainable production technologies and practices for improved livelihoods.
- 531 Green jobs were created in the process of rehabilitation of agricultural natural resources.
- 1 038 Hectares of agricultural land were protected through guiding subdivision/ rezoning/ change of agricultural land use.
- 53 Farm management plans developed for efficient use of the assets (farms).
- 604 Natural / agricultural resources maps were produced for planning and decision-making purposes.

Basic Infrastructure

Basic infrastructure in agriculture encompasses the essential physical structures and services that are crucial for facilitating efficient agricultural production and the smooth flow of agricultural goods from farms to markets. It encompasses a wide range of elements such as irrigation systems, transportation networks, storage facilities, market access points, and communication systems.

The department has recognized the significance of infrastructure in supporting agricultural activities and has undertaken initiatives to provide infrastructure support services. These efforts align with the overall objective of promoting agricultural development, as well as addressing the infrastructure challenges that exist at a national level.

The issue of infrastructure backlog has been acknowledged as a critical concern in the country, as stipulated in the constitution that was initially established in 1996 and subsequently amended. This constitutional recognition underscores the importance of addressing the infrastructure gaps and deficiencies that hinder agricultural productivity and inhibit the sector's overall growth potential. By focusing on infrastructure development and improvement, the department aims to enhance the accessibility and availability of irrigation systems for agricultural water management, establish and maintain efficient transportation networks to facilitate the movement of agricultural products, ensure adequate storage facilities for preserving perishable goods, establish well-connected market access points for farmers, and establish reliable communication systems for effective information sharing within the agricultural sector.

To this end a total of 155 agricultural infrastructure projects were completed, this resulted in a total of 6 062 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 a total of 755 infrastructure jobs were created through implementation of these projects. Overall, basic infrastructure in agriculture is crucial for the success of farmers and the overall growth and sustainability of the agriculture industry.

Addressing the infrastructure backlog and providing necessary infrastructure support services are key steps towards creating an enabling environment for agriculture to thrive. It not only boosts productivity and efficiency within the sector but also contributes to rural development, food security, and economic growth as a whole.

Farmer's and Institutional Capacitation.

Farmer's and institutional capacitation refer to the process of empowering farmers and institutions by providing them with the necessary skills, knowledge, and resources to enhance their agricultural practices, productivity, and profitability. Institutional capacitation focuses on the development and strengthening of teaching and learning infrastructure in colleges and training institutions of the department to enable them to meet the accreditation requirements set by the teaching and training regulatory bodies of the country. This can involve offering training programs and allocating resources to enhance their capacity to conduct research, disseminate information, and provide technical assistance to farmers.

In the case of farmers, capacitation entails providing them with training and educational programs that enable them to adopt new and innovative farming practices, utilise modern tools and technologies, and access emerging markets. For example, farmers may receive training on sustainable farming methods aimed at conserving soil and water, reducing the reliance on pesticides and fertilizers, and improving crop yields. The objective is to equip farmers with the knowledge and skills needed to implement more sustainable and efficient farming techniques. To that effect a total of

- 600 Students were enrolled to complete accredited Higher Education and Training (HET) qualifications.
- 153 Students graduated with agricultural qualifications.
- 2 608 Participants were trained in skills development programmes in the sector.
- 732 School-going learners were exposed to various fields in the agriculture and rural development sector in order to attract new entrants to the sectors.
- 299 Out-of-school youth participated /trained in learnership programme.

Therefore, farmer's and institutional capacitation in agriculture are essential for promoting sustainable agriculture, improving productivity, and enhancing the livelihoods of farmers.

These efforts help to ensure the long-term viability and resilience of agriculture, even in the face of challenges such as climate change, market fluctuations, and environmental degradation.

Grain Production and Household Food Security

Grain production involves the cultivation of cereal crops, including wheat, rice, maize (corn), barley, oats, and dietary fiber, with the purpose of producing food, feed, and industrial products. Different regions within a province have specific primary crops based on factors such as soil type, climate, and cultural preferences. The grain production process begins with selecting suitable seed varieties for specific soil and climate conditions, followed by land preparation. Farmers employ various tillage practices such as ploughing, harrowing, and cultivating to ensure loose, well-aerated soil that is free from weeds. After planting the seeds, irrigation, fertilisation, and pest and disease control measures are typically implemented. Throughout the crop's growth, farmers monitor its progress and make necessary adjustments, such as applying additional fertilizers or adjusting irrigation levels.

During harvest, the crop is either manually cut or harvested using machinery like combine harvesters. The grain is then separated from the chaff and straw and stored in silos, grain bins, or other storage facilities. Subsequently, the grain may be sold to feed mills, food processing plants, or utilised for industrial purposes such as biofuels. Grain production is a vital aspect of modern agriculture and plays a crucial role in feeding the world's population. According to the United Nations, global cereal production reached a record high of 2.789 billion tons in 2019, with wheat, rice, and maize being the most widely cultivated crops. In addition to providing food, grain crops are also essential for livestock feed, making them a critical component of the meat and dairy industries.

To that effect, the department, during the period under review planted 32 139 hectares for production of field crops. This resulted in a support of a total of 12 539 smallholder producers whilst a total of 22 645 subsistence producers supported with the deliveries of maize seeds, fertilisers, fertilizer mixture, Black Urea, and the related chemicals for the health and safety of these crops. All this would not be possible without commitment of the foot soldiers of the department who played a crucial role in conduction of a total of 6 066 information days that were held to promote knowledge transfer and skills to producers towards commodity development as well as 15 223 agricultural demonstrations to practically educate producers on production methods.

Extension officers play a crucial role in assisting farmers or clients in the agricultural industry to increase their productivity, improve their livelihoods and reach their goals. They are usually employed by government or private agricultural organizations and work directly with farmers or agricultural communities to provide them with expert advice, technical assistance, and training on various agricultural practices. It was with this understanding that the department saw it necessary to first train them so as to be fit for these purposes.

A total of 391 extension practitioners were capacitated on various priority commodities. The role of extension officers is critical in ensuring the sustainable development of the agricultural industry by providing farmers with the necessary tools, knowledge, and support to increase productivity and income, while also promoting environmental sustainability and social equity.

It is worth noting that, grain production is a complex process that requires careful planning, monitoring, and management to ensure a successful harvest, by all the farming communities. With the world's population expected to reach 9.7 billion by 2050, the demand for grain crops will only continue to increase, highlighting the importance of sustainable farming practices and continued technological advancements in the field of agriculture.

Commercialisation of Livestock production

The commercialisation of livestock production in agriculture entails transitioning from traditional farming practices to a more profit-oriented approach, where animals are raised primarily for economic gain. This shift involves the adoption of modern technologies, advanced breeding techniques, and large-scale farming methods. The primary objective is to meet the increasing market demand for meat, milk, and other animal products.

This approach necessitates a high level of specialization and division of labour. Farmers specialize in the production of specific types of livestock, such as cows, pigs, or chickens, and employ intensive methods to maximize their output. This often involves confining animals in concentrated spaces resembling factory-like conditions and providing them with specialised diets to promote rapid growth.

To that effect, a total of 308 livestock enterprises were supported in backing of sustainable Agriculture Value Chains. Furthermore, commercial livestock production often involves the use of hormones, antibiotics, and other growth-promoting substances to increase the yield of meat and other animal products. This can lead to concerns about the safety of meat and dairy products, as well as the welfare of the animals involved. On the positive side, commercial livestock production can lead to increased productivity and efficiency, which can help meet the growing demand for animal products. It can also provide employment opportunities for people in rural areas.

Overall, the commercialization of livestock production is a complex process that involves a range of economic, social, and ethical issues. It is important for farmers, policymakers, and consumers to consider the trade-offs involved in commercial livestock production and to work towards sustainable and ethical farming practices.

Red meat Value Chain

The red meat value chain in agriculture encompasses the entire cycle of producing, processing, distributing, and selling red meat products, spanning from the farm to the end consumer. This value chain involves multiple participants, including farmers, processors, wholesalers, retailers, and consumers. In the production phase, farmers engage in breeding and raising animals such as cattle, sheep, and goats, which are subsequently sold to processors for slaughter and meat processing. The processors then transform the raw meat into various products like beef, lamb, and mutton, which are packaged and distributed to wholesalers and retailers. Wholesalers purchase meat in large quantities from the processors and supply it to retailers who, in turn, sell the meat directly to consumers. Retailers, such as supermarkets and butchers, also bear the responsibility of ensuring that the meat remains fresh and safe for consumption throughout the supply chain.

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 well-being of animals and the public. To this end, a total of 9 162 432 treatments were applied to sheep for the control of sheep scab to improve the quality and quantity of the wool clip, 3 516 164 treatments were applied to animals for external parasites control, and a total of 1 276 749 animals were vaccinated against controlled animal diseases. In order to control animal diseases occurrences, a total of 16 591 visits to epidemiological units for veterinary interventions were steered, whilst a total of 83 977 samples were collected and tested for targeted animal disease surveillance.

Animal exports and animal products are one of the measures of economic activity in the agricultural sector, to this effect a total of 4 640 veterinary certificates were issued for export facilitation of animals and animal products. These exports are done with the understanding that by at 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 the same token a total of 29 outreach event were supported to capacitate the communities, public and staff.

In compliance with the prescripts of the Meat Safety Act (Act 40 of 2000) a total of 983 inspections were conducted on facilities producing meat, 93 compliant abattoirs registered and monitored (to support livestock value chain), 1 378 interactions were held to restrain dishonest slaughters and sell to the public for consumption and a total of 2 053 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 1 13 738 specimens were tested for diagnostic purposes, 50 360 laboratory tests were performed according to approved standards and 6 057 Primary Animal Health Care (PAHC) interactions were held to minimize the impact of disease occurrence, whilst a total of 12 Performing Animals Protection Act (PAPA) registration license was issued.

The red meat value chain holds significant importance within the agriculture industry, and its effectiveness directly influences the quality and pricing of meat products. For instance, any delays in processing or transportation can result in spoilage, reduced quality, and higher costs. Moreover, the value chain has a broader impact on the socio-economic well-being of the various stakeholders involved.

For instance, farmers who produce superior quality meat can command higher prices for their animals, thereby increasing their income. Similarly, processors who can efficiently convert raw meat into finished products can experience improved profit margins. Ultimately, the red meat value chain plays a crucial role in ensuring that consumers have access to safe, high-quality meat products at affordable prices.

Poultry and Piggery Development

This aspect of agriculture is of utmost importance and carries substantial economic advantages. Poultry farming involves raising various types of birds, such as chickens, turkeys, ducks, and geese, while piggery farming focuses on raising pigs. Both poultry and piggery farming plays a critical role in ensuring a consistent protein supply for human consumption. One notable advantage of these farming practices is their relatively easy and low-cost initiation. For instance, poultry farming can commence with a small number of birds, and piggery farming can start with just a few piglets. Consequently, these farming methods are accessible to many individuals, particularly those residing in rural areas.

Another benefit of poultry and piggery farming is their ability to generate income quickly. Poultry, for instance, mature rapidly and can begin laying eggs within six months, while pigs reach market size within the same time-frame. With proper management, poultry, and piggery farming can serve as reliable income sources for farmers, contributing to their economic empowerment. Additionally, these practices contribute to food security by ensuring a consistent protein supply for the community. Poultry farming, in particular, serves as an excellent source of high-quality protein, with chicken meat and eggs being widely consumed worldwide. Pigs also provide valuable protein, with pork being a popular meat in various regions.

However, it is concerning to observe the high prices of feed for these essential commodities, which have traditionally been regarded as cost-effective protein sources. After experiencing years of low prices, cereal prices have significantly risen this year, resulting in higher production costs for poultry companies. Maize, in particular, constitutes a significant portion of the poultry diet (alongside soybean meal, vitamins and minerals, limestone, and amino acid supplements) and serves as a principal energy source. These price increases pose challenges for the poultry industry.

Furthermore, poultry and piggery farming present excellent opportunities for value addition. Farmers can process poultry meat and eggs into products such as sausages and chicken nuggets, while pig farmers can transform pork into bacon, ham, and sausages.

It goes without saying that poultry and piggery farming offer substantial economic benefits, including easy accessibility, rapid income generation, food security, and value addition possibilities. As a result, governments and other stakeholders should promote and support the development of these farming practices to enhance farmers' livelihoods and bolster food security.

2.2 Service Delivery Improvement Plan

The 2018/21 Service Delivery Improvement Plan (SDIP) has reached its final year during the 2020/21 financial year. No new SDIP was formulated to replace it thereafter. However, it is important to note that a new SDIP cycle is set to commence in the year 2023/25. This means that a new plan will be developed to guide and enhance service delivery in the coming years, ensuring continuous improvement and addressing the evolving needs and priorities of the department.

Main services provided and standards

Main services	Beneficiaries	Current /actual standard of service	Desired standard of service	Actual achievement
Offering assistance to farmers in establishing agricultural infrastructure. Rendering engineering services for agricultural infrastructure.	Farmers engaged in subsistence farming. Farmers involved in small-scale agriculture. Farmers operating on a commercial scale.	A number of contractors either failed to meet expectations or had their contracts terminated.	All contractors meet the required standards and none to have their contracts terminated.	Several contractors either did not meet the desired performance standards or had their contracts terminated.

Batho Pele arrangements with beneficiaries (Consultation)

Current arrangements	Desired arrangements	Actual achievements
The Infrastructure Development Plan, which encompasses both communal needs and individual households, was developed through a consultative process in the previous year. It has been updated to reflect the progress made, and the associated costs have been calculated and presented to the Head of Department.	The Infrastructure Development Plan, which encompasses both communal needs and individual households, was developed through a consultative process in the previous year. It has been updated to reflect the progress made, and the associated costs have been calculated and presented to the Head of Department.	In the previous year, the Infrastructure Development Plan underwent a consultative process to address both communal needs and individual households. It was subsequently presented by the MEC for finance as part of the budget for the 2023/24 fiscal year.

Batho Pele arrangements with beneficiaries (Access)

Current/Actual information tools	Desired information tools	Actual achievement
Contractors can access information through various channels, including electronic advertisements and in-person visits.	The Department plans to utilise contractors in a pilot program for the Bulk SMS service, aiming to enhance the accessibility of information.	Advertisements for tenders were recorded on e-tenders and the departmental website. Additionally, adverts for infrastructure tenders were also documented on i-tender, which then sends SMS notifications to all contractors registered in the relevant class of work.

Service delivery Information tool

Current /actual information tools	Desired information tools	Actual achievements
Manage and maintain a registry for recording and updating client complaints and compliments.	Coordinate the handling and responses to complaints received from various channels, including the Departmental Toll-Free hotline, inquiries, walk-in clients, faxes, emails, Facebook, and the Presidential Hotline.	Escalate calls to the appropriate officials to seek advice and provide assistance as needed. Follow up with clients to provide feedback on their concerns. Consolidate and analyse all recorded calls, and generate a monthly report summarizing the findings.

Complaints mechanism

Current /actual complaints mechanism	Desired complaints mechanism	Actual achievements
Receive and address queries and complaints from clients through the Customer Care Line and Presidential Hotline. Ensure that the complaints register is updated on a weekly basis to accurately track and monitor the status of each complaint.	The desired complaints mechanisms aim to provide clear and accessible channels for clients to submit their complaints. These mechanisms should ensure transparency, accountability, and timeliness in addressing the complaints. Confidentiality and anonymity options should be available to protect clients' privacy. Fair and impartial investigations should be conducted, and appropriate resolutions and redress should be provided. The complaints mechanisms should also be used as a learning opportunity for continuous improvement, and regular monitoring and reporting should be conducted to track progress and identify areas for enhancement.	Gathered and compiled the received complaints and compliments from suggestion boxes. Distributed posters and pamphlets containing the Customer Care Guidelines in the sub-district office to promote awareness and understanding among clients.

2.3 Organizational environment

The Department has demonstrated its dedication to creating job opportunities in the province while also strengthening its organizational capacity. In the execution of the 2022/23 Annual Recruitment Plan, the Department made 206 new appointments, 48 promotions, and 21 transfers. However, attracting suitable candidates in the Agricultural Engineering Sector remains challenging and requires innovative recruitment methods.

The Department currently has a total of 2,714 funded posts, with 2,474 actively filled and 240 vacant, resulting in a vacancy rate of 8.84%, which is below the DPSA threshold of 10%. As of March 31, 2023, the staff turnover rate stands at 11%, with 278 employees leaving the public service. The attrition breakdown includes retirements (33%), resignations (38%), demise (5%), contract expiry (16%), ill health (1%), transfer out of the department (6%), and dismissals due to misconduct (1%). The high resignation rate is attributed to employees cashing in on their pension benefits upon appointment to higher positions.

The Department has surpassed the gender equity target of 50% for the employment of females in the Senior Management Service (SMS). Currently, there are 26 females (58%) and 19 males (42%) serving as Senior Managers within the Department. However, continued dedication is required to achieve gender equity at the middle management level, specifically at salary levels 9 to 12. This category currently consists of 242 females (41%) and 354 males (59%). It is important to note that the historically male-dominated nature of the agriculture sector has contributed to this imbalance.

In terms of the overall gender equity status within the Department, there is a nearly equal representation of 1 268 females (50%) and 1 272 males (50%) across all levels. Additionally, the Department has taken measures to ensure inclusivity by employing 27 persons with disabilities, which accounts for 1.1% of the total staff complement.

Moving forward, the Department recognizes the importance of further enhancing gender equity and promoting diversity throughout its workforce. By continuing to prioritize these efforts, the Department aims to foster an inclusive and balanced working environment that reflects the diverse talents and perspectives of its employees.

Due to budget constraints, the Department implemented innovative methods to capacitate employees by providing online courses through the National School of Government. As a result, 851 employees completed their online courses.

To address scarce skills in the sector, the Department provides financial assistance in the form of bursaries to previously designated youth. Thirteen students, seven males and six females, benefited from the Department's bursary scheme, all pursuing a Bachelor of Veterinary Science (BVSc) at the University of Pretoria. Some students are in their 6th, 5th, and 4th years, while others have started Compulsory Community Service (CCS)

The Department supports employees' pursuit of higher education by providing financial assistance to thirteen employees studying at Institutions of Higher Learning, improving their technical and soft skills.

In an effort to contribute to reducing youth unemployment, the Department offers training and experiential opportunities to unemployed graduates and youth. In the 2022/23 period, ninety graduate interns and nineteen TVET learners received training.

The Employee Health and Wellness (EHW) program focuses on creating a healthy and safe working environment. The program includes pillars such as SHERQ Management, Wellness, Health and Productivity, and HIV, TB, and STI Management. The Department strives to comply with the Occupational Health and Safety Act by establishing a new Health and Safety Committee. Risk assessments led to the implementation of 374 findings, categorized as low, medium, high, or extreme risk. An emergency drill was conducted at Joe Gqabi District with the involvement of external stakeholders.

To comply with the Regulations for Hazardous Biological Agents, the Department conducted periodic medical examinations for 80 employees working in Veterinary Services, where exposure to Zoonotic diseases occurs. This measure promotes employee health and safety. The Department emphasizes health and safety through preventative programs, education sessions, health screenings, and sport and recreation activities. Employees were screened for TB, HIV, and non-communicable diseases, and received education on various topics. Psychotherapy services were also made accessible.

The Department advances its objectives by promoting Information Technology support initiatives. In the previous year, the Department consolidated ArcGIS licenses to activate and implement the Survey 123 tool for data collection, reporting, and project monitoring. The Department also migrated critical workloads, including emails, to the Azure Cloud platform, reducing the impact of power outages and business disruptions.

The Department upgraded internet data lines for Tsolo Agriculture and Rural Development Institute and completed wireless connectivity and fibre infrastructure for Dohne Research Institute. The provincial broadband project is ongoing, and data cabling has been activated at the Komga Service Station. Firewall licensing was activated for one year to secure departmental information. To enhance incident management and identify areas for improvement, an incident management solution was piloted at the Head Office and will be implemented in all districts in the next financial year.

In the 2022/23 financial year, the Department provided training on Microsoft Power Apps and Endpoint data protection to the Management Systems and ICT infrastructure teams, empowering them for increased productivity.

2.4 Key policy developments 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 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 2022-23 FY
Outcome	Outcome Indicators	Baseline	MTSF Targets	
			5 Year targets	
Improved corporate governance	Level of improvement in the audit outcome	Clean Audit Report	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 2022-23 FY
Outcome	Outcome Indicators	Baseline	MTSF Targets	
			MTSF Targets	
Improved food security	Increased number of households that are food secure.	20 046	250 000	20 645

4. PROGRAMME PERFORMANCE INFORMATION

4.1 Programme I: 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 I.1: Office of the MEC. :

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

Sub-Programme I.2: Senior Management.

Purpose: To translate policies and priorities into strategies and programmes for effective service delivery and to manage, monitor and control performance.

Sub-Programme I.3: Corporate Services.

Purpose: To provide support service to the other programmes with regard to human resources management and development, Information Technology and Communication service.

Sub-Programme I.4: Financial Management.

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

Sub-Programme I.5: Communication Services.

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: I.1: Office of the MEC

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

Priority 01:A Capable, Ethical and Developmental State									
Outcome	Output	Output Indicator		Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to actual achievement for 2022/23	Comment on deviations
Improved corporate governance	Political oversight provided	I.1.1	Number of performance reviewal sessions held with senior management.	New OI	10	10	10	-	No deviation
		I.1.2	Number of MEC's engagements with Stakeholders to ensure optimum Alignment of the Department.	35	30	30	30	-	No deviation
		I.1.3	Number of MEC's special programmes' interventions implemented to cater for rural development priorities.	8	17	8	8	-	No deviation

Reasons for all deviations

- None.

Strategy to overcome areas of under performance

- None.

Sub-Programme 1.2: Senior Management

Purpose: To translate policies and priorities into strategies and programmes for effective service delivery and to manage, monitor and control performance.

Priority 01: A Capable, Ethical and Developmental State									
Outcome	Output	Output Indicator		Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to actual achievement for 2022/23	Comment on deviations
Improved corporate governance	Effective oversight by governance structures	1.2.1	Number of strategic leadership and management sessions held to enhance efficiency in the Department.	21	12	12	12	-	No deviation
		1.2.2	Number of organizational performance review sessions concluded.	4	4	4	4	-	No deviation
		1.2.3	Number of governance sessions concluded.	12	13	12	12	-	No deviation
		1.2.4	Number of Reports on mainstreaming Programmes pertaining to designated groups	4	4	4	4	-	No deviation

Reasons for all deviations

- None.

Strategy to overcome areas of under performance

- None.

Sub-Programme 1.3: Corporate Services

Purpose: To provide support service to the other programmes with regard to human resources management and development, Information Technology and Communication service.

Priority 01: A Capable, Ethical and Developmental State									
Outcome	Output	Output Indicator		Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to actual achievement for 2022/23	Comment on deviations
Improved corporate governance	Management of human capital	1.3.1	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	-	No deviation
Improved corporate governance	Effective facilities' management system	1.3.2	Number of interventions implemented on auxiliary services as per legislative framework to ensure conducive working environment.	4	4	4	4	-	No deviation
	Improved information management services	1.3.3	Number of ICT interventions implemented in accordance with the ICT Governance Framework to enhance technological efficiencies.	3	3	3	3	-	No deviation
	Operations management framework implemented	1.3.4	Number of service delivery improvement intervention implemented as per the Public Service Regulations, 2016.	5	5	5	5	-	No deviation
	Policy and regulatory environment enabled	1.3.5	Number of evidence based Policies developed/reviewed.	6	5	5	5	-	No deviation
		1.3.6	Number of strategic documents developed in accordance with the Framework for Strategic and Annual Performance Plans DPME Guidelines.	New OI	New OI	2	2	-	No deviation
		1.3.7	Number of validated reports submitted to measure departmental performance against pre-determined objectives.	New OI	New OI	6	6	-	No deviation

Reasons for all deviations

- None.

Strategy to overcome areas of under performance

- None.

Sub-Programme 1.4: Financial Management

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

Priority 01: A Capable, Ethical and Developmental State									
Outcome	Output	Output Indicator		Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to actual achievement for 2022/23	Comment on deviations
Improved Corporate Governance	Effective financial management systems implemented	1.4.1	Number of days taken to pay suppliers in terms of the PFMA.	15	30	30	12	-	No deviation
		1.4.2	Number of credible Interim and Annual Financial Statements submitted on due date in accordance with the modified cash accounting guidelines.	4	4	4	4	-	No deviation
		1.4.3	Number of budget documents submitted to Provincial Treasury by the due date.	14	14	14	14	-	No deviation
		1.4.4	Number of reports compiled on contracts management.	12	4	4	4	-	No deviation

Reasons for all deviations

- None.

Strategy to overcome areas of under performance

- None.

Sub-Programme 1.5: Communication Services

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.

Priority 01:A Capable, Ethical and Developmental State									
Outcome	Output	Output Indicator		Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to actual achievement for 2022/23	Comment on deviations
Improved Corporate Governance	Communication Plan	1.5.1	Number of projects implemented in accordance with the Communication Plan.	4	4	4	4	-	No deviation
	Customer Care Plan	1.5.2	Number of reports on the implementation of the Customer Care Plan.	4	4	4	4	-	No deviation

Reasons for all deviations

- None.

Strategy to overcome areas of under performance

- None.

LINKING PERFORMANCE WITH BUDGETS

Over-expenditure is ascribed to higher than anticipated staff exit costs, and the debt that has been written-off. Savings were identified under Compensation of employees from other Programmes to offset this over-expenditure.

ADMINISTRATION		2022/2023			2021/2022		
		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	12 230	12 027	203	9 934	9 936	(2)
I.2	Senior Management	48 965	48 813	152	43 405	47 127	(3 722)
I.3	Corporate services	229 610	229 504	106	218 043	223 955	(5 912)
I.4	Financial Management	173 891	174 032	-141	157 026	151 336	5 690
I.5	Communication services	9 881	9 748	133	9 369	9 203	166
TOTAL		474 577	474 124	453	437 777	441 557	(3 780)

4.2 Programme 2: Sustainable Resource 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.).

Sub-Programme 2.4: Disaster Risk Reduction.

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

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).

Priority 02: The Economic Transformation and Job Creation									
Outcome	Output	Output Indicator		Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to actual achievement for 2022/23	Comment on deviations
Sustainable agricultural value chains	Agricultural infrastructure established.	2.1.1	Number of agricultural infrastructure established.	103	101	95	92	(3)	Under performance
	Effective use and extended service period of agricultural infrastructure and machinery.	2.1.2	Number of engineering advisory reports/job cards to clients to enable them to plan, operate and maintain infrastructure, machinery or equipment.	774	781	463	785	322	Over performance

Reasons for all deviations

- 1.1** Under performance can be attributed to ineffective project implementation, financial constraints, and delays in the procurement of materials for infrastructure projects, leading to the inability to meet monthly targets. Furthermore, the delayed start of construction for the 2022/23 infrastructure projects, caused by the Treasury's temporary ban on tender advertisements in the first quarter, has exacerbated the issue.
- 1.2** Over performance is due to the increased need for technical assistance which has resulted in surpassing the initial projections, exceeding the expected performance level.

Strategy to overcome areas of under performance

- 1.1** Enhanced contract management and assistance provided to underperforming contractors aim to ensure the timely completion of projects scheduled for the upcoming financial year.

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.

Priority 02: The Economic Transformation and Job Creation									
Outcome	Output	Output Indicator		Audited/ Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to actual achievement for 2022/23	Comment on deviations
Sustainable agricultural value chains.	Informed land users on sustainable land use practices and regulations.	2.2.1	Number of awareness campaigns conducted on Land Care to promote conservation of natural resources.	37	19	15	31	16	Over performance
	Increased capacity of communities/land users on Land care sustainable land use practices.	2.2.2	Number of capacity building exercises conducted within approved Land Care projects.	16	18	12	17	5	Over performance
	Hectares of agricultural land rehabilitated.	2.2.3	Number of hectares of agricultural land rehabilitated.	8 104.76	4 970	6 480	7283	803	Over performance
	Hectares of cultivated fields under Conservation Agriculture practices	2.2.4	Number of hectares of cultivated land under Conservation Agriculture practices.	New	221	380	323	(57)	Under performance
	Land users practicing sustainable land use practices.	2.2.5	Number of beneficiaries adopting /practicing sustainable production technologies and practices for improved livelihoods	599	1 012	739	787	48	Over performance
	Green jobs created	2.2.6	Number of green jobs created.	276	544	533	531	(2)	Under performance

Reasons for all deviations

- 2.2.1** Over Performance – Additional awareness campaigns were conducted to promote the formation of Conservation Committees and raise awareness in MEC-adopted schools. The local office requested further awareness activities, contributing to surpassing the expected targets.
- 2.2.2** Over Performance – Extra training sessions were identified by projects, and cost savings allowed for their implementation. Sponsorships also facilitated additional training initiatives, leading to an overachievement in this area.
- 2.2.3** Over Performance – The department implemented a task-based rate system instead of a daily rate, motivating project workers to increase their productivity and earn higher salaries, resulting in better performance than anticipated.
- 2.2.4** Under Performance – Unusually heavy rainfall during the planting season adversely affected the ability to access the lands for planting, causing delays. Additionally, mechanical breakdowns further hindered the planting process, leading to an under performance in this aspect.
- 2.2.5** Over Performance – Information on two projects was inadvertently omitted when the Annual Performance Plan (APP) was printed, resulting in lower targets than originally planned. Despite this oversight, the achieved results exceeded the revised targets.
- 2.2.6** Under Performance – In the planning of the business plan, two activities were initially identified for implementation. However, due to budget constraints and cost escalation, only one activity could be carried out. Additionally, one project could not commence due to challenges in transporting labourers from town to the project site, contributing to the underperformance in this area.

Strategy to overcome areas of under performance

- 2.2.4** It is important to consider long-term rainfall patterns during the planning stage and make provisions for alternative tractors to mitigate the impact of above-average rainfall on the planting season.
- 2.2.6** DRDAR should ensure the commitment of communities during social facilitation activities in the planning stage to avoid challenges such as transportation issues and ensure smoother project implementation.

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.).

Priority 02: The Economic Transformation and Job Creation									
Outcome	Output	Output Indicator		Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to actual achievement for 2022/23	Comment on deviations
Sustainable agricultural value chains	Agro-ecosystem management plans developed	2.3.1	Number of agro-ecosystem management plans developed.	6	6	6	6	-	No deviation
	Informed retention of Agricultural land and production feasibility.	2.3.2	Number of hectares of agricultural land protected through guiding subdivision/ rezoning/ change of agricultural land use	1 253	1 748	1 165	1 038	(127)	Under performance
	Farm management plans developed.	2.3.3	Number of farm management plans developed.	26	43	69	53	(16)	Under performance
	Natural resource management based on credible natural resource management plans.	2.3.4	Number of natural /agricultural resources maps produced for planning and decision making purposes.	483	493	374	604	230	Over performance
	Informed decisions on natural resource management and spatial planning.	2.3.5	Number of natural resource management plans developed	98	159	93	147	54	Over performance
		2.3.6	Number of agricultural land information systems developed.	New OI	1	2	2	-	No deviation

Reasons for all deviations

- 2.3.2** Under Performance – The number of applications received was lower than originally anticipated, indicating a shortfall in the expected level of interest for participation.
- 2.3.3** Under Performance – The allocated budget for Local Urban Management (LUM) was insufficient to meet the needs and demands of the programme, resulting in an underperformance in this area.
- 2.3.4** Over Performance – The programme experienced a higher demand than initially anticipated, with more applications received than expected. This indicates a positive response and interest from the targeted audience.
- 2.3.5** Over Performance – The programme received a greater number of requests than originally anticipated, suggesting a higher level of interest and participation in the program's offerings.

Strategy to overcome areas of underperformance

- 2.3.2** Discourage the conversion of agricultural land for alternative purposes and promote the preservation of land for agricultural use.
- 2.3.3** Implement a zero-budgeting approach, which involves allocating budgets based on a thorough evaluation of needs and priorities rather than using previous budgets as a baseline. This approach ensures a more strategic and efficient allocation of resources.

Sub-Programme 2.4: Disaster Risk Reduction

Purpose: To provide agricultural disaster risk reduction (prevention, mitigation, preparedness, response and relief) support services to producers and other clients.

Priority 02: The Economic Transformation and Job Creation									
Outcome	Output	Output Indicator		Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to actual achievement for 2022/23	Comment on deviations
Sustainable agricultural value chains.	Awareness of disaster risk reduction conducted.	2.4.1	Number of awareness campaigns on disaster risk reduction conducted.	-	2	4	5	1	Over performance
Improved Food Security.	Surveys on uptake for early warning information conducted.	2.4.2	Number of surveys on uptake for early warning information conducted.	-	1	1	-	(1)	Under performance
	Reliable resource data for planning and decision making.	2.4.3	Number of Reports submitted on the operationalization of the Early Warning and Disaster Management Centre.	-	1	1	1	-	No deviation
		2.4.4	Number of spatial data disseminated to end users for planning purposes.	305	296	150	211	61	Over performance
		2.4.5	Number of advisories issued in Early warning.	1	1	100	172	72	Over performance

Reasons for all deviations

2.4.1 Over Performance – The outbreak of brown locusts necessitated unplanned and mandatory awareness campaigns to be conducted to address the issue effectively.

2.4.2 Under performance – The migration from Vodacom to MTN disrupted the piloted bulk SMS system, which was intended to serve as a foundation for conducting surveys on the uptake of early warning information by stakeholders.

2.4.4 Over Performance – The number of requests from end users exceeded the baseline expectations because the target is demand-driven, indicating a higher level of interest and engagement with the services provided.

2.4.5 Over Performance – The effects of climate change led to unpredictable weather conditions, impacting agricultural operations and requiring adjustments in response.

Strategy to overcome areas of under performance

2.4.2 It is recommended to continue collaborating with GITO (Geographic Information Technology Office) to expedite the provision of the bulk SMS system from MTN. This system will be instrumental in disseminating weather incidents and advice to farmers.

LINKING PERFORMANCE WITH BUDGETS

Under-expenditure is mainly as result of delays in the filling of posts due to lengthy recruitment processes, as well as delays in late delivery of farming supplies for land rehabilitation programmes.

Sustainable Resource Management		2022/2023			2021/2022		
		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	61 419	57 211	4 208	53 847	53 590	257
2.2	Land Care	19 478	16 992	2 486	22 063	22 642	-579
2.3	Land Use management	52 208	53 940	-1 732	50 205	49 883	322
2.4	Disaster Risk Management	3 301	3 389	-88	5 440	5 440	0
TOTAL		136 406	131 532	4 874	131 555	131 555	0

4.3 Programme 3: Food Security

Purpose: 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.

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.

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.

Sub-Programme 3.1: Producer Support Services

Purpose: To provide producer support services for sustainable agricultural development in line with the National Policy on Comprehensive Producer development Support.

Priority 02: The Economic Transformation and Job Creation									
Outcome	Output	Output Indicator		Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to actual achievement for 2022/23	Comment on deviations
Sustainable agricultural value chains.	Production across the agriculture value chain.	3.1.1	Number of producers supported in the Red Meat Commodity.	New OI	3 541	3 420	3 521	101	Over Performance
		3.1.2	Number of Producers supported in the Grain Commodity.	New OI	1 384	1 627	1 340	(287)	Under Performance
		3.1.3	Number of producers supported in the Citrus Commodity.	New OI	30	38	52	14	Over Performance
		3.1.4	Number of producers supported in other provincial priority commodities.	New OI	283	371	1 149	778	Over Performance
	Increased agricultural production efficiency.	3.1.5	Number of agricultural infrastructure completed.	254	176	153	155	2	Over performance
	Increased employment in rural agricultural areas.	3.1.6	Number of jobs created through infrastructure projects in support of sustainable agricultural development.	1 385	926	742	755	13	Over performance

Reasons for all deviations

- 3.1.1** Over performance – is caused by additional beneficiaries joining the Ndatya, Mketengeni, Madwaleni dipping tanks, and Mhlanjeni shearing shed projects after their completion, as well as beneficiaries supported through the livestock improvement programme.
- 3.1.2** Under performance – is attributed to the non-completion of fencing projects in Baziya-Makaula Maize, Mangquzu Maize, Bodweni Maize, and Qamangweni. This delay was caused by unfavorable weather conditions, specifically inclement weather.
- 3.1.3** Over performances – is as a result of Support requested and approved by the Provincial Treasury in March for the Citrus Intervention in the Amathole District.
- 3.1.4** Over performance – caused by support requested and approved by the Provincial Treasury in March for Macadamia Development in the Amathole District.

- 3.1.5** Over performance – is caused by addition of disaster projects in ORT (Jozi piggery, Mncetyana Piggery, Santosa Irrigation, Abambo Tunnels, Glen Gazi Irrigation, Mgxakazi Irrigation, Diko Farm) that were not initially part of the 2022-23 plan. Additionally, additional infrastructure projects were completed using savings realized from other projects in the Sarah Baartman region, including a borehole for Willowmore Nursery and Aquaponics, refrigeration and packshed equipment for Gamtoos Flower and Projects, and a refrigerated container for Willowmore Nursery and Aquaponics.
- 3.1.6** Over performance – is attributed to additional jobs created in the Chris Hani district to accelerate fencing projects' completion, as well as jobs created through an additional project (Glenview fence) implemented using realised savings. Furthermore, additional jobs were created under spring protection projects.

Strategy to overcome areas of underperformance

- 3.1.2** It is in our plan that the district carefully plans its projects to ensure completion before the onset of the heavy summer rains. This proactive approach will help mitigate delays caused by inclement weather and ensure timely project completion. By considering the weather patterns and scheduling projects accordingly, the districts can minimize the impact of heavy rains on project timelines and improve overall performance.

Sub-Programme 3.2: Extension and Advisory Services

Purpose: To promote knowledge transfer and skills development as the foundation for equitable, productive, competitive, profitable and sustainable agricultural value chain enterprises.

Priority 02: The Economic Transformation and Job Creation									
Outcome	Output	Output Indicator		Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to actual achievement for 2022/23	Comment on deviations
Sustainable agricultural value chains.	Enterprise development linked to value chain.	3.2.1	Number of information days held to promote knowledge transfer and skills to producers towards commodity development.	New OI	2 372	5 344	6 066	722	Over performance
		3.2.2	Number of agricultural demonstrations conducted to practically educate producers on production methods.	New OI	3 379	15 202	15 223	21	Over performance
		3.2.3	Number of extension practitioners capacitated on priority commodities.	514	755	185	391	206	Over performance.

Reasons for all deviations

- 3.2.1** Over performance – The successful strategies implemented to address underperformance resulted in over performance. In the last quarter, official targets were revised to incorporate newly appointed Assistant Agricultural Practitioners (AAPs) to support daily operations. These efforts have yielded positive outcomes, as evidenced by the achieved figures by the end of the fiscal year.
- 3.2.2** Over performance – This over performance can be attributable to the involvement of newly appointed Assistant Agricultural Practitioners (AAPs), who played a vital role in supporting daily operations. These proactive initiatives have led to remarkable outcomes by the end of the financial year, as evidenced by the accomplished figures.
- 3.2.3** Over performance – has been further enhanced by conducting technical courses at Fort Cox for Extension Practitioners in February and March, as well as organising District Extension seminars. These initiatives have contributed to positive performance outcomes.

Strategy to overcome areas of underperformance:

- None.

Sub-Programme 3.3: Food Security

Purpose: To support, advise and coordinate the implementation of National policy on Food and Nutrition Security.

Priority 02: The Economic Transformation and Job Creation									
Outcome	Output	Output Indicator		Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to actual achievement for 2022/23	Comment on deviations
Improved food security.	Smallholder producers supported.	3.3.1	Number of smallholder producers supported.	New OI	14 822	8 547	12 539	3 992	Over performance
	Subsistence producers supported.	3.3.2	Number of subsistence producers supported.	New OI	20 046	22 620	22 645	25	Over performance
	Smallholder producers participating in Agricultural Value Chains.	3.3.3	Number of hectares planted for production of field crops.	28 808	31 735	28 529	32 139	3 610	Over performance
		3.3.4	Number of Livestock enterprises supported in support of sustainable Agriculture Value Chains	244	662	370	308	(62)	Under performance

Reasons for all deviations

3.3.1 Over performance – observed can be primarily attributed to the significant impact of non-tangible support provided to smallholder producers. This support encompasses various forms of assistance beyond direct financial aid, such as knowledge transfer, training programs, capacity building, and access to market networks. By equipping smallholder producers with these essential resources and skills, they are empowered to enhance their agricultural practices, improve productivity, and effectively navigate challenges in the agricultural sector.

3.3.2 Over performance – the programme achieved remarkable results by surpassing the targeted number of beneficiaries in household subsistence support. This outstanding performance can be attributed primarily to the high demand for grain and household food security services in the province.

- 3.3.3** Over performance – observed in the program can be attributed to the favourable weather conditions experienced during Quarter 3. These favourable weather conditions created an ideal environment for agricultural activities, leading to a significant increase in the number of hectares planted. The availability of optimal weather conditions, including sufficient rainfall, moderate temperatures, and suitable soil moisture, played a crucial role in facilitating successful planting operations. Farmers were able to take advantage of these favourable conditions to maximise their planting activities and cover a larger area than initially planned.
- 3.3.4** Under performance – observed in the livestock improvement scheme projects can be attributed to delays in the approval process by the Provincial Approval Committee. These delays have had a significant impact on the timely delivery of resources and support to the livestock projects. The approval process for the livestock improvement scheme projects involves a series of assessments, evaluations, and decision-making by the Provincial Approval Committee. This committee is responsible for reviewing project proposals, assessing their feasibility, and providing approval for the allocation of resources and funding.

Strategy to overcome areas of under performance

- 3.3.4** The provincial approval committee has already approved the projects for the 2023-24 in the fourth quarter. The fourth quarter will be a critical period for fast-tracking the procurement and delivery processes. Resources will be allocated accordingly, and close monitoring will take place to ensure that the projects receive the necessary supplies in a timely manner. Any challenges or bottlenecks that arise during the process will be swiftly addressed to maintain momentum and ensure successful implementation.

LINKING PERFORMANCE WITH BUDGETS

Under expenditure was caused by lengthy recruitment processes (verification of certificate process of Agricultural Advisors posts by SAQA). Also contributing to under-expenditure was above normal rainfall that affected the cropping programme, as it was not completed on time/as planned due to floods occurred during the critical times of the planting season, which then delayed the process and therefore could not submit invoices as planned. Lastly, delays in the delivery of production inputs by service providers which resulted in late submission of invoices, whereby the department could not process these invoices before the end of the year.

FARMER SUPPORT DEVELOPMENT		2022/2023			2021/2022		
		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	140 720	138 523	2 197	156 908	156 823	85
3.2	Extension and Advisory services	438 505	432 658	5 847	435 846	435 283	563
3.3	Food Security	256 550	250 683	5 867	232 350	230 460	1 890
TOTAL		835 775	821 864	13 911	825 104	822 566	2 538

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.

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

Purposes: To facilitate the export of animals and animal products through certification of health status.

Sub-Programme 4.3: Veterinary Public Health.

Purpose: To promote the safety of meat and meat products.

Sub-Programme 4.4: Veterinary Diagnostics Services.

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.

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

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.

Priority 02: The Economic Transformation and Job Creation									
Outcome	Output	Output Indicator		Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to actual achievement for 2022/23	Comment on deviations
Improved food security.	Biosecurity policies and strategies strengthened.	4.1.1	Number of samples collected for targeted animal disease surveillance.	New OI	78 526	69 357	94 164	24 804	Over performance
		4.1.2	Number of visits to epidemiological units for veterinary interventions.	14 450	15 323	11 493	16 543	5 050	Over performance
	Commercialization of livestock production.	4.1.3	Number of animals vaccinated against controlled animal diseases according to Animal Disease Act (Act 35 of 1984).	1 391 325	1 507 751	1 332 138	1 329 903	(2235)	Under performance
		4.1.4	Number of treatments applied to sheep for the control of sheep scab to improve the quality and quantity of the wool clip.	8 879 904	9 330 715	7 888 041	9 205 024	1 316 983	Over performance
		4.1.5	Number of treatments applied to animals for external parasites control.	3 820 393	3 674 663	3 928 067	3 549 866	(378 201)	Under performance

Reasons for all deviations

- 4.1.1** Over performance – The nationwide outbreaks of Foot and Mouth Disease (FMD) and the occurrence of Avian Influenza (AI) in the province resulted in an increased number of samples collected for surveillance, surpassing initial expectations. Additionally, the outbreaks of brucellosis in seven dairy herds in Sarah Baartman further heightened the need for surveillance activities.
- 4.1.2** Over performance – The number of visits to epidemiological units was augmented by hosting information days during the third and last quarters of the financial year, in response to the outbreaks. This increase in site visits contributed to the overall performance.
- 4.1.3** Under performance – The Elundini municipality experienced heavy rainfall, which prevented animals from being brought to dip tanks for vaccination. This resulted in a slight underperformance in this particular indicator.
- 4.1.4** Over performance – The employment of 55 Animal Health Technicians (AHTs) played a crucial role in ensuring that villages in previously unattended areas received adequate attention. Previously, due to allocation to officials occupied with other areas, these villages were handled in a haphazard manner. The newly appointed technicians dedicated their efforts to address this gap.
- 4.1.5** Under performance – was observed in most districts, largely attributable to unfavorable weather conditions. However, the Amathole district made a significant contribution to the underperformance due to the district's procurement of pour-on dip, which has a longer withdrawal period compared to the plunge dip. This decision was aimed at assisting badly damaged dip tanks.

Strategy to overcome areas of under performance

- 4.1.3** Efforts will be made in the upcoming financial year to recover the shortfall by leveraging improved weather conditions. The department recognises the need for a concerted effort to overcome the challenges faced and ensure better performance in the future.
- 4.1.5** The department will prioritize the renovation of dip tanks, particularly in districts that face the greatest challenges. This strategic approach aims to address the infrastructure needs and improve the functionality of dip tanks to ensure effective livestock management and disease control measures.

Sub-Programme 4.2: Veterinary International Trade Facilitation

Purposes: To facilitate the export of animals and animal products through certification of health status.

Priority 02: The Economic Transformation and Job Creation									
Outcome	Output	Output Indicator		Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to actual achievement for 2022/23	Comment on deviations
Sustainable agricultural value chains.	Biosecurity policies and strategies strengthened.	4.2.1	Number of veterinary certificates issued for export facilitation.	5 582	4854	4 564	4 805	241	Over performance
Improved food security.	Veterinary services awareness campaigns.	4.2.2	Number of outreach events supported to capacitate the communities, public and staff on veterinary services.	24	24	28	29	1	Over performance

Reasons for all deviations

- 4.2.1** Over Performance – The over-performance can be attributed to the increased demand for the export of greasy wool, which was a result of the lifting of the ban imposed due to the outbreaks of Foot-and-Mouth Disease (FMD). This allowed for the resumption of wool exports, leading to a surge in demand and subsequent over-performance in this area.
- 4.2.2** Over performance – The over-performance can be attributed to the additional requests received from the Department for services on wheels. These requests resulted in an increased demand for mobile services, exceeding the initially anticipated level of service delivery. As a result, the department achieved a higher level of performance in providing services on wheels than originally planned.

Strategy to overcome areas of under performance

- None.

Sub-Programme 4.3: Veterinary Public Health

Purpose: To promote the safety of meat and meat products.

Priority 02: The Economic Transformation and Job Creation									
Outcome	Output	Output Indicator		Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to actual achievement for 2022/23	Comment on deviations
Sustainable agricultural value chains.	Reduce level of risks associated with food.	4.3.1	Number of inspections conducted on facilities producing meat.	New OI	1023	916	1 105	189	Over performance
	Safe meat produce.	4.3.2	Number of compliant abattoirs registered and monitored (to support livestock value chain).	95	98	93	99	6	Over performance
		4.3.3	Number of interactions to respond to the Provisions of the Meat Safety Act (Act 40 of 2000).	1 317	1471	986	1 376	390	Over performance
		4.3.4	Number of samples collected to monitor the safety of meat produced at abattoirs as per Meat Safety Act (Act 40 of 2000).	New OI	2285	1 763	2 073	310	Over performance

Reasons for all deviations

- 4.3.1** Over performance – is attributed to the increased number of abattoir inspections conducted to ensure compliance with regulations. The department went above and beyond the expected level of inspections, resulting in a higher level of performance in enforcing compliance within the abattoir sector. This proactive approach and dedication to ensuring adherence to standards contributed to the overall over-performance in this area.
- 4.3.2** Over performance – is attributed to the successful registration of new abattoirs during the reporting period. The department's efforts in expanding the registration process and attracting new facilities resulted in a higher number of abattoirs being registered than originally projected. This achievement reflects the department's commitment to promoting growth and compliance within the abattoir sector, ultimately contributing to the overall over-performance in this area.
- 4.3.3** Over performance – performance is a direct result of the increased interest and demand for abattoir establishment, leading to a higher number of contact sessions conducted by the department. The growing interest in establishing abattoirs has necessitated additional engagement and support from the department, resulting in a greater number of contact sessions than initially anticipated. This increased engagement demonstrates the department's proactive approach in meeting the needs of stakeholders and fostering the development of the abattoir sector, ultimately contributing to the overall over-performance in this area.

4.3.4 Over performance – in this area is attributed to the registration of new abattoirs during the reporting period, which subsequently led to an increase in the number of samples taken. As these newly registered abattoirs became operational, it was necessary to conduct regular sampling to ensure compliance with relevant regulations and standards. The inclusion of these additional abattoirs in the sampling process resulted in a higher-than-expected number of samples collected, contributing to the overall over-performance in this aspect of the department's activities.

Strategy to overcome areas of under performance

- None.

Sub-Programme 4.4: Veterinary Diagnostics Services

Purpose: To provide veterinary diagnostics and investigative services that support and promote animal health and production towards the provision of safe food.

Priority 02: The Economic Transformation and Job Creation									
Outcome	Output	Output Indicator		Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to actual achievement for 2022/23	Comment on deviations
Improved food security.	Confirmation of disease occurrence to support and promote animal health and production towards provision of safe food.	4.4.1	Number of specimen tested for diagnostic purposes.	94 680	97 134	70 000	113 738	43 738	Over performance
	Reduce level of risks associated with food.	4.4.2	Number of laboratory tests performed according to prescribed standards.	72 889	62 583	40 000	50 360	10 360	Over Performance
	A healthy productive provincial livestock.	4.4.3	Number of primary animal health care (PAHC) interactions held to minimize the impact of disease occurrence.	8 908	15 399	8 900	11 420	2 520	Over performance

Reasons for all deviations

- 4.4.1** Over performance – is attributed to the identification of positive brucellosis herds. This led to an increased demand for diagnostic testing, resulting in an unusually high volume of samples being submitted to the laboratory for analysis. The department's proactive surveillance and monitoring efforts in detecting and managing brucellosis cases have contributed to the higher-than-expected number of samples processed during the reporting period.
- 4.4.2** Over performance – is attributed to the increased number of tests performed as a result of a higher volume of samples submitted for testing. This increase in sample submissions was primarily driven by the identification of positive brucellosis herds. The department's efforts in actively identifying and addressing brucellosis cases have led to a greater demand for diagnostic testing, resulting in the observed over-performance in the number of tests conducted during the reporting period.
- 4.4.3** Over-performance is attributed to the increased demand for the Primary Animal Health Care Programme in resource-poor communities. The department's efforts to provide essential animal health services and support to these communities have been met with a significant response, leading to a higher-than-expected level of participation and engagement. This increased demand demonstrates the importance and effectiveness of the program in addressing the specific needs of these communities and improving the overall health and well-being of their livestock.

Strategy to overcome areas of under performance

- None.

Sub-Programme 4.5: Veterinary Technical Support Services

Purpose: To provide a veterinary ancillary support service that addresses and promotes the welfare of animals, animal identification and advisory service.

Priority 02: The Economic Transformation and Job Creation									
Outcome	Output	Output Indicator		Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to actual achievement for 2022/23	Comment on deviations
Improved food security.	Address and promotes the welfare of animals, animal identification and advisory services.	4.5.1	Number of Performing Animals Protection Act (PAPA) registration licences issued.	New OI	12	16	17	1	Over performance

Reasons for all deviations

4.5.1 The over-performance in this area is a direct result of the application received from security companies that were found to be using safeguarding dogs without a PAPA (Performing Animals Protection Act) license, as reported by the animal welfare organization. The department's prompt action and enforcement measures have led to an increased number of applications and subsequent licensing of these security companies. This proactive approach ensures compliance with regulations and promotes the welfare and safety of animals involved in safeguarding activities.

Strategy to overcome areas of under performance

- None.

LINK PERFORMANCE WITH THE BUDGETS

Under-expenditure is mainly as result of delays in the filling of posts due to lengthy recruitment processes.

VETERINARY SERVICES		2022 / 2023			2021 / 2022		
		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
4.1	Animal Health	293 469	293 368	101	252 100	252 100	0
4.2	Export Control	9 692	9 591	101	9 339	9 339	0
4.3	Veterinary Public Health	16 117	16 031	86	15 454	15 454	0
4.4	Veterinary Laboratories	19 041	18 855	186	18 613	18 613	0
4.5	Veterinary Technical Support Services	-	-	-	-	-	-
TOTAL		338 319	337 845	474	295 506	295 506	0

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.

Purpose: To improve agricultural production through conducting, facilitating and coordinating research and technology development.

Sub-Programme 5.2: Technology Transfer Services.

Purpose: To disseminate information on research and technology developed to clients, peers and scientific community and relevant stakeholders.

Sub-Programme 5.3: Research Infrastructure Support Services

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

Purpose: To improve agricultural production through conducting, facilitating and coordinating research and technology development.

Priority 02: The Economic Transformation and Job Creation									
Outcome	Output	Output Indicator		Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to actual achievement for 2022/23	Comment on deviations
Sustainable agricultural value chains. Improved food security.	Research projects implemented.	5.1.1	Number of research projects implemented to improve agricultural production.	64	66	60	60	-	No deviation
	Reliable resource data for planning and decision making.	5.1.2	Number of samples (Soils, Plants, Feed and Water) analysed to support decision making of clients.	3 938	3 435	3 400	1 904	(1 496)	Under performance

Reasons for all deviations

5.1.2 Under Performance – The functionality of the Inductive Coupled Plasma-Optical Emission Spectroscopy (ICP-OES) instrument was compromised due to issues with the plasma torch. The torch experienced melting caused by insufficient argon pressure delivered from the air compressor. Additionally, the computer used to control the instrument and generate analysis reports is experiencing multiple malfunctions, impacting its overall functionality.

Strategy to overcome areas of under performance

5.1.2. Currently, the laboratory is in the process of servicing the air compressor. In the meantime, gas from the old compressor is being used. The IT department is also in the process of upgrading the Windows operating system on the computer that is connected to the ICP-OES instruments. Additionally, the laboratory has recently received the Xenon lamp that was ordered and delivered a few weeks ago.

Sub-Programme 5.2: Technology Transfer Services

Purpose: To disseminate information on research and technology developed to clients, peers and scientific community and relevant stakeholders.

Priority 02: The Economic Transformation and Job Creation									
Outcome	Output	Output Indicator		Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to actual achievement for 2022/23	Comment on deviations
Sustainable agricultural value chains.	Scientific paper published.	5.2.1	Number of scientific papers published.	4	16	5	16	11	Over performance
	Research presented at peer review events.	5.2.2	Number of research presentations made at peer reviewed events.	13	20	22	35	13	Over performance
	Research presented at technology transfer events.	5.2.3	Number of research presentations made at technology transfer events.	19	37	24	30	6	Over performance
	Technologies developed for smallholder producers.	5.2.4	Number of new technologies developed for the smallholder producers.	New OI	4	4	4	-	No deviation
	Booklets developed for smallholder producers.	5.2.5	Number of booklets developed for the smallholder producers.	New OI	8	8	8	-	No deviation
	Trial demonstrated.	5.2.6	Number of demonstration trials conducted with farmers in order to impart knowledge and skills on farming practices.	14	23	12	12	-	No deviation

Reasons for all deviations

- 5.2.1** Over Performance – the scientific papers were published by the journal ahead of schedule, exceeding the initial expectations for their release, resulting in an over performance
- 5.2.2** Over performance – is attributed to the development and strengthening of linkages between extension and research. This collaboration resulted in researchers partnering with extension officers and delivering topics during district seminars, thereby enhancing the overall performance and outcomes.
- 5.2.3** Over performance – the invitations to present during the pasture and rangeland information day led to an increase in the number of presentations conducted, exceeding the original plan or expectation.

Strategy to overcome areas of under performance

- None.

Sub-Programme 5.3: Research Infrastructure Support Services

Purpose: To manage and maintain research infrastructure facilities (research farms, laboratories) and provide support services to perform its research and technology transfer functions.

Priority 02: The Economic Transformation and Job Creation									
Outcome	Output	Output Indicator		Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to actual achievement for 2022/23	Comment on deviations
Sustainable agricultural value chains Improved food security	Research infrastructure managed	5.3.1	Number of research infrastructure managed.	7	7	7	7	-	No deviation

Reasons for all deviations

- None.

Strategy to overcome areas of under performance

- None.

LINKING PERFORMANCE WITH BUDGETS

Under-expenditure is largely caused by the delays in the filling of posts due to lengthy recruitment processes.

RESEARCH AND TECHNOLOGY DEVELOPMENT SERVICES		2022/2023			2021/2022		
		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	Research	126 970	126 245	725	112 602	112 602	0
5.2	Technology Transfer Services	4 280	4 243	37	4 444	4 444	0
5.3	Infrastructure Support Services	1 349	1 218	131	750	750	0
TOTAL		132 599	131 706	893	117 796	117 796	0

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

Purpose: To provide production economics and marketing services to agri-businesses.

Sub-Programme 6.2: Agro-Processing Support

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

Sub-Programme 6.3: Macroeconomics Support

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: Agri-Business Support and Development

Purpose: To provide production economics and marketing services to agri-businesses.

Priority 02: The Economic Transformation and Job Creation									
Outcome	Output	Output Indicator		Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to actual achievement for 2022/23	Comment on deviations
Sustainable agricultural value chains.	Agri-business supported with market access.	6.1.1	Number of Agri Businesses supported with marketing services.	2 564	1 758	928	2 445	1 524	Over performance
		6.1.2	Number of clients supported with production economic services.	3 186	1 116	1 040	1 062	132	Over performance
		6.1.3	Number of producers with SA Gap certification.	0	4	10	9	-	No deviation
		6.1.4	Number of commercially viable partnerships to drive productivity and competitiveness.	14	6	6	-	(6)	Under performance
	Agribusiness supported with BEE.	6.1.5	Number of agribusiness supported with Black Economic Empowerment advisory services.	New OI	35	15	27	13	Over performance

Reasons for all deviations

- 6.1.1** Over performance – is attributed to the enhanced harvest yields, as well as the proactive pursuit of market information. Additionally, the department's efforts in supporting cooperatives with the registration process have contributed to improved market access opportunities.
- 6.1.2** Over performance – is attributed to the successful utilisation of blended finance provided by ECRDA and Land Bank. Through this collaboration, comprehensive business plans were developed, and valuable production economic advice was shared with clients, leading to positive outcomes.
- 6.1.4** Under performance – is attributed to the urgent need to prioritize the preparation of due diligence reports for citrus and macadamia projects. These reports required significant time and resources to ensure thorough assessments and evaluations of potential commercially viable partnerships. As a result, the completion of other reports and tasks was delayed, leading to the underperformance in those areas. The department acknowledges the importance of timely reporting and is taking necessary measures to mitigate such delays in the future.

6.1.5 Over-performance – is due to the significant interest expressed by farmers, particularly in the Joe Gqabi District, regarding Agri-BEE (Agricultural Broad-Based Economic Empowerment) information. This heightened interest and engagement from farmers in understanding and implementing Agri-BEE principles have contributed to the overall over-performance achieved.

Strategy to overcome areas of under performance

6.1.4 To mitigate the delay caused by the urgent submission of diligence reports on citrus and macadamia for commercially viable partnerships, the following remedial actions can be taken:

- Allocate sufficient resources and prioritise the completion of partnership reports.
- Streamline the diligence process for citrus and macadamia to expedite report submission.
- Improve communication and coordination among stakeholders involved in both reports.
- Adjust project timelines to accommodate the delay and communicate changes to stakeholders.
- Monitor progress closely and address any issues promptly.

These actions will help minimise the impact of the delay and ensure timely completion of reports on commercially viable partnerships.

Sub-Programme 6.2: Agro-Processing Support

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

Priority 02: The Economic Transformation and Job Creation									
Outcome	Output	Output Indicator		Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to actual achievement for 2022/23	Comment on deviations
Sustainable agricultural value chains.	Agri-business supported.	6.2.1	Number of Agri-businesses supported with agro-processing initiatives.	5	7	10	13	3	Over performance

Reasons for all deviations

6.2.1 Over performance – the number of requests for assistance with agro-processing initiatives exceeded the planned targets, hence, over performance. This increased demand demonstrates the growing interest and recognition of the importance of agro-processing in the agricultural sector. The department's expertise and support in this area has attracted a greater number of stakeholders seeking guidance and resources to establish or enhance their agro-processing ventures. This trend highlights the significance of agro-processing as a means to add value to agricultural products, promote economic growth, and contribute to job creation.

Strategy to overcome areas of under performance

- None.

Programme 6.3: Macroeconomics Support

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

Priority 02: The Economic Transformation and Job Creation									
Outcome	Output	Output Indicator		Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to actual achievement for 2022/23	Comment on deviations
Sustainable agricultural value chains	Economic Reports	6.3.1	Number of economic reports compiled.	92	36	27	19	(08)	Under performance

Reasons for all deviations

6.3.1 Under Performance – the grounding of GG vehicles in September impacted the performance of this indicator, as officials rely on these vehicles for visits to local municipalities. The delay in data collection and report compilation, originally planned for September, contributed to the under performance.

Strategy to overcome areas of under performance

6.3.1 To address the under performance caused by the grounding of GG vehicles, the officials will take the following remedial actions:

- Arrange alternative transportation.
- Adjust the data collection and reporting timeline.
- Improve vehicle maintenance and availability.
- Develop contingency plans.

These actions will help minimise the impact of vehicle grounding on performance and ensure timely data collection and reporting.

LINKING PERFORMANCE WITH BUDGETS

Under-expenditure mainly attributable to fleet services invoices that could not be processed in March due to network challenges.

AGRICULTURAL ECONOMIC SERVICES		2022/2023			2021/2022		
		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	30 816	18 953	11 863	28 697	28 697	-
6.2	Agro-Processing Support	-	-	-	-	-	-
6.3	Macroeconomics Support	4 271	15 566	-11 295	3 171	3 171	-
TOTAL		35 087	34 519	568	31 868	31 868	-

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.

Purpose: To provide and facilitate accredited vocational agricultural qualifications.

Sub-Programme 7.2: Agricultural Skills Development.

Purpose: To provide formal and non-formal training on agricultural skills development through structured vocational education and training programmes.

Sub-Programme 7.1: Higher Education and Training

Purpose: To provide and facilitate accredited vocational agricultural qualifications.

Priority 02: The Economic Transformation and Job Creation									
Outcome	Output	Output Indicator		Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to actual achievement for 2022/23	Comment on deviations
Sustainable agricultural value chains.	Skilled participants and employable graduates in the sector.	7.1.1	Number of students enrolled to complete accredited Higher Education and Training (HET) qualifications.	464	759	600	600	-	No deviation
		7.1.2	Number of students graduated with agricultural qualification.	101	334	155	153	(2)	Under Performance
		7.1.3	Number of youth supported towards agri-business services	-	90	120	26	(94)	Under Performance

Reasons for all deviations

7.1.2 Under Performance – two students at TARDI were unable to write their exams due to health-related issues.

7.1.3 Under Performance – a significant number of the targeted graduates exited the programme because they secured employment from the agricultural sector and DALRRD.

Strategy to overcome areas of under performance

7.1.2 The affected students will be allowed to take aegrotat examinations to ensure they have an opportunity to complete their assessments.

7.1.3 The deviation from the initial plan is considered positive in this case as it indicates progress in the lives of these young individuals and highlights the positive impact of the programme.

Sub-Programme 7.2: Agricultural Skills Development

Purpose: To provide formal and non-formal training on agricultural skills development through structured vocational education and training programmes.

Priority 02: The Economic Transformation and Job Creation									
Outcome	Output	Output Indicator		Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to actual achievement for 2022/23	Comment on deviations
Sustainable agricultural value chains.	Skilled Producers.	7.2.1	Number of participants trained in skills development programmes in the sector.	1 115	2148	2 000	2 608	608	Over performance
	Efficiently capacitated farmers/sector beneficiaries.	7.2.2	Number of Educators capacitated in agricultural science related fields to improve their understanding of the sector needs.	7	40	40	29	(11)	Under performance
		7.2.3	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.	62	293	300	732	432	Over performance
		7.2.4	Number of out of school youth participated / trained in learnership programme.	335	189	170	299	119	Over performance
	Enhanced Farming Business acumen.	7.2.5	Number of farms/projects mentored according to different commodities in order to make them profitable.	6	20	20	31	11	Over performance
	Efficiently capacitated farmers / sector beneficiaries.	7.2.6	Number of Farm-Workers completing accredited and/ or non-accredited training to develop skilled Farm-Workers.	210	184	250	12	(238)	Under performance
	Efficiently trained graduates.	7.2.7	Number of infrastructure programmes implemented in Agricultural Colleges developed to improve the farmer training capacity.	-	-	2	2	-	No deviation

Reasons for all deviations

- 7.2.1** Over performance – is attributed to requests from sister departments that did not require the usual procurement processes for participants to be trained in skills development programs within the sector.
- 7.2.2** Under performance – is due to conflicting priorities of the educators busy which resulted in them not being able to attend their scheduled training.
- 7.2.3** Over performance – TARDI's participation in the Lovedale College Career Exhibition led to over-performance in terms of the number of learners reached.
- 7.2.4** Over performance – the implementation of learnerships from the previous year extended into the current quarter, causing an overlap and the over performance.
- 7.2.5** Over performance – is primarily attributed to the completion of projects from the previous fiscal year (2021/22) during the first quarter of the current fiscal year (2022/23). This overlap in project completion timelines resulted in an increased level of achievement and output during the reporting period. The successful completion of these projects within the first quarter has contributed to the overall over-performance of the department.
- 7.2.6** Under performance – The introduction of a new procurement approach, which involves packaging training with catering, has caused delays and underperformance.

Strategy to overcome areas of under performance

- 7.2.2** To use school vacation holidays to run training programmes for targeting educators.
- 7.2.6** More engagement with service providers and a broader spectrum of options will help alleviate this predicament.

LINKING PERFORMANCE WITH BUDGETS

Under-expenditure can be ascribed to challenges in finding suitable and qualified training service providers of Farm Workers training in the department's training database, as well as due to delays in the implementation of construction of TARDI Exam Hall.

STRUCTURED AGRICULTURAL EDUCATION AND TRAINING		2022/2023			2021/22		
		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
7.1	Higher Education and Training.	59 051	59 051	0	61 199	61 198	1
7.2	Agricultural Skills Development.	133 539	121 764	11 775	126 899	123 947	2 952
TOTAL		192 590	180 815	11 775	188 089	185 145	2 953

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.

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.

Purpose: To engage communities on priorities and to institutionalize and support community organizational structures (NGOs etc.)

Sub-Programme 8.1: Rural Development Coordination

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.

Priority 5: Spatial Integration, Human Settlements and Local Government									
Outcome	Output	Output Indicator		Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to actual achievement for 2022/23	Comment on deviations
Integrated rural development.	Integrated development plans.	8.1.1	Number of District Planning Model supported.	1	2	6	6	-	No deviation
	Oversight Reports.	8.1.2	Number of oversight reports consolidated on rural development projects implemented through ECRDA.	4	4	4	4	-	No deviation
	Reliable resource data for planning and decision making.	8.1.3	Number of profiling reports conducted for promotion of sustainable rural livelihoods in identified areas.	7	8	7	7	-	No deviation

Reasons for all deviations

- None.

Strategy to overcome areas of under performance

- None.

Sub- Programme 8.2 Social Facilitation

Purpose: To engage communities on priorities and to institutionalize and support community organizational structures (NGOs etc.)

Priority 5: Spatial Integration, Human Settlements and Local Government									
Outcome	Output	Output Indicator		Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to actual achievement for 2022/23	Comment on deviations
Integrated rural development.	Spatial integrated rural development.	8.2.1	Number of basic infrastructure projects implemented using innovations and appropriate technologies.	9	6	8	8	-	No deviation
		8.2.2	Number of rural development enterprises supported	3	112	106	141	35	Over performance
		8.2.3	Number of IGR sessions conducted	3	1	4	4	-	No deviation

Reasons for all deviations

8.2.2 Over performance – the programme exceeded its target due to additional support provided to cooperatives during quarter 4, including the provision of sewing machines to cooperatives, the delivery of a juice making machine, and the implementation of a beekeeping project.

Strategy to overcome areas of under performance

- None.

LINKING PERFORMANCE WITH BUDGETS

Under expenditure was mainly attributable to the late delivery of material procured for the spring water protection projects. The service provider could not deliver on time due to the public sector workers protest which took place in the first two weeks of March. As such, the service provider started with delivery in the third week and submitted invoices after the last payment run in March. Also contributing to under-expenditure was construction of the Rural Market Centre project in Port St Johns, whereby there were challenges with the site, this has since been resolved and this project will be implemented in 2023/24.

RURAL DEVELOPMENT COORDINATION		2022/2023			2021/2022		
		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	187 434	188 006	-572	210 763	210 763	-
8.2	Social Facilitation	22 726	18 672	4 054	18 140	18 140	-
TOTAL		210 160	206 678	3 482	228 903	228 903	-

5.1 TRANSFER PAYMENTS

5.1 Transfer payments to public entities

Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity R'000	Amount spent by the public entity R'000	Achievements of the public entity
ECRDA	ECRDA Operations & Programmes	R137.365	R125 016	The department successfully implemented a pilot project for Rural Market Centres in three districts, namely Amathole, Chris Hani, and OR Tambo. Socio infrastructure report of the province and the Emalahleni RED Hub evaluation report were also produced in the process. Registration of the new Entity (TRUST) has been completed, certificate issued. District Mechanization Centres that received the following tractors and implements: - Sarah Baartman District: 5 x 68kW tractors were delivered at Kirkwood, for Citrus Farmers, Somerset East for fodder producing farmers, Joubertina for vegetable and deciduous fruit farmers, Graaf Renet for smallstock farmers and Alexandria for Chicory Farmers. The implements for the tractors could not be delivered as the supplier indicated that it will be able to deliver in April and the order was cancelled. I have requested funds from Head Office for all 5 tractors that were delivered in the district. The funds for procuring implements are still not available. - Amathole District: 1 x 55 kW tractor and fodder implements were delivered in Ngqushwa LM for Fodder producing farmers – one of which is the Mtongana farm. - Amathole District: A set of plough, disc and planter was delivered to RMM to enable utilisation of the 2 tractors issued in March 2021. A pump has been delivered for Qamdobowa irrigation scheme to enable a replacement for their engine. - 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. Dohne incubation facility development will offer R&D, farmer training and primary processing of hemp (fibre and oil extraction as well as THC testing) to primary producers. - There is a decorticator and oil extraction machines that need to be upgraded to good working order. Labat Healthcare is a black-owned listed company with SAHPRA medicinal cannabis license.

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
				✓ They operate a medicinal cannabis growing operations at Kenton-on-Sea and supply produce to overseas markets. PetroSA is championing SA Biofuel Industrial Strategy.They have identified industrial hemp as one of agri-feedstock for biofuel production. ✓ The industrial hemp as an agri-feedstock for biofuel production is the least complex industrial value chain that will position the Province as a Industrial Hemp Hub. ✓ PetroSA has identified Eastern Cape Province as a strategic province for its biofuel business. Investment Conference is been planned for End July 2023 to show case Magwa & Majola opportunities with the following been key selling points: • Land portfolio • Magwa and Majola Existing infrastructure and Assets • Rainfall and Soil quality • Benefits of the N2 Road construction to Lusikisiki /Magwa Eco-Tourism & Trade. • Municipality Infrastructure roll-out Plan – OR Tambo & Ingquza Hill - o Electricity,Water and Roads. - o Municipality by-laws & Permits –i.e. Independent power producers. - o Easy of doing business and LED Programmes.
	MagwaTea Estate	R28 115	R28 115	Transferred to Magwa Tea Estate.
	Cannabis Industry Development	R10	R3879	The Cannabis project is still challenging and the foundation of SA regulatory framework should include and recognise indigenous growers as protectors of SA cannabis germplasm essential to SA cannabis industrialisation. However, eight (8) communications and awareness sessions conducted on cannabis including social facilitation and develop cannabis education material.
	Eastern Cape Agriculture andAgro- processing Blended Finance Scheme	R25	R25	R25m Transferred to ECDC as per SLA.

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
	Citrus Intervention	R12462	R12462	R12.462 Transferred to CGA as per SLA.
	Macadamia Nuts	R3	R3	R3m was paid to Ncera Macadamia, as per SLA.
	Pineapple projects	R1.3	R1.3	Casual labourers for Pineapple projects under Amathole district.
	EPWP – payments of casual labourers	R4643	R4517	Payments to the value of R4.517m were made. As at 31 st March 2023, a balance of R126k was available and part of rollover request.

5.2 Transfer payments to all organisations other than public entities

The table below reflects the transfer payments made for the period 1 April 2022 to 31 March 2023.

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
Chris Hani Development Agency	Municipal Agency	Irrigation Scheme worker wages	yes	R2.189	R2.189	Total amount transferred was fully spent by the agency.
Fort Cox Agriculture and Forestry Training Institute	Higher Education institution	Subsidy and revitalisation of infrastructure	yes	R59.051m	R59.051m	Total amount transferred was fully spent by college.

The table below reflects the transfer payments which were budgeted for in the period 1 April 2022 to 31 March 2023 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 2022 to 31 March 2023.

COMPREHENSIVE AGRICULTURAL SUPPORT PROGRAMME GRANT:

Department who transferred the grant	Department of Agriculture, Forestry and Fisheries
Purpose of the grant	To provide effective and coordinated agricultural support services through collaborations with industry transformation initiatives where possible. To promote and facilitate agricultural development by targeting beneficiaries of land reform and other black producers who have acquired land through private means and are engaged in value-adding enterprises domestically, or involved in export. To revitalise agricultural colleges into centres of excellence.
Expected outputs of the grant	• 700 Subsistence, 2 432 smallholder and 0 black Commercial farmers were supported through CASP. • 3 009 Youth, 1316 women and 0 farmers with disabilities were supported through CASP. • 153 On-off farm infrastructure provided. • 2000 Beneficiaries of CASP trained on farming methods and 20 farming units received mentoring. • 120 Unemployed graduates placed on commercial enterprises for potential skills transfer. • 8 SA GAP Certified famers. • Extension personnel salaries paid and maintained in the system. • Construction of the 2X50 seater exam hall at Fort Cox. • Professional services of the construction at Fort Cox. • Construction of the access control gate at TARDI. • Construction of incinerator and its super structure at TARDI. • Construction of exam hall at TARDI. • Professional services at TARDI. • 1 800 Farmers participating in KYD programme.
Actual outputs achieved	• 452 Subsistence, 4165 Smallholder and 26 black Commercial farmers were supported through CASP. • 311 Youth, 2188 Women and 0 farmers with disabilities were supported through CASP. • 146 On-off farm infrastructure was provided. • 2 135 Beneficiaries of CASP trained on farming methods and 18 farming units received mentoring. • 26 Unemployed graduates placed on commercial enterprises for potential skills transfer as at the last quarter of the placement. • There were no salaries paid during the financial year even though were 37 Agric advisors appointed. Moving forward 77 Agric Advisors and 24 Senior Agric advisors will be maintained through grant for the next 3 years. On a monthly basis the directorate will be paying R3 157 053 per month by year end we will pay R37 884 636. • 8 Farmers receive SA GAP Certification. • 2 Agricultural colleges upgrading infrastructure – (TARDI & FORT COX)(TARDI and Fort Cox) • These are multi-year projects they are still continuing. • Construction of the 2X50 seater exam hall at Fort Cox. • Professional services of the construction of the Fort Cox projects. • Construction of the access control gate at TARDI. • Construction of incinerator and its super structure at TARDI. • Construction of exam hall at TARDI. • Professional services for the construction of the TARDI projects. • 1004 Farmers participating in KYD programme.

Department who transferred the grant	Department of Agriculture, Forestry and Fisheries
Amount per amended DORA (R'000)	251 234
Amount received (R'000)	231 964
Reasons if amount as per DORA not received	N/A
Amount spent by the department	231 964
Reasons for the funds unspent	Under-expenditure is mainly attributable to: • Difficulties finding suitable and qualified Farm Workers training service providers in the department's training database. • Delays in the authorization to commence works for the TARDI Exam Hall by the Department of labour. • Delays in the recruitment of Agricultural Advisors.
Reasons for deviation on performance	Under-Performance is due to • Delays in constructing fencing of arable lands due to heavy rains in the last quarter of 2022. • Difficulties finding suitable and qualified Farm Workers training service providers in the department's training database. • Delays in the authorisation to commence works for the TARDI Exam Hall by the Department of labour. • Delays in the recruitment of Agricultural Advisors.
Measures taken to improve performance	• Strengthening of Contract Management • Timely procurement of training and other service providers.
Monitoring mechanism by the receiving department	• Weekly conditional grant meetings to monitor progress and Weekly site visits to ensure quality and Project weekly visits by districts depending on capacity to enhance timely identification of risks and implementation of corrective measures. • Weekly, Monthly, Quarterly, and Annual reporting on projects against works pro and APP targets. • Site and District visits by Head Office. • Enforce close-out that includes lessons learned and improvement plan report. • All engineering staff to undergo purpose-made training in Contract Administration.

EXPANDED PUBLIC WORKS PROGRAMME GRANT:

The table below details the conditional grants and earmarked funds received during the period 1 April 2022 to 31 March 2023.

Department who transferred the grant	Department roads and Public Works
Purpose of the grant	Is to encourage provincial departments to enhance job creation initiatives by utilizing labor-intensive delivery methods, the following focus areas have been identified in alignment with the guidelines of the Expanded Public Works Programme (EPWP): Road maintenance and the upkeep of buildings: This includes the maintenance of low-traffic volume roads and rural roads, as well as other economic and social infrastructure projects. Sustainable land-based livelihoods: Focus will be placed on initiatives such as waste management, promoting environmentally friendly practices, and supporting projects related to sustainable land use. Tourism and cultural industries: Efforts will be made to promote job creation within the tourism and cultural sectors, encouraging economic growth and the preservation of cultural heritage. By emphasizing these specific areas, provincial departments will be incentivized to prioritize labour-intensive methods within their projects, ultimately leading to increased job opportunities and socio-economic development. These efforts are in line with the EPWP guidelines and aim to foster sustainable and inclusive growth in the targeted sectors.
Expected outputs of the grant	Number of jobs = 106
Actual outputs achieved	Number of jobs = 95
Amount per amended DORA (R'000)	2 106
Amount received (R'000)	2 106
Reasons if amount as per DORA was not received	N/A.
Amount spent by the Department (R'000)	2 106
Reasons for the funds unspent by the entity	N/A.
Reasons for deviations on performance	The issue of payment to casual labourers remains unresolved due to an unreliable system at ECRDA (Eastern Cape Rural Development Agency). This unreliable system has resulted in delays and difficulties in processing payments for the casual labourers. It is crucial to address this problem and implement a more dependable system to ensure that the payment process for casual labourers is efficient and timely. Resolving this issue will not only alleviate the challenges faced by the labourers but also contribute to the overall smooth operation of the department.
Measures taken to improve performance	Workshop on EPWP policies.
Monitoring mechanism by the receiving department	Monthly reports, and quarterly reports.

ILIMA / LETSEMA CONDITIONAL GRANT:

Department who transferred the grant	Department of Agriculture, Forestry and Fisheries
Purpose of the grant	Is to provide assistance to vulnerable farming communities in South Africa, enabling them to achieve an increase in agricultural production and invest in infrastructure that unlocks agricultural potential in strategically identified commodities and production areas. Through targeted support, that aim to: Enhance Agricultural Production: The department works closely with vulnerable farming communities to improve their agricultural practices and techniques. This includes providing training, knowledge-sharing, and access to resources such as improved seeds, fertilizers, and irrigation systems. By implementing modern and sustainable farming methods, we strive to boost productivity and yield. Strategic Commodities and Production Areas: We working with farming communities identify key commodities and production areas with high growth potential and focus our support on these sectors. By targeting specific crops or livestock and concentrating efforts in selected geographic regions, we aim to maximise impact and create sustainable agricultural value chains. This strategic approach enables us to allocate resources effectively and promote long-term growth in these areas. The aim is to empower vulnerable farming communities, enabling them to overcome challenges and unlock their agricultural potential. Through our assistance, we strive to uplift these communities, improve food security, and contribute to the overall growth and development of the agricultural sector in South Africa.
Expected outputs of the grant	• 22 620 Subsistence, and 8 547 smallholder farmers to be supported through ILIMA_ LETSEMA. • 28 529 ha of Land to be put under agricultural production (field crops such as grains and oilseeds, horticulture fibre, and livestock).
Actual outputs	• 22 820 Subsistence, and 12 924 smallholder farmers were supported through ILIMA_ LETSEMA - • 31 430 ha of Land under agricultural production (field crops such as grains and oilseeds).
Amount per amended DORA (R'000)	76 210
Amount received (R'000)	76 210
Reasons if amount as per DORA was not received	N/A.
Amount spent by the Department (R'000)	76 209
Reasons for the funds unspent by the entity	N/A.
Reasons for deviations on performance	The programme achieved remarkable results by surpassing the targeted number of beneficiaries and hectares planted across various support categories, including grains and household subsistence support. This outstanding performance can be attributed primarily to the high demand for grain and household food security services in the province.
Measures taken to improve performance	Going forward, the department will diligently monitor and control expenditures to ensure strict adherence to allocated budgets. The department recognises the importance of inclusivity and will intensify its awareness campaigns to ensure that its support services are accessible and accommodating to individuals with disabilities, all this will be achieved through local offices who operates at the local municipal and ward levels.
Monitoring mechanism by the receiving department	The programme conducts regular weekly meetings to evaluate the performance of Conditional grants, comparing projected outcomes with the actual delivery of support to beneficiaries. In cases where districts exhibit subpar performance and expenditure, immediate decisions and guidance are provided to address the issues effectively.

LAND CARE GRANT:

Department who transferred the grant	Department of Agriculture, Land Reform and Rural Development
Purpose of the grant	In order to promote the sustainable use and management of natural resources, our department is actively engaged in community-based initiatives that align with the pillars of sustainability, namely social, economic, and environmental aspects. These initiatives aim to achieve multiple outcomes, including: Greater Productivity: By adopting sustainable practices, we strive to enhance productivity in various sectors such as agriculture, forestry, and fisheries. This involves promoting efficient and responsible resource utilisation, implementing innovative techniques, and providing training and support to communities. Food Security: Our focus is on ensuring food security by supporting initiatives that enhance agricultural production, promote sustainable farming methods, and empower local communities to become self-sufficient in food production. This includes promoting sustainable farming practices, supporting small-scale farmers, and improving access to markets and resources. Job Creation: Through our community-based initiatives, we seek to generate employment opportunities, particularly in rural areas. By fostering sustainable economic activities such as agro-processing, eco-tourism, and green enterprises, we aim to create jobs and stimulate local economies. Well-being: We recognise the importance of improving the well-being of communities. Our initiatives aim to address social challenges, promote social inclusion, and enhance the overall quality of life. This includes supporting community development projects, providing access to basic services, and promoting social cohesion. By actively engaging in these community-based initiatives, we aim to achieve a balance between social, economic, and environmental aspects of sustainability. Through collaboration with stakeholders, we strive to create a sustainable future that benefits both present and future generations, fostering greater productivity, food security, job creation, and overall well-being for all.
Expected outputs of the grant	Awareness= 7; capacity building=10; rehabilitation=3 870ha, Ca=260ha, fencing =47, water infrastructure=6.
Actual outputs achieved	Awareness= 16; capacity building=11; rehabilitation=6 334ha, Ca=203a, fencing =33, water infrastructure=6.
Amount per amended DORA (R'000)	12 700
Amount received (R'000)	12 700
Reasons if amount as per DORA was not received	N/A.
Amount spent by the Department (R'000)	11 365
Reasons for the funds unspent by the entity	Delays in procurement due to Treasury advice of non-procurement of items above R30 000.
Reasons for deviations on performance	Problem of payment of casual labourers and delays in procurement due to Treasury advice of non-procurement of items above R30 000.
Measures taken to improve performance	Development of SOP of payment of casual labourers.
Monitoring mechanism by the receiving department	Monthly, and quarterly reports.

CONDITIONAL GRANT DISASTER RISK MANAGEMENT

Department who transferred the grant	N/A
Purpose of the grant	N/A
Expected outputs of the grant	N/A
Actual outputs achieved	N/A
Amount per amended DORA (R'000)	N/A
Amount received (R'000)	N/A
Reasons if amount as per DORA was not received	N/A
Amount spent by the Department (R'000)	N/A
Reasons for the funds unspent by the entity	N/A
Reasons for deviations on performance	N/A
Monitoring mechanism by the receiving department	N/A

7. DONOR FUNDS

7.1 Donor Funds Received

No Donor funds were received

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

During the period under review, a total of 156 projects were successfully completed out of the planned 153 projects. These completed projects encompass various areas, including the construction of 381.2 km of fencing, establishment of 82 hectares of small-scale irrigation systems, construction of 18 multi-purpose sheds, 8 shearing sheds and renovations, equipping of 25 boreholes, installation of 11 stock water systems, establishment of 5 new dip tanks for small and large livestock, renovation of 13 existing dip tanks, construction of 6 animal handling facilities, 2 aquaponics structures, and 1 packshed for vegetables. Additionally, 7 dam scooping projects and 2 shade nets for citrus young orchards were successfully implemented.

In line with our commitment to revitalizing agricultural colleges and establishing centers of excellence, several projects were accomplished, including the installation of an incinerator, construction of an access gate at TARDI, and the construction of two 50-seater lecture halls at Fort Cox colleges.

Furthermore, as a response to the floods in Port St Johns, we provided support to five affected projects through the disaster intervention program. This support included the renovation of five hydroponics tunnels, construction of two piggery structures, installation of a diesel pump, and the installation of a VSD Starter for the irrigation system.

To ensure proper asset management, all acquired assets are barcoded upon receipt in the LOGIS system. They are then physically barcoded and recorded in the asset register. Monthly asset reconciliations are performed to ensure accurate recording and tracking. Currently, 60% of the department's capital assets are in good condition, 20% are in fair condition, and 20% are in poor condition due to budgetary constraints in meeting all the capital needs of the department. Major maintenance was carried out at the Tsolo Agriculture and Rural Development Institute (TARDI), and a multi-year project is planned to continue into the next financial year.

It is important to note that the department does not own any immovable assets. The Department of Public Works & Infrastructure (DPW&I) serves as the custodian of these assets. The department submits a User Asset Management Plan (U-AMP) annually to DPW&I, outlining the maintenance needs and seeking their assistance in reducing the maintenance backlog.

By effectively managing our assets and infrastructure, we aim to ensure optimal service delivery and support the agricultural development goals of the department.

No.	Project Name	Nature of investment	Infrastructure type	No. Of units	Commodity	Municipality	District	Funding source	Amount running over to 2023/24 R'000	Completion date
1	Upper Weza (2021) (continuing)	New infrastructure capital	Fencing: cropping-casual labourers	6	Maize	Continuing	Amathole	CASP: infrastructure	140	31/09/2023
2	Wayside stock water	New infrastructure capital	Stockwater systems	1	Mohair	Dr Beyers Naude	sarah baartman	CASP: infrastructure	110	27/02/2023
3	PSJ productive areas 2022	New infrastructure capital	Fencing: cropping-casual labourers	11	Maize	Port St Johns	or tambo	CASP: infrastructure	105	31/10/2023
4	Ingquza Hill productive areas	New infrastructure capital	Fencing: cropping-casual labourers	33	Maize	Ingquza Hill	or tambo	CASP: infrastructure	217	31/10/2023
5	Ingquza Hill productive areas	New infrastructure capital	Fencing: cropping-protective clothing	22	Maize	Ingquza Hill	or tambo	CASP: infrastructure	29	29/09/2023
6	Tripple 5 farming	New infrastructure capital	grain storage: silos and milling	1	Maize	Mhlontlo	or tambo	CASP: infrastructure	1 882	03/11/2024
7	OR Tambo bore-holes - KSD	New infrastructure capital	Stockwater: bore-hole equipping	4	Red meat	King Sabata Dalindyebo	OR Tambo	CASP: infrastructure	1 350	06/02/2023
8	OR Tambo bore-holes - Mhlontlo	New infrastructure capital	Stockwater: bore-hole equipping	2	Red meat	Mhlontlo	OR Tambo	CASP: infrastructure	840	20/01/2023
9	OR Tambo OHS	New infrastructure capital	OHS fees	1	all:Ohs	King Sabata Dalindyebo	OR Tambo	CASP: infrastructure	920	31/09/2023
10	Engcobo wool -Upper Gqogqora	New infrastructure capital	Shearing shed	1	Wool	Dr AB Xuma	Chris Hani	CASP: infrastructure	389	26/05/2023
11	Alfred Nzo multi purpose shed- Bomvini	New infrastructure capital	Multi-purpose shed: wool	1	Woo	Ntabankulu	Alfred Nzo	CASP: infrastructure	600	05/05/2023
12	Alfred Nzo OHS professional fees	New infrastructure capital	OHS fees	1	All:OHS	Alfred Nzo	Alfred Nzo	CASP: infrastructure	700	06/10/2023

No.	Project Name	Nature of investment	Infrastructure type	No. Of units	Commodity	Municipality	District	Funding source	Amount running over to 2023/24 R'000	Completion date
13	Agricultural colleges: Fort Cox	New infrastructure capital	College revitalisation	1	College revitalisation	Raymond_Mhlaba	Head Office : colleges	CASP: infrastructure	564	11/10/2022
14	Agricultural colleges: TARDI -access gate	New infrastructure capital	Access gate	1	College revitalisation	Mhlontlo	Head Office : colleges	CASP: infrastructure	154	26/01/2023
15	Agricultural colleges: TARDI -incinerator	New infrastructure capital	Incinerator	1	College revitalisation	Mhlontlo	Head Office : colleges	CASP: infrastructure	129	26/01/2023
16	Agricultural colleges: TARDI - professional services	New infrastructure capital	Access gate	1	College revitalisation	Mhlontlo	Head Office : colleges	CASP: infrastructure	69	26/01/2023
17	Agricultural colleges: TARDI - professional services	New infrastructure capital	Exam hall	1	College revitalisation	Mhlontlo	Head Office : colleges	CASP: infrastructure	800	31/03/2023
18	Agricultural colleges: TARDI - exam hall	New infrastructure capital	Exam hall	1	College revitalisation	Mhlontlo	Head Office : colleges	CASP: infrastructure	18 227	31/03/2024
19	Amathole rural market centre	New infrastructure capital	Rural market centre	1	Rural development	Amahlati	Rural development	Equitable Share	536	01/05/2023
20	OR Tambo rural market centre	New infrastructure capital	Rural market centre	1	Rural development	Port St Johns	Rural development	Equitable Share	1 288	25/07/2023
21	Amathole OHS	New infrastructure capital	OHS fees	1	All:OHS	Amathole	Amathole	CASP: infrastructure	200	31/08/2025
22	Joe Gqabi OHS	New infrastructure capital	OHS fees	1	All:OHS	Joe Gqabi	Joe Gqabi	CASP: infrastructure	690	31/08/2023
23	Chris Hani OHS	New infrastructure capital	OHS fees	1	All:OHS	Chris Hani	Chris Hani	CASP: infrastructure	800	31/09/2023

8.1 Capital investment, maintenance and asset management plan

Infrastructure Projects	2022/23			2021/22		
	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
New and replacement assets	94,893	89,143	5,750	108,682	105,809	2,873
Existing infrastructure assets	9,485	8,025	1,460	13,034	11,684	1,350
- Upgrades and additions	4,537	2,000	2,537	8,543	7,350	1,193
- Rehabilitation, renovations and refurbishments	4,948	6,025	1,077	3,857	3,783	74
- Maintenance and repairs	-	1	-	634	551	83
Infrastructure transfer	15,462	15,462	-	9,977	9,977	-
- Current	15,462	15,462	-	-	-	-
- Capital	-	-	-	9,977	9,977	-
Non Infrastructure	16,843	14,234	2,609	-	-	-
Total	136,683	126,864	9,819	131,693	127,470	4,223



PART C

GOVERNANCE

I INTRODUCTION

Ensuring the highest standards of governance is a core principle for the department in managing public finances and resources. Users seek reassurance that the department has robust governance structures in place to ensure the effective, efficient, and economical utilization of state resources, which are funded by taxpayers.

2 RISK MANAGEMENT

The department consistently evaluates the Risk Management Policy, which represents the position of the Accounting Officer regarding enterprise risk management (ERM) matters. The ERM Strategy serves not only as a complement to the Risk Management Policy but also as a significant governance document that assists management and employees in effectively carrying out their planned operational activities. It encompasses the Risk Management Methodology, delineates the responsibilities of management and employees, and addresses various other relevant aspects.

Risk Assessment and Development of Risk Registers

The department conducts Risk Assessments at least annually in line with Treasury regulations and during the year emerging risks are identified and assessed with mitigation plans and added onto the risk registers for monitoring. The department follows an approved methodology as per the Public Sector Risk Management Framework. The department has conducted the risk assessment to identify the key risks both at a strategic and operational level for the 2023/24 financial year.

The risks were assessed and rated as per likelihood of occurrence and impact, they have or might have, should they materialize, they are then prioritised and consolidated into a Risk Registers, which are signed off by the Risk owners, to develop the Departmental risk profile. The approved Risk Registers are submitted to Internal Audit to develop their risk based and internal Audit Plan for 2023/24. Action plans agreed upon to manage the risks identified are monitored on a monthly and quarterly basis with portfolio of evidence reported and discussed at the Risk Committee. Risk registers are also reviewed by the Risk committee before signing off and submission to Provincial Treasury. Once approved they are shared with the Programme Managers to communicate to their team members.

The Risk Management Committee (RMC)

The department has a functioning Risk committee that meets quarterly, chaired by an independent specialist. The cross-functional nature of the RMC is central to its effectiveness and reflects the various matters that relate to risk and deliberates on the department's operational activities, including potential improvements to the ERM Strategy and mitigating plans. The fact that the department has reached a level of maturity where risk treatment plan reports are deliberated on, is evident, based on the value added by the committee.

For the year under review the Committee held four meetings and approved the following Risk

Management Strategic documents: Enterprise Risk Management Framework and Policy, Enterprise Risk Management Methodology and Strategy, Enterprise Risk Management Implementation Plan, Strategic and Operational Risk Registers. The documents were taken through a rigorous process of review within various functional components of the Department. The Department has submitted quarterly activity reports to the Provincial Treasury.

A collaborative Approach to Risk Management

A collaborative approach has been established between Risk Management and Internal Audit to share information and reports to enable the identification of 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 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 easy flow and continuity as part of strengthening governance in the department.

Risk management unit also fosters collaboration between programmes on risks that cut across, for programmes to manage their risks in a collaborative manner with combined efforts for all programmes that are involved. Districts are also involved when risks are identified, as some risks occur or are managed at district level.

Progress in terms of ERM

The ERM is an Enterprise-wide Risk management, which looks at the whole organisation, 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. The 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 order to turn every risk into an opportunity for the benefit of the department.

Provincial Treasury is currently assisting departments with other areas of ERM, like developing a Risk Appetite and Tolerance Framework for use by all Provincial departments, as well looking into Business continuity management training and other risk management training.

3 FRAUD AND CORRUPTION

TYPES OF ANTI CORRUPTION CASES INVESTIGATED

Type	Number
Corruption	10
Fraud	18
Financial Misconducts	3
Maladministration	18
Other	4
Total	53

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

Nature of Cases	Number
Fraud & Corruption	0
Forged Signature	2
Tender Irregularities	1
Nepotism	1
Payroll Fraud	0
Procurement Fraud	3
Travel Claims	2
Financial Misconduct	3
Maladministration	18
Other	23
TOTAL	53

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.	4
Departmental Anti-corruption unit	The investigations have been finalised and forwarded for consequence management.	16
Closed files	Files closed; consequence management finalized.	19
Pending cases still need to be finalised and closed	Under investigation	15
Recommended cases for finalisation to the Accounting Officer	Awaiting approval by the AO.	2
Total		56

Pending cases still not finalised:

Type	Year	Number
Fraud and Corruption investigated by the Department's Crime Prevention Unit and Special Investigation Unit	2022/23	15

CHALLENGES FACED REGARDING THE CASES REPORTED (HOTLINE / DEPARTMENT)

The Department has experienced a limited frequency of reported cases through the National Anticorruption hotline. Following thorough inquiries, it has been confirmed that no cases have been reported to date.

4. MINIMISING CONFLICT OF INTEREST

Period	No. of cases / employees on CSD	Status
Q1	21	All the employees were deregistered from the CSD as to eliminate the possibility of trading with government.
Q2	12	All employees were deregistered on CSD.
Q3	3	All employees were deregistered on CSD.
Q4	3	All employees were deregistered on CSD.

5. CODE OF CONDUCT

The department has implemented an Ethics Strategy and Implementation Plan aimed at driving initiatives that promote positive behavioural conduct among its employees. Through this strategy, the department conducts province-wide awareness campaigns to educate and inspire employees about the importance of adhering to the code of conduct and code of ethics. These efforts are designed to foster a culture of professionalism within the workplace, encouraging employees to uphold high standards of ethical behaviour in all their professional activities. Throughout the financial year under review, the Department conducted a series of awareness sessions on the code of conduct and ethics.

These sessions were held in different districts and departmental institutions with the aim of promoting ethical and professional behaviour among employees. A total of 248 employees actively participated in these sessions, allowing for a direct influence on their conduct and attitudes within the workplace.

The purpose of these awareness sessions was to emphasize the importance of upholding ethical standards and to provide employees with the necessary knowledge and guidance to make informed decisions aligned with the department's code of conduct. By reaching a significant number of employees, the department made a tangible impact on fostering a culture of ethics and professionalism throughout the organization.

6. HEALTH AND SAFETY AND ENVIRONMENTAL ISSUES

In accordance with Section 8(1) of the Occupational Health and Safety Act 85 of 1993, it is a legal obligation for every employer to establish and maintain a safe working environment for their employees, taking reasonable measures to minimize risks. The Act further emphasizes the need for employers to conduct a thorough risk assessment of the workplace to identify and address potential health and safety hazards associated with each job. The department has diligently worked towards compliance with this Act and has successfully implemented a robust Occupational Health and Safety Governance Structure.

To comply with the Act, the department initiated the phase of risk mitigation based on the findings of the conducted risk assessment. Actions to mitigate identified risks were documented in Non-Conformance Registers (NCRs) for each district and assessed programs. These efforts aimed to address various health and safety risks present in the workplace, such as concerns related to the structural integrity of buildings, medical surveillance, management of personal protective equipment (PPE), electrical hazards, ventilation, lighting, stacking and storage, as well as hygiene practices.

The functioning of Health and Safety Committees in select districts played a significant role in monitoring the department's compliance with the Occupational Health and Safety Act. These committees were instrumental in identifying and addressing potential risks and hazards, thus contributing to the overall safety and well-being of employees.

Furthermore, the department successfully conducted an emergency drill in Joe Gqabi District to enhance staff preparedness and evaluate the effectiveness of the building's evacuation plan. This exercise aimed to promote a high level of emergency readiness and ensure that employees were familiar with the appropriate procedures in case of a crisis.

In addition, the department organised Occupational Health and Safety awareness sessions, which reached a total of 912 employees. These sessions served to increase employee knowledge and awareness regarding occupational health and safety practices, empowering them to actively contribute to a safer work environment.

By proactively addressing identified risks, conducting emergency drills, and raising awareness through targeted sessions, the department demonstrates its commitment to maintaining a safe and healthy work environment for its employees. Through these measures, the department endeavours to minimize potential hazards and promote the well-being and security of its workforce.

7. PORTFOLIO COMMITTEE

The Department conducted its Annual Report presentation to the Portfolio Committee on three separate occasions: 10th, 15th, and 18th November 2022. This approach allowed for comprehensive discussions and a thorough examination of the report's contents. Additionally, the Financial Oversight and Half-year reports were presented to the Committee on 24th November 2022, further providing a comprehensive overview of the Department's financial status and progress during the reporting period.

During these presentations, the Portfolio Committee raised several matters that warranted attention and action from the Department. These matters could have encompassed various areas such as financial management, program implementation, service delivery, or policy compliance. The Department, being committed to addressing these concerns, took proactive measures to resolve the issues raised.

FINDINGS	RECOMMENDATIONS	RESPONSES FROM DRDAR
a) There are still delays in the filling of vacant posts despite the high rate of unemployment and this negatively affects the state of service delivery.	The Department must prioritize the filling of vacancies for the enhancement of service delivery programmes as this Department is personnel driven. A plan to fasttrack the process must be submitted to the Committee within 30 days.	The recommendation is noted.
b) The Department still struggles to meet the 2% target of employing persons living with disabilities and the buildings utilised for offices are not conducive for such people.	A plan on how this challenge will be addressed to ensure that there is full compliance with Section 6 of the Employment Equity Act, 1998 must be submitted to the Committee within 30 days.	The Employment Equity Plan is in place. The Office Building Action Plan is in place.
c) The Department remains challenged with finalisation of organisational structure and this impacts negatively on the implementation of the departmental strategy.	The Department must within 30 days submit to the Committee a turnaround strategy with clear timeframes on how this challenge will be addressed.	The Department has appointed an external service provider to finalize the new organisational structure. In terms of the service level agreement between the Department and the service provider the exercise shall be finalized by 30 April 2023. The project plan for the Organizational Review is in place.
d) There is a concern that the condition of the Amatole District office building is not conducive for good working environment.	The Department must as a matter of urgency attend to all the challenges of the office buildings at Amatole District. A progress report must be submitted to the Committee within 30 days.	The management of the Department together with Employee Health and Wellness held engagements with staff with a view of finding workable solutions. Further, the MEC paid a visit to the office in question and held an engagement with the district management, and further toured
		the facility and visited almost each office in the building. The MEC has requested a meeting with her counterpart (MEC DPW&I), which will include the HODs and officials from both departments in order to find a resolution on this matter. As a result of these engagements the Landlord has started renovations in December 2022 in an attempt to fix all outstanding matters that were raised by the District personnel to make the environment conducive for work.

8. SCOPA RESOLUTIONS

The recently adopted SCOPA report provided a comprehensive review of the operations and activities of our department. The report, however, did not raise any questions or concerns regarding the department's performance, indicating its efficiency and efficacy in fulfilling its responsibilities. This unblemished review serves as a testament to the professionalism, meticulousness, and dedication exhibited by our team members. The fact that the SCOPA report did not include any inquiries or resolutions concerning our department testifies to our strict adherence to regulations and high standards. Moreover, the SCOPA report's positive feedback on our department's seamless performance and adherence to established protocols highlights our ability to contribute effectively to the overall objectives of the organization. This recognition not only affirms our department's commitment to transparency, and accountability but also showcases our dedication and unwavering commitment to the pursuit of excellence.

9. PRIOR MODIFICATION TO AUDIT REPORTS

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

10 INTERNAL CONTROL UNIT (ICU)

In the 2022-23 financial year, the Internal Control Unit diligently reviewed and monitored the implementation of the Audit Intervention Plan, which successfully addressed internal control deficiencies identified by the Office of the Auditor-General. The implementation of the Audit Intervention Plans was regularly submitted and reviewed monthly by the Provincial Treasury, resulting in the complete implementation of audit findings as of 31 March 2023. These plans were also shared with the Audit Committee and Risk Management Committee on a quarterly basis.

The Audit Intervention Plan is consistently included as an agenda item in the monthly Top Management meetings of the department. Ongoing enforcement of compliance with relevant regulations, laws, and treasury regulations, as well as periodic reviews of internal controls and maintenance of Financial BAS systems, continue to safeguard the department's payment processes and budget allocations across all programs. The departmental Information Systems have been effectively audited, leading to the acknowledgement of unqualified audit status for the past few years by the Office of the Auditor-General.

Thanks to the stringent controls implemented and bi-monthly awareness programs conducted by the Internal Control Unit for all head office and regional offices, no irregular expenditures have been identified since the 2018 financial year to date, and instances of fruitless and wasteful expenditures within the department have been minimal.

The department's approved Finance & Supply Chain Management Compliance Committee (FSCMCC) operates effectively, ensuring that its recommendations and decisions are promptly and successfully implemented. Monthly irregular, fruitless, and wasteful expenditure registers are reviewed in the Budget Advisory Committees (BAC). The unit also assists the Chief Financial Officer in coordinating the external audit processes of the department by submitting all requested information on Request for Information (RFIs) and Confirmation of Accuracy Forms (CoAFs) within 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 regard:

- 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.

12. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2023.

Background

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

Membership and attendance

The Audit Committee consists of the members listed hereunder and meets at least four times per annum as per its approved terms of reference. During the current year seven meetings were held. As set out in the Audit Committee Charter, paragraph 5.3 the committee co-opted a member due to lack of a quorum until the recruitment process of audit committee members was finalised. 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

Name	Qualifications	Internal or external	Chairperson/ Ordinary member	Date appointed	Expiry Date	No. of Meetings attended
Ms V Hlehliso	B. Tech: Internal Auditing FIISA, CIA, CCSA & BAP(SA)	External	Ordinary member	01 October 2021	N/A	7
Ms. T. Cumming	CA (SA)	External	Co-opted member	25 May 2022	30 August 2022	3
Mr L Mabombo	B.Comm (Accounting)	External	Ordinary member	01 August 2022	N/A	4
Mr S Mketsu	Certificate in Arbitration Admission as an Attorney Bachelor of Laws (LLB) Diploma in Public Relations	External	Ordinary member	01 August 2022	N/A	4
Ms. N. Parker	ND: Business Management B. Tech: Business Administration	External	Ordinary member	01 August 2022	N/A	4
	Master's Degree: Business Administration					

Audit Committee Responsibility

The Audit Committee reports that it has complied with the responsibilities arising from Section 38 (I) (a) (ii) of the Public Finance Management Act and Treasury Regulation 3.1. The Committee also reports that it has adopted an appropriate formal Terms of Reference as its Audit Committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The Effectiveness of Internal Control

In line with PFMA and King 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.

The quality of in year management and monthly/quarterly reports submitted in terms of the PFMA and the Division of Revenue Act

The Audit Committee is satisfied with the content as well as the quality of quarterly performance reports and continues to make recommendations for improvement.

Evaluation of Financial Statements and Annual Performance Report

The Audit Committee has reviewed the annual financial statements and annual performance report prepared by the department.

Internal Audit

The External Quality Assurance (QAR) results of the IAA for the Eastern Cape Department of Rural Development Agrarian Reform (DRDAR) as conducted by PricewaterhouseCoopers Incorporated (PWC) have awarded DRDAR's IIA to Generally Conforms to the International Standards Professional Practice of Internal Auditing (ISPIIA Standards). This is the most positive rating.

Furthermore, the Audit Committee evaluated the Internal Audit Activity's performance with an overall scoring percentage result as good. The Internal Audit Activity (IAA) 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 2022 to 31 March 2023 covering the following key audit activities:

Type	Total Planned Audits	Total Completed
Regularity and Compliance Audits	4	4
Risk Based Audits	6	3
Information Technology Audits	1	1
Ad hoc audits	-	-
Follow ups	3	3
TOTAL	14	11

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

Finance Annual Financial Statements Transfer Payments Asset Management Review implements) Fleet Management Review (tractors and	Core Business Conditional Grants Comprehensive Agricultural Support Programme (CASP)
Administration Performance Information Annual Report Risk Management Information Technology audit	Follow ups Food Security Research and Technology Development EPWP

The following audits were deferred to the next financial year;

- Project management,
- Management of Leases, and
- Land Use Management.

The areas for improvement, as noted by Internal Audit during the performance of their work, were agreed to by management. The Audit Committee continues to monitor the implementation of agreed actions on a quarterly basis.

Risk Management

The Head of Department established the Risk Management Committee (RMC) to exercise oversight responsibilities, as set out in the approved RMC Charter. The RMC is chaired by an external Chairperson who brings valuable experience in Governance matters to the Committee. The RMC reviewed the risk management processes during the year. The following policy related documents on Risk Management were reviewed and approved: Risk Management Policy and Framework; Risk Management Strategy, Risk Management Committee Charter, and Risk Management Implementation Plan.

The province conducted the Risk Maturity assessment/ review through the Institute of Risk Management (IRM-SA) to identify the opportunities for improvement in the existing ERM programme and to provide practical advice and assistance in the enhancement of the ECPT's ERM Maturity towards a risk intelligent organisation. The ECPG's approach to Risk Management falls mostly in "Fragmented: stage on an overall assessment score of 2,5 out of 5; with DRDAR on a "Top down" risk maturity stage at a score of 2,5.

There is no Business Continuity Management and Risk Appetite and Tolerance Framework as they are yet to be developed and approved. The Provincial Treasury is assisting with the development and training on the two areas. 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 ICT Governance Committees, however, improvement is needed in terms of the structured and continued sitting of the internal governance committees (ICT, OHS and Ethics committees).

The Audit Committee is concerned that there has been little movement in terms of implementing risk mitigation strategies, but the Head of Department committed management of the Department to comply with all relevant Corporate Governance processes and align their risks to their budget bearing in mind the available resources at hand, in order to commit on a more realistic action plans and timeframes in response to the identified risks so that they do not hinder the achievements of objectives. This has affected optimal performance and governance in the department and this needs to be resolved with a matter of urgency.

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.

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 none reporting of cases via the national anti-corruption hotline has been observed and the department was advised to investigate to establish if employees and external stakeholders are aware of the hotline and to review their reporting channels if they are adequate or not.

ICT Governance

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.

Auditor-General South Africa

The Audit Committee met with the Auditor General of South Africa to discuss the Audit Strategy at the commencement of the audit. The Committee concurs and accepts the audit report for the year ended 31 March 2023.

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.



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Ms L. Smith

Audit Committee Chairperson Eastern Cape Department of Rural Development and Agrarian Reform

31 July 2023

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	Re- sponse 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's focus is primarily on supporting farming communities to achieve economic viability rather than engaging in direct economic activities.
Developing and implementing a preferential procurement policy?	Yes	The Supply Chain Management Policy aligns 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 utilizes state-owned enterprises as service providers and does not engage in sales activities.
Developing criteria for entering into partnerships with the private sector?	No	Furthermore, there are no Public-Private Partnerships established by the department.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	Yes	The evaluation of procurement bids considers BB-BEE levels as part of the process.



PART D

HUMAN RESOURCE MANAGEMENT



I. INTRODUCTION

The primary responsibility of the department's Human Resource Chief Directorate is to oversee the nurturing and support of the department's most valuable asset: its human capital. This is achieved through the development and management of programs, policies, and procedures that promote a positive work environment and effective employee-employer relations. The chief directorate plays a crucial role in ensuring that the department's workforce is well taken care of and provided with the necessary resources to thrive.

2. OVERVIEW OF HUMAN RESOURCES

DRDAR's Human Resource Planning endeavours to leverage the current strengths of the workforce while further cultivating a highly professional workforce. The Department recognises the critical role of managing the workforce, aligning their performance with institutional values, principles, and standards that drive success. Employees are viewed as a fundamental pillar in accomplishing the Department's strategic objectives. Thus, human resource planning aims to ensure a continuous presence of the right individuals, possessing the appropriate skills, in the suitable positions, at the optimal times, consistently. The focus is on maintaining an effective workforce that contributes to the Department's overall success.

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.	To enhance service delivery, the department recognizes the importance of having an appropriate organizational structure and systems in place. These structures and systems are designed to optimize efficiency, coordination, and communication within the department, ultimately leading to improved service provision.
2.	To build an appropriately sized, adequately competent and sufficiently skilled human capital that will enhance service delivery.	A key factor in achieving departmental performance is maintaining a skilled workforce. The department acknowledges the need for highly competent and capable employees who possess the necessary knowledge and expertise to carry out their roles effectively. By investing in training, professional development, and continuous learning opportunities, the department aims to cultivate a workforce that is equipped to meet the demands of their respective positions and contribute to overall organisational success.
3.	Institutionalisation of Batho Pele and a culture of high performance.	Creating a high-performing and motivated workforce is another priority for the department. By fostering a positive work environment, providing recognition and rewards for exceptional performance, and promoting a culture of employee engagement and satisfaction, the department strives to enhance motivation levels among its staff members. This, in turn, leads to increased productivity, innovation, and overall departmental success.
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.	Recognizing the need to address critical and scarce skills gaps, the department is committed to increasing the supply of such skills within its workforce. By implementing targeted recruitment strategies, partnering with educational institutions, and offering incentives to attract individuals with specialized skills, the department aims to ensure it has the necessary expertise to effectively deliver its services.

No	HR Priority	Impact
5.	Implement systems that will ensure preservation of institutional memory through knowledge management processes.	Preserving institutional memory is crucial for the department's continued success. By documenting processes and procedures, the department ensures that valuable knowledge and expertise are retained even when individual employees transition out of their roles. This documentation serves as a resource for current and future staff, promoting consistency and efficiency in departmental operations.
6.	To design and implement Diversity Management strategies to address gaps identified in the following areas: - gender - racial demographics; and - people with disabilities.	Promoting diversity within the organization is recognized as a means to increase the quality of performance. The department values the inclusion of employees from diverse backgrounds, experiences, and perspectives. Embracing diversity fosters creativity, innovation, and a wider range of ideas and solutions, ultimately leading to improved performance outcomes. The department is committed to fair representation of people with disabilities in the workplace. By creating an inclusive environment, providing reasonable accommodations, and implementing supportive policies and practices, the department aims to ensure that individuals with disabilities have equal opportunities for employment and career advancement.
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.	Addressing poor performance due to absenteeism is a priority for the department. By implementing measures to reduce absenteeism, such as promoting employee wellness, providing flexible work arrangements when possible, and implementing appropriate disciplinary procedures, the department aims to improve overall performance and productivity.
8.	Implementation of Health and Safety policies and processes to promote safety of employees in the department.	Ensuring a safe and healthy work environment is essential to reduce the risk of disease transmission and occupational hazards within the department. By implementing appropriate health and safety measures, providing necessary training and resources, and regularly monitoring and assessing risks, the department aims to safeguard the well-being of its employees.
9.	Implementation of processes to ensure efficient and effective management of Labour Relations matters to reduce litigations and foster healthy employee/ employer relations.	To ensure compliance with labour relations legislation and policies, the department aims to have a well-capacitated workforce. By providing training and resources on applicable policies, procedures, and legislation, employees are equipped with the necessary knowledge and skills to effectively navigate labour relations issues.
10.	To automate business processes through leveraging ICT innovation.	Streamlining and automating HR processes is a priority for the department to improve efficiencies. By leveraging technology and implementing efficient HR systems, the department aims to reduce administrative burdens, optimize processes, and improve overall HR service delivery.
11.	To implement HR Analytics for effective decision-making processes.	The department recognizes the importance of staying informed about HR trends and developments. By monitoring and analysing HR trends, the department can provide valuable insights and advice to decision-makers, enabling informed and strategic decision-making related to human resources.

Challenges faced by the Department

- a) The department is still facing difficulties in finalising its organizational structure, which is affecting the implementation of its strategic plans.
- b) There is a significant shortage of critical skills in disciplines such as Veterinary Science, Agricultural Engineering, and Specialized Agricultural Sciences.
- c) While the department is making efforts to meet the targets set by the Employment Equity Act, attracting individuals with disabilities remains a challenge.
- d) The buildings used by the department to house its employees do not comply with Occupational Health and Safety (OHS) standards and do not provide suitable accessibility for individuals with physical disabilities.

Future HR plans / goals

The primary responsibility of the Department's Human Resource Chief Directorate is to ensure the effective management and development of its human capital, which is considered its most valuable asset. This involves creating and implementing programs, policies, and procedures that foster a positive work environment and promote strong employee-employer relations.

Specific areas of focus for the Human Resource Chief Directorate include:

- a) Designing an organisational structure that aligns with the department's service delivery model, providing a clear framework for the nature, scope, and level of work involved in providing agriculture and rural development services.
- b) Building a workforce that is appropriately sized, highly competent, and adequately skilled to enhance service delivery. This includes implementing strategies to address skills gaps and shortages, particularly in occupational classifications such as Specialist Agricultural Scientists, Veterinarians, and Agricultural Engineers.
- c) Emphasising the integration of Fourth Industrial Revolution (4IR) technology within HR practices and the overall work environment. This includes leveraging technology for improved recruitment processes and performance management.
- d) Developing and implementing Diversity Management strategies to address identified gaps and ensure compliance with the legislative framework related to Employment Equity. A particular focus is placed on attracting individuals with disabilities to promote inclusivity and diversity within the department.
- e) Implementing Health and Safety policies and processes to prioritize the safety and well-being of employees in the department. This involves creating a culture of safety and adhering to established protocols and regulations.

By addressing these key areas, the Human Resource Chief Directorate contributes to the overall effectiveness and success of the department in achieving its goals and objectives.

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 2022 and 31 March 2023

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	474 124	314 492	688	-	66	488
Sustainable resource manage	131 532	92 221	546	-	70	649
Farmer support & development	821 864	373 341	1 514	-	45	627
Veterinary services	337 845	278 770	-	-	83	483
Research & techno development services	131 706	108 850	-	-	83	409
Agricultural economics services	34 519	32 131	-	-	93	730
Structured agriculture education & train	180815	83217	7 038	-	46	468
Rural development coordination	2 066 678	17 870	-	-	9	662
TOTAL	2 319 083	1 300 892	9 786	-	57%	526

Table 3.1.2 Personnel costs by salary band for the period 1 April 2022 and 31 March 2023

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)	61 724	3	386	160
Skilled (level 3-5)	120 376	7	375	321
Highly skilled production (levels 6-8)	558 543	30	1 210	462
Highly skilled supervision (levels 9-12)	485 023	26	458	1059
Senior and Top management (levels 13-16)	54 415	3	45	1209
Abnormal Appointments	20 811	1	-	-
TOTAL	1 300 892	71%	2 474	526

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2022 and 31 March 2023

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	214 803	68	527	0,2	12 563	4	18 244	6
Sustainable resource management	59 485	65	297	0,3	3 086	3	4 156	5
Farmer support & development	254 806	68	1 211	0,3	10 710	3	19 084	5
Veterinary services	191 958	69	278	0,1	9 186	3	13 937	5
Technology research & development services	73 103	67	2 462	2,3	5 110	5	6 053	6
Agricultural economics	22 452	70	15	0,1	822	3	1 314	4
Structured agricultural training	57 679	69	996	1,2	3 299	4	3 991	5
Rural development coordination	11 931	67	-	-	524	3	763	4
TOTAL	886 217	68%	5 786	0,4%	45 300	3%	67 542	5%

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2022 and 31 March 2023

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)	34 795	56	1 544	3	5 498	9	7 186	12
Skilled (level 3-5)	79 926	66	1 982	2	7 688	6	10 191	8
Highly skilled production (levels 6-8)	382 622	69	1 255	0,2	19 331	3	34 363	6
Highly skilled supervision (levels 9-12)	340 339	70	1 005	0,2	10 671	2	15 398	3
Senior management (level 13-16)	41 048	75	-	-	2 112	3	404	1
Abnormal Appointment	7 487	36	-	-	-	-	-	-
Total	886 217	68	5 786	0,4	45 300	3%	67 542	5%

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 2023

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Programme 1	753	645	14	-
Programme 2	163	142	13	5
Programme 3	637	595	7	53
Programme 4	607	577	5	-
Programme 5	291	266	9	-
Programme 6	44	44	0	-
Programme 7	190	178	6	4
Programme 8	29	27	7	-
TOTAL	2 714	2 474	9%	62

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2023

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (1-2)	414	386	7	1
Skilled (3-5)	407	375	8	-
Highly skilled production (6-8)	1 320	1 210	8	56
Highly skilled supervision (9-12)	520	458	12	5
Senior management (13-16)	53	45	15	-
TOTAL	2 714	2 474	9%	62

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2023

Critical Occupations	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Artisans	35	30	14	-
Agriculture advisors	605	578	4	55
Animal Health Technicians	332	320	4	-
Engineering Technicians	19	14	26	-
Engineers	12	5	58	5
Community health workers	183	183	-	-
Scientist	34	29	15	-
Scientific Technicians	32	30	6	-
State Veterinarian Technologist	19	17	11	-
State Veterinarians	30	27	10	-
TOTAL	1301	1233	5%	60

3.3 Filling of SMS Posts

Table 3.3.1 SMS post information as on 31 March 2023

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	-	-
Salary Level 16 (Head of Department)	1	1	100	-	-
Salary Level 15	2	2	100	-	-
Salary Level 14	12	8	67	4	33
Salary Level 13	39	33	85	6	15
TOTAL	55	45	82%	10	18%

Table 3.3.2 SMS post information as on 30 September 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	1	100	-	-
Salary Level 16(Head of Department)	1	1	100	-	-
Salary Level 15	2	2	100	-	-
Salary Level 14	12	10	83	2	17
Salary Level 13	44	35	77	9	20
TOTAL	60	49	82%	11	18%

Table 3.3.3: Advertising and filling of SMS posts for the period 1 April 2022 and 31 March 2023

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	2	-	-
Salary Level 13	9	-	2
TOTAL	11	-	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 2022 and 31 March 2023

Reasons for vacancies not advertised within six months

All vacant posts were advertised within six (6) months.

Reasons for vacancies not filled within twelve months

No suitable candidates due to poor response to advert.

Reasons for vacancies not advertised within six months

All vacant posts were advertised within six (6) months.

Reasons for vacancies not filled within six months

All vacant posts were advertised within six (6) months.

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 2022 and 31 March 2023

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)	414	-	-	84	20	-	-
Skilled (3-5)	407	-	-	-	-	-	-
Highly skilled production (6-8)	1320	-	-	-	-	-	-
Highly skilled supervision (9-12)	520	-	-	-	-	-	-
Senior management (13-16)	53	-	-	-	-	-	-
TOTAL	2714	-	-	84	3		-

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 2022 and 31 March 2023

Gender	African	Asian	Coloured	White	Total
Female	38	-	-	-	38
Male	44	-	2	-	46
TOTAL	82	-	2	-	84

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 2022 and 31 March 2023

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 2022 and 31 March 2023

Gender	African	Asian	Coloured	White	Total
Female	-	-	-	-	-
Male	-	-	-	-	-
Total	-	-	-	-	-
Employees with a disability	-	-	-	-	-

Total number of Employees whose salaries exceeded the grades determined by job evaluation

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 2022 and 31 March 2023

Salary Band	Number of employees at beginning of period 1 April 2022	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Lower skilled (Levels 1-2)	406	9	4	1
Skilled (Levels 3-5)	296	112	51	17
Highly skilled production (Levels 6-8)	1 263	70	72	6
Highly skilled supervision (Levels 9-12)	451	33	52	12
Senior Management S(13-16)	48	3	6	13
Interns	129	-	93	72
TOTAL	2 593	227	278	11

Table 3.5.2: Annual turnover rates by critical occupation for the period 1 April 2022 and 31 March 2023

Critical Occupation	Number of employees at beginning of period (1 April 2022)	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Artisans	31	2	3	10
Agriculture advisors	519	31	11	2
Animal Health Technicians	297	-	16	5
Engineering Technicians	23	-	1	4
Engineers	12	1	3	25
Community Animal Health workers	81	89	7	9
Scientist	34	-	2	6
Veterinary Public health officials	24	-	1	4
Scientific Technicians	58	-	3	5
State Veterinarian Technologist	13	-	-	-
State Veterinarians	34	2	3	9
TOTAL	1 126	125	50	4

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 2022 and 31 March 2023

Termination Type	Number	% of Total Terminations
Death	14	5
Resignation	105	38
Expiry of contract	44	16
Dismissal – operational changes	-	-
Dismissal – misconduct	2	1
Dismissal – inefficiency	1	0
Discharged due to ill health	2	1
Retirement	93	33
Transfers to other Public Service Departments	17	6
TOTAL	278	100%
Total number of employees who left as a % of total employment	11	

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 2022 and 31 March 2023

Occupation	Employees (1 April 2022)	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progres- sion as a % of employees by occupation
Artisans	31	-	-	17	55
Agriculture advisors	519	3	0,6	225	43
Animal Health Technicians	297	1	0,3	163	55
Engineering Technicians	23	-	-	22	96
Engineers	12	-	-	8	67
Community animal health workers	81	-		49	60
Scientist	34	-	-	50	147
Vet public health officers	24	-	-	12	50
Scientific Technicians	58	-	-	1	2
State Veterinarian Technologist	13	-	-	5	38
State Veterinarians	34	-	-	18	53
TOTAL	1 126	4	0,4	570	51

3.5.5: Table Promotions by salary band for the period 1 April 2022 and 31 March 2023

Salary Band	Employees (1 April 2022)	Promotions to another salary level	Salary bands promotions as a % of employ- ees by salary level	Progressions to another notch within a salary level	Notch pro- gression as a % of employ- ees by salary band
Lower skilled (Levels 1-2)	406	-	-	187	46
Skilled (Levels 3-5)	296	26	9	276	93
Highly skilled production (Levels 6-8)	1 263	19	2	469	37
Highly skilled supervision (Levels 9-12)	451	3	1	282	63
Senior management (Levels 13-16)	48	-	-	-	-
Other (Interns)	129	-	-	-	-
TOTAL	2 593	48	2	1 214	47

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 2023

Occupational Category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Professionals	286	2	-	8	284	4	1	13	598
Technicians & Associate Professionals	531	6	-	14	425	5	1	13	995
Labourers & Related Workers	205	4	-	-	211	2	-	-	422
Plant & Machine Operators & Assemblers	30	-	-	-	2	-	-	-	32
Service & Sales Workers	16	2	-	-	9	-	-	-	27
Clerks	76	3	-	1	238	9	1	9	337
Senior Managers	11	-	-	1	20	1	1	-	34
Craft, Related Trade Workers	27	1	-	-	1	-	-	-	29
TOTAL	1 182	18	0	24	1 190	21	4	35	2 474
Employees with disabilities	10	1	-	-	16	-	-	-	27

Table 3.6.2: Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2023

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	4	-	-	1	7	-	-	-	12
Senior Management	13	1	-	-	17	-	1	1	33
Professionally qualified and experienced specialists and mid-management	335	3	-	20	223	2	2	15	600
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	461	5	-	3	579	9	1	18	1076
Semi-skilled and discretionary decision making	292	10	-	-	236	6	-	1	545
Unskilled and defined decision making	77	-	-	-	128	2	-	-	207
Intern	-	-	-	-	1	-	-	-	1
TOTAL	1 182	19	0	24	1 191	19	4	35	2474

Table 3.6.3: Recruitment for the period 1 April 2022 to 31 March 2023

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management	3	-	-	-	-	-	-	-	3
Professionally qualified, experienced specialists & mid-management	16	-	-	-	16	-	-	1	33
Skilled technical, and academically qualified workers, junior management, supervisors, foremen	34	-	-	-	35	-	-	1	70
Semi-skilled and discretionary decision making	51	-	-	-	60	1	-	-	112
Unskilled and defined decision making	1	-	-	-	8	-	-	-	9
TOTAL	105	-	-	-	119	1	-	2	227
Employees with disabilities	2	-	-	-	1	-	-	-	3

Table 3.6.4: Promotions for the period 1 April 2022 and 31 March 2023

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	-	-	-	-	-	-	-	-	-
Senior Management	-	-	-	-	-	-	-	-	-
Professionally qualified, experienced specialists & mid-management	4	-	-	-	-	-	-	-	4
Skilled technical & academically qualified workers, junior management, supervisors, foremen	3	-	-	-	13	1	1	1	19
Semi-skilled and discretionary decision making	8	-	-	-	17	-	-	-	25
Unskilled and defined decision making	-	-	-	-	-	-	-	-	-
TOTAL	15	-	-	-	30	1	1	1	48
Employees with disabilities	-	-	-	-	1	-	-	-	-

Table 3.6.5: Terminations for the period 1 April 2022 and 31 March 2023

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management	2	-	1	-	3	-	-	-	6
Professionally qualified and experienced specialists and mid-management	37	-	-	1	12	1	-	1	52
Skilled technical, academically qualified workers, junior management, supervisors, foremen	26	-	-	-	44	1	-	1	72
Semi-skilled & discretionary decision making	33	1	-	-	17	-	-	-	51
Unskilled & defined decision making	3	1	-	-	-	-	-	-	4
Interns	41	-	-	-	52	-	-	-	93
TOTAL	142	2	1	1	128	2	0	2	278
Employees with disabilities	-	-	-	-	-	-	-	-	-

Table 3.6.6: Disciplinary action for the period 1 April 2022 and 31 March 2023

Disciplinary Action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	-	-	-	-	-	-	-	-	-
Senior Management	-	-	-	-	-	-	1	-	1
Professionally qualified and experienced specialists and mid-management	-	-	-	-	3	-	-	-	3
Skilled technical and academically qualified workers, junior management, supervisors, foremen	2	-	-	-	3	-	-	-	5
Semi-skilled and discretionary decision making, Permanent	4	-	-	-	-	-	-	-	4
Unskilled and defined decision making	8	-	-	-	1	-	-	-	9
TOTAL	14	-	-	-	7	-	1	-	22
Employees with disabilities	-	-	-	-	-	-	-	-	-

Table 3.6.7: Skills development for the period 1 April 2022 and 31 March 2023

Occupational Categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	11	1	-	1	20	-	-	1	34
Professionals	286	2	-	8	279	4	1	13	593
Technicians and associate professionals	531	6	-	14	425	5	1	13	995
Clerks	76	3	-	1	243	9	1	9	342
Service and sales workers	16	2	-	-	9	-	-	-	27
Craft and related trades workers	27	1	-	-	1	-	-	-	29
Plant and machine operators and assemblers	30	-	-	-	2	-	-	-	32
Elementary occupations	205	2	-	-	211	4	-	-	422
TOTAL	1 182	17	0	24	1 190	22	3	36	2 474
Employees with disabilities	10	1	-	-	16	-	-	-	27

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 2023

SMS Level	Total number of funded SMS posts	Total number of SMS members	Signed agreements	Signed performance agreements as a %
Executive authority	1	1	1	100
Head of Department	1	1	1	100
Salary level 15	2	2	1	50
Salary level 14	12	8	7	88
Salary level 13	44	33	30	91
Total	60	45	40	89

Table 3.7.2: Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2023

Two (2) SMS members were on temporary incapacity leave at the beginning of the financial year and therefore could not contract. Three (3) new SMS appointments were effected during the course of the financial year.

Table 3.7.3: Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2023

Reasons
None.

3.8 Performance Rewards

Table 3.8.1: Performance Rewards by race, gender and disability for the period 1 April 2022 and 31 March 2023

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	631	1189	53	3 136 836	4 971
African, Male	529	1182	45	2 804 322	5 301
Asian, Female	2	4	50	25 926	12 963
Asian, Male	-	-	-	-	-
Coloured, Female	13	20	65	79 650	6 127
Coloured, Male	8	19	42	23 709	2 964
White, Female	17	35	49	122 151	7 185
White, Male	14	25	56	179 331	12 809
Employees with a disability	12	27	44	73 572	6 131
TOTAL	1 214	2 474	49%	6 371 925	5 249

Table 3.8.2: Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2022 and 31 March 2023

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	Cost (R'000)	Average Cost per employee (R)	
Lower Skilled (Levels 1-2)	187	386	48%	316 947	1 695	5%
Skilled (Levels 3-5)	276	375	74%	704 403	2 552	11%
Highly Skilled Production (Levels 6-8)	469	1210	39%	2 411 832	5 142	38%
Highly Skilled Supervision (Levels 9-12)	282	458	62%	2 938 743	10 421	46%
TOTAL	1214	2429	50%	6 371 925	5 249	100%

Table 3.8.3: Performance Rewards by critical occupation for the period 1 April 2022 and 31 March 2023.

Critical Occupations	Beneficiary Profile			Cost	
	Number of Beneficiaries	Number of employees	% of Total within occupation	Cost (R'000)	Average Cost per employee
Artisans	17	31	55	86 668	5 098
Agriculture advisors	225	471	48	1 209 639	5 376
Animal Health Technicians	66	229	29	365 559	5 539
Engineering Technicians	22	30	73	149 847	6 811
Engineers	8	11	73	124 259	15 532
Meat Inspectors	13	22	59	78 527	6 041
Scientist	42	63	67	480 109	11 431
Scientific Technicians	1	30	3	13 276	13 276
State Veterinarian Technologist	4	7	57	23 685	5 921
State Veterinarians	20	26	77	239 738	1 987
TOTAL	418	920	45%	2 771 306	6 630

Table 3.8.4: Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2022 and 31 March 2023

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	-	-	-	-	-	-
Band B	-	-	-	-	-	-
Band C	-	-	-	-	-	-
Band D	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-

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 2022 and 31 March 2023

Salary Band	1 April 2022		31 March 2023		Change	
	Number	% of total	Number	% of total	Number	% Change
Highly skilled production (Levels 6-8)	-	-	2	15	2	14
Highly skilled supervision (Levels 9-12)	12	92	11	85	11	79
Senior management (Levels 13-16)	1	8	1	-	1	0
TOTAL	13	100%	14	100%	14	92%

Table 3.9.2: Foreign workers by major occupation for the period 1 April 2022 and 31 March 2023

Major Occupation	01 April 2022		31 March 2023		Change	
	Number	% of total	Number	% of total	Number	% Change
Professionals and managers	12	100	11	85	1	9
Technicians and associated professionals	-	-	2	15	2	100
TOTAL	13	100%	13	100%	3	23

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 2022 to 31 December 2022

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)	1 669.5	87.45%	189	17.90%	9	992
Skilled (Levels 3-5)	1813	88.25%	185	17.52%	10	1 630
Highly skilled production nm(Levels 6-8)	3 284	89.89%	388	36.74%	8	5 551
Highly skilled supervision (Levels 9-12)	2 153	89.30%	271	25.66%	8	6 393
Top and Senior management (Levels 13-16)	241	94.61%	21	1.99%	11	1 188
Other	15	100%	2	0.19%	8	5
TOTAL	9 176	89.12%	1056	100%	9	15 759

Table 3.10.2: Disability leave (temporary and permanent) for the period 1 January 2022 to 31 December 2022

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)	23	100%	1	4.55%	23	14
Skilled (Levels 3-5)	143	100%	3	13.64%	48	209
Highly skilled production (Levels 6-8)	542	100%	9	40.91%	60	1066
Highly skilled supervision (Levels 9-12)	284	100%	6	27.27%	47	460
Senior management (Levels 13-16)	338	100%	3	13.64%	113	706
TOTAL	1 330	100%	22	100%	60	2 455

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 2022 to 31 December 2022

Salary Band	Total days taken	No of Employees using annual leave	Average per employee
Lower Skilled (Levels 1-2)	4 994.76	285	18
Skilled (levels 3- 5)	7 702.17	401	19
Highly skilled production(levels 6-8)	20 859.25	999	21
Highly skilled (Levels 9-12)	11 953.25	564	21
Senior management (Levels 13-16)	860	47	18
Interns (Abnormal)	106	16	7
Total	46 475.43	2 312	20

Table 3.10.4: Capped leave for the period 1 January 2022 to 31 December 2022

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 2022)
Lower Skilled (Levels 1-2)	-	-	-	-
Skilled (Levels 3-5)	9.5	3	3.17	-
Highly skilled production (Levels 6-8)	56	6	9.33	23.41
Highly skilled supervision (Levels 9-12)	5	1	5	58.53
Senior Management (Level 13-16)	0	0	0	58.53
TOTAL	70.5	10	7.05	13.01

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 2022 and 31 March 2023

Reason	Total Amount (R'000)	Number of Employees	Average per Employee (R'000)
Annual Discounting with resignation (workdays)	460	17	27.05
Annual - Discounting: unused vacation credits (work days)	228	1	228
Gratuity: Death/Retirements/Medical Retirements (Work days)	-	-	-
Capped - Gratuity: Death/Retirement/Medical Retirement (Work days)	-	-	-
TOTAL	688	18	36.21

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.	Education sessions for employees conducted through awareness sessions, distribution of leaflets and pamphlets and commemoration of the World Aids Day. Health screenings conducted quarterly.

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 III of the Public Service Regulations, 2016 as amended? If so, provide her/his name and position.	✓		Chief Director: Corporate Services Ms. Nokubonga 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.	✓		1 Deputy Director, 2 Assistant Directors, 7 Practitioners and 1 Admin Clerk. Budget: R353.428 for 2022/23
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.	✓		HIV Awareness and Screenings Awareness sessions on Gender Based Violence Awareness on Multiple and Concurrent Partners
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.	✓		a. Chief Director: Veterinary Services b. Chief Director: SCM c. Chief Director: District Coordination d. Chief Director: Research e. Chief Director: Institution Capacitation f. Chief Director: Corporate Services g. Director: Budget Planning & Reporting h. Director: Corporate Advisory Services i. Director: Engineering j. Director: Office Services k. District Directors x (6) l. Principal: TARDI m. Deputy Director: Labour Relations n. Deputy Director: EHW o. SHE REPS presented by 6 x EHW District Coordinators p. Employee Representative: PSA q. Employee Representative: NEHAWU r. Employee Representative: SASAWU s. Advisor: Health and Safety Officer of the Department
5. Has the Department reviewed the employment policies and practices of your department to ensure that these do not unfairly discriminate against employees based on their HIV status? If so, list the employment policies/practices so reviewed.	✓		HIV, TB and STI 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.	✓		HIV, TB and STI Policy promotes non-discrimination of employees. Human rights awareness sessions

Question	Yes	No	Details, if yes
7. Does the Department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	✓		187 employees participated in VCT
8. Has the Department developed measures/indicators to monitor & evaluate the impact of your health promotion programme? If so.		✓	

3.12 Labour Relations

Table 3.12.1: Collective agreements for the period 1 April 2022 and 31 March 2023

Subject matter	Date
-	-

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

Total number of collective agreements	None
---------------------------------------	------

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

Table 3.12.2: Misconduct and disciplinary hearings finalised for the period 1 April 2022 and 31 March 2023

Outcomes of disciplinary hearings	Number	Percentage % of Total
Correctional counselling	-	-
Verbal warning	-	-
Written warning	3	19
Final written warning	3	19
Suspended without pay	5	31
Fine	-	-
Demotion	-	-
Dismissal	3	19
Not guilty	-	-
Case withdrawn	2	13
Total	16	100%

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

Total number of disciplinary hearing finalised	16
--	----

Table 3.12.3: Types of misconduct addressed at disciplinary hearings for the period 1 April 2022 and 31 March 2023

Type of misconduct	Number	Percentage % of Total
Alleged Fraud	5	16
Absence Without Authority	16	50
Alleged poor work performance	-1	-
Misuse of Govt. vehicles	2	6
Wilful damage or negligence of government property	1	3
Alleged Financial Mismanagement	-	-
Alleged Assault	1	3
Alleged Insubordination	4	13
Alleged under influence of alcohol	2	6
Theft	1	3
TOTAL	32	100%

Table 3.12.4: Grievances logged for the period 1 April 2022 and 31 March 2023

Grievances	Number	% of Total
Number of grievances resolved	26	41
Number of grievances not resolved	38	59
Total number of grievances lodged	64	100%

Table 3.12.5: Disputes logged with Councils for the period 1 April 2022 and 31 March 2023

Disputes	Number	% of total
Number of disputes upheld	21	100
Number of disputes dismissed	-	-
Total number of disputes lodged	21	100

Table 3.12.6: Strike actions for the period 1 April 2022 and 31 March 2023

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 2022 and 31 March 2023

Number of people suspended	2
Number of people whose suspension exceeded 30 days	2
Average number of days suspended	203 days
Cost (R'000) of suspensions	864

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 2022 and 31 March 2023

Occupational Categories	Gender	Number of employees as at 1 April 2022	Training needs identified at the start of the reporting period			Total
			Learnerships	Skills Pro-grammes & other short courses	Other forms of training	
Legislators, senior officials and managers	Female	28	-	13	-	13
	Male	20	-	12	-	12
Professionals	Female	275	-	10	6	16
	Male	272	-	50	7	57
Technicians and associate professionals	Female	413	-	125	13	138
	Male	534	-	109	-	109
Clerks	Female	292	-	210	-	210
	Male	105	-	153	-	153
Service and sales workers	Female	38	-	0	-	0
	Male	55	-	0	-	0
Craft and related trades workers	Female	1	-	0	-	0
	Male	21	-	0	-	0
Plant and machine operators and assemblers	Female	2	-	0	-	0
	Male	26	-	0	-	0
Elementary occupations	Female	181	-	30	-	30
	Male	201	-	24	-	24
Sub totals	Female	1 230	-	388	19	407
	Male	1 234	-	348	7	355
Total		2 464	-	736	26	762

Table 3.13.2: Training provided for the period 1 April 2022 and 31 March 2023

Occupational Categories	Gender	Number of employees as at 1 April 2022	Training provided within the reporting period			Total
			Learnerships	Skills Programmes & other short courses	Other forms of training	
Legislators, senior officials and managers	Female	28	-	16	-	16
	Male	20	-	16	-	16
Professionals	Female	275	-	15	6	21
	Male	272	-	55	7	62
Technicians and associate professionals	Female	413	-	117	13	130
	Male	534	-	94	-	94
Clerks	Female	292	-	267	-	267
	Male	105	-	157	-	157
Service and sales workers	Female	38	-	-	-	0
	Male	55	-	-	-	0
Craft and related trades workers	Female	1	-	-	-	0
	Male	21	-	-	-	0
Plant and machine operators and assemblers	Female	2	-	-	-	0
	Male	26	-	-	-	0
Elementary occupations	Female	181	-	60	-	60
	Male	201	-	54	-	54
Sub Gender Totals	Female	1 230	-	475	19	494
	Male	1 234	-	376	07	383
Total		2 464	-	851	26	877

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 2022 and 31 March 2023

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

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:

- The rendering of expert advice;
- The drafting of proposals for the execution of specific tasks; and
- 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 2022 and 31 March 2023

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 2022 and 31 March 2023

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 2022 and 31 March 2023

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 2023 and 31 March 2023

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 2023 and 31 March 2023

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

PFMA COMPLIANCE REPORT

I. IRREGULAR, FRUITLESS AND WASTEFUL, UNAUTHORISED EXPENDITURE AND MATERIAL LOSSES

I.1 Irregular expenditure

a) Reconciliation of irregular expenditure

Description	2022/23	2021/2022
	R'000	R'000
Opening balance	-	-
Add: Irregular expenditure confirmed	-	-
Less: Irregular expenditure condoned	-	-
Less: Irregular expenditure not condoned and removed	-	-
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recovered and written off	-	-
Closing balance	-	-

By implementing efficient pre-audit processes and conducting awareness programs, the department is actively strengthening its internal controls to address procurement and payment weaknesses. Notably, the department has successfully maintained a zero balance in irregular expenditure since 2018 up until the present. Additionally, there were no instances of unauthorised expenditure during the past financial year. These achievements highlight the department's commitment to sound financial management and adherence to established protocols.

Reconciling notes

Description	2022/23	2021/2022
	R'000	R'000
Irregular expenditure that was under assessment in 2021/22	-	-
Irregular expenditure that relates to 2021/22 and identified in 2022/23	-	-
Irregular expenditure for the current year	-	-
Total	-	-

b) Details of current and previous year irregular expenditure (under assessment, determination, and investigation)

Description	2022/23	2021/2022
	R'000	R'000
Irregular expenditure under assessment	-	-
Irregular expenditure under determination	-	-
Irregular expenditure under investigation	-	-
Total	-	-

The effective implementation of stringent controls and regular bi-monthly awareness programs conducted by the Internal Control Unit for both head office and regional offices has resulted in the absence of any irregular expenditures identified since the 2018 financial year up to the present. These measures demonstrate the department's commitment to maintaining a high level of financial integrity and compliance, ensuring that all expenditures are conducted within the established guidelines and regulations.

c) **Details of current and previous year irregular expenditure condoned**

Description	2022/23	2021/2022
	R'000	R'000
Irregular expenditure condoned	-	-
Total	-	-

The effective implementation of stringent controls and regular bi-monthly awareness programs conducted by the Internal Control Unit for both head office and regional offices has resulted in the absence of any irregular expenditures identified since the 2018 financial year up to the present. These measures demonstrate the department's commitment to maintaining a high level of financial integrity and compliance, ensuring that all expenditures are conducted within the established guidelines and regulations.

d) **Details of current and previous year irregular expenditure removed - (not condoned)**

Description	2022/23	2021/2022
	R'000	R'000
Irregular expenditure NOT condoned and removed	-	-
Total	-	-

Since the 2018 financial year up to the present, the department has diligently avoided any instances of irregular expenditures being identified. This signifies a commendable commitment to adhering to proper financial practices and ensuring that all expenditures are carried out in accordance with established regulations and protocols. The department's efforts in this regard are praiseworthy, as they contribute to maintaining transparency, accountability, and responsible financial management.

e) **Details of current and previous year irregular expenditure recovered**

Description	2022/23	2021/2022
	R'000	R'000
Irregular expenditure recovered	-	-
Total	-	-

Since the 2018 financial year up to the present, the department has diligently avoided any instances of irregular expenditures being identified. This signifies a commendable commitment to adhering to proper financial practices and ensuring that all expenditures are carried out in accordance with established regulations and protocols. The department's efforts in this regard are praiseworthy, as they contribute to maintaining transparency, accountability, and responsible financial management.

f) **Details of current and previous year irregular expenditure written off (irrecoverable)**

Description	2022/23	2021/2022
	R'000	R'000
Irregular expenditure written off	-	-
Total	-	-

Since the 2018 financial year up to the present, the department has diligently avoided any instances of irregular expenditures being identified. This signifies a commendable commitment to adhering to proper financial practices and ensuring that all expenditures are carried out in accordance with established regulations and protocols. The department's efforts in this regard are praiseworthy, as they contribute to maintaining transparency, accountability, and responsible financial management.

Additional disclosure relating to Inter-Institutional Arrangements

g) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution is not responsible for the non-compliance)

Description
Not applicable.

Not applicable.

h) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution is responsible for the non-compliance)

Description	2022/23	2021/2022
	R'000	R'000
Not applicable	-	-
Total	-	-

Not applicable.

i) Details of current and previous year disciplinary or criminal steps taken as a result of irregular expenditure

Disciplinary steps taken
Not applicable.

By implementing efficient pre-audit processes and conducting awareness programs, the department is actively strengthening its internal controls to address procurement and payment weaknesses. Notably, the department has successfully maintained a zero balance in irregular expenditure since 2018 up until the present. Additionally, there were no instances of unauthorized expenditure during the past financial year. These achievements highlight the department's commitment to sound financial management and adherence to established protocols.

I.2 Fruitless and wasteful expenditure

Reconciliation of fruitless and wasteful expenditure

Description	2022/23	2021/2022
	R'000	R'000
Opening balance	-	853
Add: Fruitless and wasteful expenditure confirmed	26	16
Less: Fruitless and wasteful expenditure written off	-	(854)
Less: Fruitless and wasteful expenditure recoverable	(5)	(15)
Closing balance	21	-

As of March 31, 2023, the department has incurred fruitless and wasteful expenditures totaling R 26 131.54. This amount includes the carry-forward balance of R 750.00 from the 2021-22 financial year. In the current year, transactions totaling R 5 000 were deducted from officials' salaries as part of cost recoveries.

The nature of these transactions primarily relates to charges for no-shows on accommodation, cancellation fees, accidental damages on rental vehicles, and after-hours fees imposed by travel agencies.

To address and prevent the recurrence of such transgressions, the Head of Department has taken decisive actions and implemented measures. One such measure is the cost recovery of these expenses from officials' salaries unless recommended for confinement by the Finance & Supply Chain Management Compliance Committee (FSCMCC) and subsequently approved by the Head of the Department. In cases where neither cost recovery nor confinement is pursued, appropriate consequence management is applied.

These steps demonstrate the department's commitment to ensuring accountability, responsible financial management, and discouraging future instances of fruitless and wasteful expenditure. By implementing strong measures and applying consequence management, the department aims to rectify past transgressions and maintain a culture of compliance and fiscal responsibility.

Reconciling notes

Description	2022/23	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment in 2021/22	-	-
Fruitless and wasteful expenditure that relates to 2021/22 and identified in 2022/23	-	-
Fruitless and wasteful expenditure for the current year	12	-
Total	12	-

b) Details of current and previous year fruitless and wasteful expenditures (under assessment, determination, and investigation)

Description	2022/23	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure under determination	-	-
Fruitless and wasteful expenditure under investigation	26	16
Total	26	16

These steps demonstrate the department's commitment to ensuring accountability, responsible financial management, and discouraging future instances of fruitless and wasteful expenditure. By implementing strong measures and applying consequence management, the department aims to rectify past transgressions and maintain a culture of compliance and fiscal responsibility.

c) Details of current and previous year fruitless and wasteful expenditure recovered

Description	2022/23	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure recovered	5	15
Total	5	15

As of March 31, 2023, the department has incurred fruitless and wasteful expenditure totaling R 26 131.54. This amount includes the carry-forward balance of R 750.00 from the 2021-22 financial year. In the current year, transactions totaling R 14 000 were deducted from officials' salaries as part of cost recoveries.

The nature of these transactions primarily relates to charges for no-shows on accommodation, cancellation fees, accidental damages on rental vehicles, and after-hours fees imposed by travel agencies.

To address and prevent the recurrence of such transgressions, the Head of Department has taken decisive actions and implemented measures. One such measure is the cost recovery of these expenses from officials' salaries, unless recommended for condonement by the Finance & Supply Chain Management Compliance Committee (FSCMCC) and subsequently approved by the Head of Department. In cases where neither cost recovery nor condonement is pursued, appropriate consequence management is applied.

These steps demonstrate the department's commitment to ensuring accountability, responsible financial management, and discouraging future instances of fruitless and wasteful expenditure. By implementing strong measures and applying consequence management, the department aims to rectify past transgressions and maintain a culture of compliance and fiscal responsibility.

d) Details of current and previous year fruitless and wasteful expenditure not recovered and written off

Description	2022/23	2021/2022
	R'000	R'000
Fruitless and wasteful expenditure written off	-	854
Total	-	854

To address and prevent the recurrence of such transgressions, the Head of Department has taken decisive actions and implemented measures. One such measure is the cost recovery of these expenses from officials' salaries, unless recommended for condonement by the Finance & Supply Chain Management Compliance Committee (FSCMCC) and subsequently approved by the Head of Department. In cases where neither cost recovery nor condonement is pursued, appropriate consequence management is applied.

a) Details of current and previous year disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure

Disciplinary steps taken
None.
None.

I.3 Unauthorised expenditure

a) Reconciliation of unauthorised expenditure

Description	2022/23	2021/2022
	R'000	R'000
Opening balance	-	-
Add: unauthorised expenditure confirmed	-	-
Less: unauthorised expenditure approved with funding	-	-
Less: unauthorised expenditure approved without funding	-	-
Less: unauthorised expenditure recoverable	-	-
Less: unauthorised not recovered and written off ¹	-	-
Closing balance	-	-

The department has successfully maintained a zero balance in irregular expenditure since 2018 up until the present. Additionally, there were no instances of unauthorised expenditure during the past financial year.

Reconciling notes

Description	2022/23	2021/2022
	R'000	R'000
Unauthorised expenditure that was under assessment in 2021/22	-	-
Unauthorised expenditure that relates to 2021/22 and identified in 2022/23	-	-
Unauthorised expenditure for the current year	-	-
Total	-	-

b) Details of current and previous year unauthorised expenditure (under assessment, determination, and investigation)

Description ²	2022/23	2021/2022
	R'000	R'000
Unauthorised expenditure under assessment	-	-
Unauthorised expenditure under determination	-	-
Unauthorised expenditure under investigation	-	-
Total³	-	-

The department has successfully maintained a zero balance in irregular expenditure since 2018 up until the present. Additionally, there were no instances of unauthorised expenditure during the past financial year.

1 This amount may only be written off against available savings

2 Group similar items

3 Total unconfirmed unauthorised expenditure (assessment), losses (determination), and criminal conduct (investigation)

I.4 Additional disclosure relating to material losses in terms of PFMA Section 40(3)(b)(i) &(iii))

a) Details of current and previous year material losses through criminal conduct

Material losses through criminal conduct	2022/23	2021/2022
	R'000	R'000
Theft	-	-
Other material losses	-	-
Less: Recovered	-	-
Less: Not recovered and written off	-	-
Total	-	-

None.

b) Details of other material losses

Nature of other material losses	2022/23	2021/2022
	R'000	R'000
None	-	-

None.

c) Other material losses recovered

Nature of losses	2022/23	2021/2022
	R'000	R'000
None	-	-

None.

d) Other material losses written off

Nature of losses	2022/23	2021/2022
	R'000	R'000
None	-	-

None.

2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated Value
		R'000
Valid invoices received	8 478	902 596
Invoices paid within 30 days or agreed period	8 336	877 085
Invoices paid after 30 days or agreed period	136	25 224
Invoices older than 30 days or agreed period (<i>unpaid and without dispute</i>)	6	286
Invoices older than 30 days or agreed period (<i>unpaid and in dispute</i>)	-	-

All valid supplier invoices have been duly settled and paid by the department. This reflects the department's commitment to fulfilling its financial obligations in a timely manner and maintaining positive relationships with its suppliers. By ensuring that all valid invoices are promptly processed and paid, the department upholds its reputation for conducting business transactions with integrity and reliability.

3. SUPPLY CHAIN MANAGEMENT

3.1 Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
	-	-	-	-
-	-	-	-	-
-	-	-	--	-
Total				-

3.2 Contract variations and expansions

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
				R'000	R'000	R'000
None	None	None	None	None	None	None
Total						



PART F

FINANCIAL INFORMATION

I. REPORT OF THE AUDITOR-GENERAL

Report of the auditor-general to 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 159 to 209, which comprise the appropriation statement, statement of financial position as at 31 March 2023, 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 2023, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) prescribed by National Treasury and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Division of Revenue Act 5 of 2022 (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 responsibilities of the auditor-general 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 210 to 222 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.

Responsibilities of the auditor-general 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

12. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for selected programmes presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
13. I selected the following programmes presented in the annual performance report for the year ended 31 March 2023 for auditing. I selected programmes that measure the department's performance on its primary mandated functions and that are of significant national, community or public interest.

Programmes	Page numbers	Purpose
Programme 3: Agricultural producer support and development	52 - 58	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
Programme 4: Veterinary services	59 - 67	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.

14. I evaluated the reported performance information for the selected programmes against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides the users with useful and reliable information and insights on the department's planning and delivery on its mandate and objectives.
15. I performed procedures to test whether:
- the indicators used for planning and reporting on performance can be linked directly to the department's mandate and the achievement of its planned objectives
 - the indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and that I can confirm the methods and processes to be used for measuring achievements

- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as were committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner
- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

16. I performed the procedures for the purpose of reporting material findings only, and not to express an assurance conclusion.

17. I did not raise any material findings on the reported performance information.

Other matters

18. I draw attention to the matters below.

Achievement of planned targets

19. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- and underachievement.

Material misstatements

20. I identified a material misstatement in the annual performance report submitted for auditing. The material misstatement was in the reported performance information of agricultural producer support and development. Management subsequently corrected the misstatement and I did not include any material findings in this report.

Report on compliance with legislation

21. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the department's compliance with legislation.

22. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

23. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the department, clear to allow for consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

24. I did not identify any material non-compliance with the selected legislative requirements.

Other information in the annual report

25. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.
26. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation, do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
27. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
28. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, and 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

29. I considered internal control relevant to my audit of the financial statements, annual performance report 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

30. I draw attention to the following engagements conducted by the Special Investigating Unit (SIU). These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
31. 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:
- a. Maladministration in the affairs of the Department of Agriculture, Forestry and Fisheries related to the mismanagement of the comprehensive agriculture support programme grant
 - b. Unauthorised, irregular and fruitless and wasteful expenditure
 - c. Irregularities in supply chain management processes.
32. The above investigations were still in progress at the date of signing this report.

Auditor-General

East London

28 July 2023



Auditing to build public confidence

Annexure to the auditor's report

The annexure includes:

- the auditor-general's responsibility for the audit
- the selected legislative requirements for compliance testing.

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected programmes and on the department's compliance with selected requirements in key legislation.

Financial statements

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
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the department to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a department to cease operating as a going concern
- 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

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.

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and 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.

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Annual financial statements, performance report and annual reports Public Finance Management Act 1 of 1999	PFMA 40(1)(a) PFMA 40(1)(b) PFMA 40(1)(c)(i)
Treasury Regulations	TR 17.1.1 TR 18.2 TR 19.8.4
Procurement and contract management Public Finance Management Act 1 of 1999	PFMA 38(1)(a)(iv) PFMA 38(1)(b) PFMA 38(1)(c) PFMA 38(1)(c)(ii) PFMA 44 PFMA 44(1) PFMA 44(2) PFMA 45(b) PFMA 50 (3) PFMA 50(3)(a)
Treasury Regulations	TR 16A 3.1 TR 16A 3.2 (fairness) TR 16A 3.2(a) TR 16A 6.1 TR 16A6.2(a) & (b) TR 16A6.2(e) TR 16A 6.3(a) TR 16A 6.3(a)(i) TR 16A 6.3(b) TR 16A 6.3(c) TR 16A 6.3(d) TR 16A 6.3(e) TR 16A 6.4 TR 16A 6.5 TR 16A 6.6 TR 16A8.2 (1) and (2) TR 16A 8.3 TR 16A 8.3(d) TR 16A 8.4 TR 16A 9 TR 16A 9.1 TR 16A9.1 (c)

Legislation	Sections or regulations
	TR 16A 9.1(d) TR 16A 9.1(e) TR 16A 9.2 TR 16A 9.2(a)(ii) TR 16A 9.2(a)(iii) TR 8.2.1 TR 8.2.2
Public Service Regulations (PSR)	PSR 13(c) PSR 18 PSR 18(1) and 18(2)
Prevention and Combating of Corrupt Activities Act 12 of 2004 (PRECCA)	PRECCA section 29
Construction Industry Development Board Act 38 of 2000 (CIDB) Construction Industry Development Board Regulations	CIDB Act 18(1) CIDB regulation 17 CIDB regulation 25(1) CIDB regulation 25(5) CIDB regulation 25(7A)
Preferential Procurement Policy Framework Act (PPPFA)	PPPFA 1(i) PPPFA 2.1(a) PPPFA 2.1(b) PPPFA 2.1(f)
PPR 2017	PPR 2017 paragraph 4.1 PPR 2017 paragraph 4.2 PPR 2017 paragraph 5.1 PPR 2017 paragraph 5.3 PPR 2017 paragraph 5.6 PPR 2017 paragraph 5.7 PPR 2017 paragraph 6.1 PPR 2017 paragraph 6.2 PPR 2017 paragraph 6.3 PPR 2017 paragraph 6.5 PPR 2017 paragraph 6.6 PPR 2017 paragraph 6.8 PPR 2017 paragraph 7.1 PPR 2017 paragraph 7.2 PPR 2017 paragraph 7.3 PPR 2017 paragraph 7.5 PPR 2017 paragraph 7.6 PPR 2017 paragraph 7.8 PPR 2017 paragraph 8.2 PPR 2017 paragraph 8.5 PPR 2017 paragraph 9.1 PPR 2017 paragraph 9.2 PPR 2017 paragraph 10.1

Legislation	Sections or regulations
	PPR 2017 paragraph 10.2 PPR 2017 paragraph 11.1 PPR 2017 paragraph 11.2 PPR 2017 paragraph 12.1 PPR 2017 paragraph 12.2
Preferential Procurement Regulations 2022 (PPR)	PPR 2022 paragraph 3.1 PPR 2022 paragraph 4.1 PPR 2022 paragraph 4.2 PPR 2022 paragraph 4.3 PPR 2022 paragraph 4.4 PPR 2022 paragraph 5.1 PPR 2022 paragraph 5.2 PPR 2022 paragraph 5.3 PPR 2022 paragraph 5.4
Sita Act	Sita Act section 7(3) Sita Act section 20(1)(a)(i) Sita Act section 7(6)(b)
Sita Regulations	Sita regulation 8.1.1(b) Sita regulation 8.1.4 Sita regulation 8.1.7 Sita regulation 9.6 Sita regulation 9.4 Sita regulation 12.3 Sita regulation 13.1(a) Sita regulation 14.1 Sita regulation 14.2
PFMA SCM Instruction Note 09 of 2022-23	PFMA SCM Instruction Note 09 of 2022-23 par. 3.1 PFMA SCM Instruction Note 09 of 2022-23 par. 3.3 (b) PFMA SCM Instruction Note 09 of 2022-23 par. 3.3 (c) PFMA SCM Instruction Note 09 of 2022-23 par. 3.3 (e) PFMA SCM Instruction Note 09 of 2022-23 par. 3.6
National Treasury Instruction Note 1 of 2015-16	IN 03 2021-22 paragraph 4.1 IN 03 2021-22 paragraph 4.2(b) IN 03 2021-22 paragraph. 4.3 IN 03 2021-22 paragraph 4.4 IN 03 2021-22 paragraph 4.4(a) IN 03 2021-22 paragraph 4.4(c) IN 03 2021-22 paragraph 4.4(d) IN 03 2021-22 paragraph 4.6 IN 03 2021-22 paragraph 5.4 IN 03 2021-22 paragraph 7.2 IN 03 2021-22 paragraph 7.6
NT SCM Instruction Note 4A of 2016-17	NT SCM Instruction 4A of 2016-17 paragraph 6
NT SCM Instruction Note 03 2019-20	IN 03 2019-20 paragraph 5.5.1(vi) IN 03 2019-20 paragraph 5.5.1(x)

Legislation	Sections or regulations
NT SCM Instruction Note 11 2020-21	IN 11 2020-21 paragraph 3.1 IN 11 2020-21 paragraph 3.4(a) IN 11 2020-21 paragraph 3.4(b) IN 11 2020-21 paragraph 3.9 IN 11 2020-21 paragraph 6.1 IN 11 2020-21 paragraph 6.2 IN 11 2020-21 paragraph 6.7
NT SCM Instruction Note 2 of 2021-22	SCM IN 02 2021-22 paragraph 3.2.1 SCM IN 02 2021-22 paragraph 3.2.2 SCM IN 02 2021-22 paragraph 3.2.4(a) SCM IN 02 2021-22 paragraph 3.2.4(b) SCM IN 02 2021-22 paragraph 3.3.1 SCM IN 02 2021-22 paragraph 3.2.2 SCM IN 02 2021-22 paragraph 4.1
PFMA SCM Instruction Note 04 of 2022-23	PFMA SCM Instruction 04 of 2022-23 paragraphs 4(1), 4(2) and 4(4)
Practice Note 5 of 2009-10	Practice Note 5 of 2009-10 paragraph 3.3
PFMA SCM Instruction Note 08 of 2022-23	PFMA SCM Instruction Note 8 of 2022-23 paragraph 3.2 PFMA SCM Instruction Note 8 of paragraphs 4.3.2 and 4.3.3
Competition Act	Competition Act 4(1)(b)(ii)
NT Instruction Note 4 of 2015-16 NT Instruction Note 3 of 2019-20 – Annexure A	NT Instruction Note 4 of 2015-16 paragraph 3.4 NT instruction Note 3 of 2019-20 – Annexure A Section 5.5.1(iv) and (x)
Second amendment of NTI 05 of 2020-21	Second amendment of NTI 05 of 2020-21 paragraph 4.8 Second amendment of NTI 05 of 2020-21 paragraph 4.9 Second amendment of NTI 05 of 2020-21 paragraph 5.1 Second amendment of NTI 05 of 2020-21 paragraph 5.3
Erratum NTI 5 of 2020-21	Erratum NTI 5 of 2021, paragraph 1 Erratum NTI 5 of 2021, paragraph 2
Practice Note 7 of 2009-10 Practice Note 11 of 2008-9	Practice Note 7 of 2009-10, paragraph 4.1.2 Practice Note 11 of 2008-09, paragraph 3.1 Practice Note 11 of 2008-09, paragraph 3.1(b)
NT Instruction Note 1 of 2021-22	NT Instruction Note 1 of 2021-22, paragraph 4.1
Public Service Act	Section 30(1) of the Public Service Act
Employment of Educators Act	Section 33(1) of the Employment of Educator Act
Expenditure management Public Finance Management Act 1 of 1999	PFMA 38(1)(b) PFMA 38(1)(c)(ii) PFMA 39(1)(a) PFMA 39(2)(a) PFMA 43(4) PFMA 45(b)
Treasury Regulations (TR)	TR 6.3.1(a) TR 6.3.1(b) TR 6.3.1(c) TR 6.3.1(d) TR 6.4.1(b)

Legislation	Sections or regulations
	TR 8.1.1 TR 8.2.1 TR 8.2.3 TR 9.1.1 TR 15.10.1.2(c')
Transfer of funds Treasury Regulations	TR 8.4.1
Revenue management Public Finance Management Act 1 of 1999	PFMA 38(1)(c)(i)
Treasury Regulations	TR 7.2.1 TR 11.4.1 TR 11.4.2 TR 11.5.1
Asset management Public Finance Management Act 1 of 1999	PFMA 38(1)(d)
Treasury Regulations	TR 10.1.1(a) TR 10.1.2 TR 16A.7.1 TR 16A.7.3 TR 16A.7.6 TR 16A.7.7
Consequence management Public Finance Management Act 1 of 1999	Section 38(1)(h)(iii)
Treasury Regulations	TR 4.1.1 TR 4.1.3 TR 9.1.4 TR 12.5.1 TR 16A9.1(b)(ii) TR 16A9.1(e) TR 16A9.1(f)
Prevention and Combating of Corrupt Activities Act 12 of 2004	PRECCA section 34(1)
Strategic planning and performance management Treasury Regulations	TR 5.1.1 TR 5.2.1 TR 5.2.3(a) TR 5.2.3(d) TR 5.3.1
Public Service Regulations (PSR)	PSR 25(1)(e)(i) PSR 25(1)(e)(iii)
Utilisation of conditional grants Public Finance Management Act 1 of 1999 Division of Revenue Act 5 of 2022	I Dora 11(6)(a) Dora 12(5)

Legislation	Sections or regulations
	Dora 16(1) Dora 16(3) Dora 16(3)(a)(i) Dora 16(3)(a)(ii)(bb)

2. ANNUAL FINANCIAL STATEMENTS

Appropriation Statement for the year ended 31 March 2023

Appropriation per programme									
2022/23								2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme									
1. Administration	459 916	-	12 384	472 300	472 028	272	99.9%	435 510	439 290
2. Sustainable resource management	140 020	-	(3 614)	136 406	131 532	4 874	96.4%	131 555	131 555
3. Agricultural producer support and development	839 245	-	(3 470)	835 775	821 864	13 911	98.3%	825 104	822 566
4. Veterinary services	341 962	-	(3 643)	338 319	337 845	474	99.9%	295 506	295 506
5. Research and technology development services	134 256	-	(1 657)	132 599	131 706	893	99.3%	117 796	117 796
6. Agricultural economics services	35 087	-	-	35 087	34 519	568	98.4%	31 868	31 868
7. Structured agriculture education and training	192 590	-	-	192 590	180 815	11 775	93.9%	188 098	185 145
8. Rural development coordination	210 160	-	-	210 160	206 678	3 482	98.3%	228 903	228 903
Subtotal	2 353 236	-	-	2 353 236	2 316 987	36 249	98.5%	2 254 340	2 252 629
Statutory Appropriation	2 277	-	-	2 277	2 096	181	92.1%	2 267	2 267
TOTAL	2 355 513	-	-	2 355 513		36 430	98.5%	2 256 607	

Appropriation Statement for the year ended 31 March 2023

	2022/23				2021/22	
	Final Budget	Actual Expenditure			Final Budget	Actual Expenditure
	R'000	R'000			R'000	R'000
TOTAL (brought forward)	2 355 513				2 256 607	
Reconciliation with statement of financial performance						
ADD						
Departmental receipts	8 528				414	
Actual amounts per statement of financial performance (total revenue)	2 364 041				2 257 021	
Actual amounts per statement of financial performance (total expenditure)		2 319 083				2 254 896

Appropriation Statement for the year ended 31 March 2023

Appropriation per economic classification									
2022/23								2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	1 897 584	-	(35 123)	1 862 461	1 835 927	26 534	98.6%	1 724 059	1 728 850
Compensation of employees	1 336 889	-	(28 105)	1 308 784	1 300 892	7 892	99.4%	1 249 740	1 249 443
Goods and services	560 695	-	(7 018)	553 677	535 035	18 642	96.6%	474 319	479 407
Transfers and subsidies	298 146	-	6 245	304 391	304 370	21	100.0%	320 886	330 961
Departmental agencies and accounts	224 095	-	-	224 095	224 074	21	100.0%	232 608	232 608
Higher education institutions	59 051	-	-	59 051	59 051	-	100.0%	61 199	61 198
Households	15 000	-	6 245	21 245	21 245	-	100.0%	27 079	37 155
Payments for capital assets	159 783		24 224	184 007	174 132	9 875	94.6%	211 603	195 026
Buildings and other fixed structures	108 725		(4 702)	104 023	97 168	6 855	93.4%	118 848	110 114
Machinery and equipment	47 164		26 702	73 866	70 846	3 020	95.9%	81 564	70 493
Biological assets	3 894		2 224	6 118	6 118	-	100.0%	11 191	14 419
		-							
Payments for financial assets		-	4 654	4 654	4 654	-	100.0%	59	59
Total	2 355 513	-	-	2 355 513	2 319 083	36 430	98.5%	2 256 607	2 254 896

Appropriation Statement for the year ended 31 March 2023

Statutory appropriation per economic classification									
2022/23								2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	2 277	-	-	2 277	2 096	181	92.1%	2 267	2 267
Compensation of employees	2 277	-	-	2 277	2 096	181	92.1%	2 267	2 267
Total	2 277	-	-	2 277	2 096	181	92.1%	2 267	2 267

Appropriation Statement for the year ended 31 March 2023

PROGRAMME I: ADMINISTRATION									
2022/23								2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	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	9 819	-	134	9 953	9 931	22	99.8%	7 667	7 669
2. SENIOR MANAGEMENT	47 837	-	1 128	48 965	48 813	152	99.7%	43 405	47 127
3. CORPORATE SERVICES	223 868	-	5 742	229 610	229 504	106	100.0%	218 044	223 955
4. FINANCIAL MANAGEMENT	168 217	-	5 674	173 891	174 032	(141)	100.1%	157 026	151 336
5. COMMUNICATION SERVICES	10 175	-	(294)	9 881	9 748	133	98.7%	9 369	9 203
Total for sub programmes	459 916	-	12 384	472 300	472 028	272	99.9%	435 510	439 290
Economic classification									
Current payments	436 229	-	1 485	437 714	437 899	(185)	100.0%	399 923	401 611
Compensation of employees	309 545	-	2 669	312 214	312 396	(182)	100.1%	308 984	308 985
Goods and services	126 684	-	(1 184)	125 500	125 503	(3)	100.0%	90 939	92 626
Transfers and subsidies	15 000	-	6 245	21 245	21 245	-	100.0%	20 602	30 678
Households	15 000	-	-	21 245	21 245	-	100.0%	20 602	30 678
Payments for capital assets	8 687	-	-	8 687	8 230	457	94.7%	14 926	6 942
Machinery and equipment	8 687	-	-	8 687	8 230	457	94.7%	14 926	6 942
Payments for financial assets	-	-	4 654	4 654	4 654	-	100.0%	59	59
Total	459 916	-	12 384	472 300	472 028	272	99.9%	435 510	439 290

Appropriation Statement for the year ended 31 March 2023

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT									
2022/23								2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1.ENGINEERING SERVICES	65 033	-	(3 614)	61 419	57 211	4 208	93.1%	53 847	53 590
2.LAND CARE	19 478	-	-	19 478	16 992	2 486	87.2%	22 063	22 642
3.LAND USE MANAGEMENT	52 208	-	-	52 208	53 940	(1 732)	103.3%	50 205	49 883
4.DISASTER RISK MANAGEMENT	3 301	-	-	3 301	3 389	(88)	102.7%	5 440	5 440
Total for sub programmes	140 020	-	(3 614)	136 406	131 532	4 874	96.4%	131 555	131 555
Economic classification									
Current payments	125 235	-	(3 614)	121 621	117 238	4 383	96.4%	116 246	118 719
Compensation of employees	97 348	-	(3 614)	93 734	92 221	1 513	98.4%	93 554	93 554
Goods and services	27 887	-	-	27 887	25 017	2 870	89.7%	22 692	25 165
Transfers and subsidies	3 676	-	-	3 676	3 676	-	100.0%	7 641	7 641
Departmental agencies and accounts	3 676	-	-	3 676	3 676	-	100.0%	3 618	3 618
Households	-	-	-	-	-	-	-	4 023	4 023
Payments for capital assets	11 109	-	-	11 109	10 618	491	95.6%	7 668	5 195
Buildings and other fixed structures	440	-	-	440	439	1	99.8%	-	-
Machinery and equipment	10 669	-	-	10 669	10 179	490	95.4%	7 668	5 195
Total	140 020	-	(3 614)	136 406	131 532	4 874	96.4%	131 555	131 555

Appropriation Statement for the year ended 31 March 2023

PROGRAMME 3 : AGRICULTURAL PRODUCER SUPPORT AND DEVELOPMENT									
2022/23								2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. PRODUCER SUPPORT SERVICE	133 851		6 869	140 720	138 523	2 197	98.4%	156 908	156 823
2. EXTENSION AND ADVISORY SERVICES	441 975		(3 470)	438 505	432 658	5 847	98.7%	435 846	435 283
3. FOOD SECURITY	263 419		(6 869)	256 550	250 683	5 867	97.7%	232 350	230 460
Total for sub programmes	839 245	-	(3 470)	835 775	821 864	13 911	98.3%	825 104	822 566
Economic classification									
Current payments	685 729	-	(23 154)	662 575	649 708	12 867	98.1%	629 984	631 595
Compensation of employees	399 911	-	(21 860)	378 051	373 341	4 710	98.8%	364 572	364 572
Goods and services	285 818	-	(1 294)	284 524	276 367	8 157	97.1%	265 412	267 023
Transfers and subsidies	43 971	-	-	43 971	43 951	20	100.0%	31 510	31 510
Departmental agencies and accounts	43 971	-	-	43 971	43 951	20	100.0%	31 510	31 510
Payments for capital assets	109 545	-	19 684	129 229	128 205	1 024	99.2%	163 610	159 461
Buildings and other fixed structures	87 069	-	(4 989)	82 080	81 604	476	99.4%	101 253	94 439
Machinery and equipment	18 866	-	22 492	41 358	40 810	548	98.7%	51 307	50 744
Biological assets	3 610	-	2 181	5 791	5 791	-	100.0%	11 050	14 278
Total	839 245	-	(3 470)	835 775	821 864	13 911	98.3%	825 104	822 566

Appropriation Statement for the year ended 31 March 2023

PROGRAMME 4 : VETERINARY SERVICES

2022/23								2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. ANIMAL HEALTH	297 523	-	(4 054)	293 469	293 368	101	100.0%	252 100	252 100
2. VETERINARY INTERNATIONAL TRADE FACILITATION	9 859	-	(167)	9 692	9 591	101	99.0%	9 339	9 339
3. VETERINARY PUBLIC HEALTH	16 236	-	(119)	16 117	16 031	86	99.5%	15 454	15 454
4. VETERINARY DIAGNOSTIC SERVICES	18 344	-	697	19 041	18 855	186	99.0%	18 613	18 613
Total for sub programmes	341 962	-	(3 643)	338 319	337 845	474	99.9%	295 506	295 506
Economic classification									
Current payments	338 309	-	(4 343)	333 966	333 874	92	100.0%	290 688	290 688
Compensation of employees	282 413	-	(3 643)	278 770	278 770	-	100.0%	246 100	246 100
Goods and services	55 896	-	(700)	55 196	55 104	92	99.8%	44 588	44 588
Payments for capital assets	3 653	-	700	4 353	3 971	382	91.2%	4 818	4 818
Machinery and equipment	3 653	-	700	4 353	3 971	382	91.2%	4 818	4 818
Total	341 962	-	(3 643)	338 319	337 845	474	99.9%	295 506	295 506

Appropriation Statement for the year ended 31 March 2023

PROGRAMME 5 : RESEARCH AND TECHNOLOGY DEVELOPMENT

2022/23								2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. AGRICULTURAL RESEARCH	127 562	-	(592)	126 970	126 245	725	99.4%	112 602	112 602
2. TECHNOLOGY TRANSFER SERVICES	5 345	-	(1 065)	4 280	4 243	37	99.1%	4 444	4 444
3. RESEARCH INFRASTRUCTURE SUPPORT SERVICES	1 349	-	-	1 349	1 218	131	90.3%	750	750
Total for sub programmes	134 256	-	(1 657)	132 599	131 706	893	99.3%	117 796	117 796
Economic classification									
Current payments	129 530	-	(5 197)	124 333	124 045	288	99.8%	116 692	116 692
Compensation of employees	110 507	-	(1 657)	108 850	108 850	-	100.0%	103 494	103 494
Goods and services	19 023	-	(3 540)	15 483	15 195	288	98.1%	13 198	13 198
Transfers and subsidies	300	-	-	300	300	-	100.0%	-	-
Departmental agencies and accounts	300	-	-	300	300	-	100.0%	-	-
Payments for capital assets	4 426	-	3 540	7 966	7 361	605	92.4%	1 104	1 104
Building and other fixed structures	200	-	(13)	187	178	9	95.2%	-	-
Machinery and equipment	3 942	-	3 510	7 452	6 856	596	92.0%	963	963
Biological assets	284	-	43	327	327	-	100.0%	141	141
TOTAL	134 256	-	(1 657)	132 599	131 706	893	99.3%	117 796	117 796

Appropriation Statement for the year ended 31 March 2023

PROGRAMME 6 : AGRICULTURAL ECONOMICS SERVICES									
2022/23								2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. PRODUCTION ECONOMICS & MARKETING SUPPORT	30 816	-	-	30 816	18 953	11 863	61.5%	28 697	28 697
2. MACRO-ECONOMICS SUPPORT	4 271	-	-	4 271	15 566	(11 295)	364.5%	3 171	3 171
Total for sub programmes	35 087	-	-	35 087	34 519	568	98.4%	31 868	31 868
Economic classification									
Current payments	34 930	-	-	34 930	34 362	568	98.4%	31 372	31 372
Compensation of employees	31 976	-	-	31 976	32 131	(155)	100.5%	29 368	29 368
Goods and services	2 954	-	-	2 954	2 231	723	75.5%	2 004	2 004
Transfers and subsidies	-	-	-	-	-	-	-	225	225
Households	-	-	-	-	-	-	-	225	225
Payments for capital assets	157	-	-	157	157	-	100.0%	271	271
Machinery and equipment	157	-	-	157	157	-	100.0%	271	271
TOTAL	35 087	-	-	35 087	34 519	568	98.4%	31 868	31 868

Appropriation Statement for the year ended 31 March 2023

PROGRAMME 7 : AGRICULTURAL EDUCATION AND TRAINING									
2022/23								2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. HIGHER EDUCATION AND TRAINING	59 051	-	-	59 051	59 051	-	100.0%	61 199	61 198
2. AGRICULTURE SKILLS DEVELOPMENT	133 539	-	-	133 539	121 764	11 775	91.2%	126 899	123 947
Total for sub programmes	192 590	-	-	192 590	180 815	11 775	93.9%	188 098	185 145
Economic classification									
Current payments	114 257	-	-	114 257	108 099	6 158	94.6%	105 750	104 769
Compensation of employees	84 994	-	-	84 994	83 217	1 777	97.9%	81 639	81 342
Goods and services	29 263	-	-	29 263	24 882	4 381	85.0%	24 111	23 427
								-	-
Transfers and subsidies	59 051	-	-	59 051	59 051	-	100.0%	63 428	63 427
Higher education institutions	59 051	-	-	59 051	59 051	-	100.0%	61 199	61 198
Households								2 229	2 229
Payments for capital assets	19 282	-	-	19 282	13 665	5 617	70.9%	18 920	16 949
Buildings and other fixed structures	18 270	-	-	18 270	13 238	5 032	72.5%	17 418	15 498
Machinery and equipment	1 012	-	-	1 012	427	585	42.2%	1 502	1 451
TOTAL	192 590	-	-	192 590	180 815	11 775	93.9%	188 098	185 145

Appropriation Statement for the year ended 31 March 2023

PROGRAMME 8 : RURAL DEVELOPMENT									
2022/23								2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. RURAL DEVELOPMENT COORDINATION	188 316	-	(882)	187 434	188 006	(572)	100.3%	210 763	210 763
2. SOCIAL FACILITATION	21 844	-	882	22 726	18 672	4 054	82.2%	18 140	18 140
Total for sub programmes	210 160	-	-	210 160	206 678	3 482	98.3%	228 903	228 903
Economic classification									
Current payments	31 088	-	(300)	30 788	28 606	2 182	92.9%	31 137	31 137
Compensation of employees	17 918	-	-	17 918	17 870	48	99.7%	19 761	19 761
Goods and services	13 170	-	(300)	12 870	10 736	2 134	83.4%	11 376	11 376
Transfers and subsidies	176 148	-	-	176 148	176 147	1	100.0%	197 480	197 480
Departmental agencies and accounts	176 148	-	-	176 148	176 147	1	100.0%	197 480	197 480
Payments for capital assets	2 924	-	300	3 224	1 925	1 299	59.7%	286	286
Buildings and other fixed structures	2 746	-	300	3 046	1 709	1 337	56.1%	177	177
Machinery and equipment	178	-	-	178	216	(38)	121.3%	109	109
TOTAL	210 160	-	-	210 160	206 678	3 482	98.3%	228 903	228 903

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

Detail of these transactions can be viewed in the note on Transfers and Subsidies, and Annexure IA-H of the Annual Financial Statements.

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

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

3. Detail on payments for financial assets

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

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

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

4.1 Per programme

Programme	Final Budget R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Budget %
PROGRAMME 2: SUSTAINABLE RESOURCE USE AND MANAGEMENT	136 406	131,532	4 874	4%
The under-expenditure resulted from delays in the filling of posts due to lengthy recruitment processes, such as the verification of qualifications which took longer than anticipated. There were delays in the delivery of farming supplies for land rehabilitation programmes.				
PROGRAMME 3: AGRICULTURAL PRODUCER SUPPORT AND DEVELOPMENT	835 775	821,864	13 911	2%
The under-expenditure resulted from delays in implementing the animal traceability programme because the sole service provider does not have adequate capacity to render the services. In addition, the cropping programme was interrupted by the abnormal rainfall (floods) at the critical times of the planting season, and this resulted in delays in providing mechanisation services.				
PROGRAMME 7: STRUCTURED AGRICULTURE EDUCATION AND TRAINING	192 590	180 815	11 775	6%
The under-expenditure ascribed to challenges in finding suitable and qualified training service providers of Farm Workers training in the department's training database, and delays in construction of TARDI Exam Hall.				
PROGRAMME 8: RURAL DEVELOPMENT	210 160	206 678	3 482	2%
The under-expenditure ascribed to late delivery of material for spring water protection projects by service providers. Furthermore, there were technical challenges in the construction of the rural market centres.				

Notes to the Appropriation Statement for the year ended 31 March 2023

4.2 Per economic classification

Economic classification	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
	R'000	R'000	R'000	%
Current payments	1 862 461	1 835 927	26 534	1%
Compensation of employees	1,308 784	1,300,892	7 892	1%
Goods and services	553 677	535 035	18 642	3%
Transfers and subsidies	304 391	304 370	21	0%
Departmental agencies and accounts	224 095	224 074	21	0%
Higher education institutions	59 051	59 051	-	0%
Households	21 245	21 245	-	0%
Payments for capital assets	184 007	174 132	9 875	5%
Buildings and other fixed structures	104 023	97 168	6 855	7%
Machinery and equipment	73 866	70 846	3 020	4%
Biological assets	6 118	6 118	-	0%
				-
Payments for financial assets	4 654	4 654	-	0%
Total	2 355 513	2 319 083	36 430	98.5%

4.3 Per conditional grant

Conditional grant	Final Budget	Actual Expenditure	Variance	Variance as a percentage of Final Budget
	R'000	R'000	R'000	%
CASP	251 234	231 964	19 270	8%
ILIMA/LETSEMA	76 210	76 209	1	0%
LAND CARE	12 700	11 365	1 335	11%
EPWP	2 106	2 106	-	0%
Total	342 250	321 644	20 606	6%

Explanation of variance.

The bulk of this under-expenditure can be ascribed to challenges in finding suitable and qualified training service providers of Farm Workers training in the department's training database, as well as due to delays in the implementation of construction of TARDI Exam Hall. In addition, there is under-expenditure against Extension Recovery Plan Services caused by lengthy recruitment process for Agricultural Advisors. Furthermore, Land Care grant was under-spent due to delays in delivery of farming supplies

STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2023

	<i>Note</i>	2022/23 R'000	2021/22 R'000
REVENUE			
Annual appropriation	1	2 353 236	2 254 340
Statutory appropriation	2	2 277	2 267
Departmental revenue	3	8 528	414
TOTAL REVENUE		2 364 041	2 257 021
EXPENDITURE			
Current expenditure		1 835 927	1 728 850
Compensation of employees	4	1 300 892	1 249 443
Goods and services	5	535 035	479 407
Transfers and subsidies		304 370	330 961
Transfers and subsidies	7	304 370	330 961
Expenditure for capital assets		174 132	195 026
Tangible assets	8	174 132	195 026
Payments for financial assets	6	4 654	59
TOTAL EXPENDITURE		2 319 083	2 254 896
SURPLUS/(DEFICIT) FOR THE YEAR		44 958	2 125
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		36 430	1 711
Annual appropriation		15 824	(1 866)
Conditional grants		20 606	3 577
Departmental revenue and NRF receipts	12	8 528	414
SURPLUS/(DEFICIT) FOR THE YEAR		44 958	2 125

STATEMENT OF FINANCIAL POSITION
as at 31 March 2023

	Note	2022/23 R'000	2021/22 R'000
ASSETS			
Current assets		38 772	4 065
Cash and cash equivalents	9	35 046	1 608
Receivables	10	3 726	2 457
Non-current assets			4 655
Receivables	10	-	4 655
TOTAL ASSETS		38 772	8 720
LIABILITIES			
Current liabilities		37 417	7 901
Voted funds to be surrendered to the Revenue Fund	11	33 477	649
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	12	531	286
Payables	13	3 409	6 966
TOTAL LIABILITIES		37 417	7 901
NET ASSETS		1 355	819
	Note	2022/23 R'000	2021/22 R'000
Represented by:			
Recoverable revenue		1 355	819
TOTAL		1 355	819

STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2023

	Note	2022/23 R'000	2021/22 R'000
Recoverable revenue			
Opening balance		819	-
Transfers:		536	819
Debts raised		536	819
Closing balance		1 355	819
TOTAL		1 355	819

CASH FLOW STATEMENT
for the year ended 31 March 2023

	Note	2022/23 R'000	2021/22 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		2 370 880	2 263 424
Annual appropriation funds received	1.1	2 353 236	2 254 255
Statutory appropriation funds received	2	2 277	2 267
Departmental revenue received	3	15 269	6 857
Interest received	3.2	98	45
Net (increase)/decrease in net working capital		(4 826)	1 237
Surrendered to Revenue Fund		(19 846)	(23 237)
Current payments		(1 835 927)	(1 728 850)
Payments for financial assets		(4 654)	(59)
Transfers and subsidies paid		(304 370)	(330 961)
Net cash flow available from operating activities	14	201 257	181 554
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	8	(174 132)	(195 026)
Proceeds from sale of capital assets	3.3	1 123	1 117
(Increase)/decrease in non-current receivables	10	4 654	-
Net cash flow available from investing activities		(168 355)	(193 909)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		536	819
Net cash flows from financing activities		536	819
Net increase/(decrease) in cash and cash equivalents		33 438	(11 536)
Cash and cash equivalents at beginning of period		1 608	13 144
Cash and cash equivalents at end of period	15	35 046	1 608

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023**

PART A: ACCOUNTING POLICIES

Summary of significant accounting policies

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

	Basis of preparation The financial statements have been prepared in accordance with the Modified Cash Standard.
	Going concern The financial statements have been on a going concern basis.
	Presentation currency Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department
	Rounding Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).
	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.
	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.
	Revenue
7.1	Appropriated funds Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation). Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023**

	are recognised in the statement of financial performance on the date the adjustments become effective. Appropriated funds are measured at the amounts receivable. 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. Departmental revenue is measured at the cash amount received. In-kind donations received are recorded in the notes to the financial statements on the date of receipt and are measured at fair value. 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.
	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. Donations made in kind are recorded in the notes to the financial statements on the date of transfer and are measured at cost or fair value.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

8.3	Accruals and payables not recognised Accruals and payables not recognised are recorded in the notes to the financial statements at cost or fair value 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.
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.
	Financial assets
14.1	Financial assets (not covered elsewhere) A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial 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.
14.2	Impairment of financial assets Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.
	Payables Payables recognised in the statement of financial position are recognised at cost.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

	Capital assets
16.1	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.
16.2	Movable capital assets Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition. Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. Biological assets are subsequently carried at fair value. Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.
16.3	Intangible capital assets Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition. Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project. Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.
16.4	Project costs: Work-in-progress Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

	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.
	Provisions and contingents
17.1	Provisions Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.
17.2	Contingent liabilities Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.
17.3	Contingent assets Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.
17.4	Capital commitments Capital commitments are recorded at cost in the notes to the financial statements.
18.	Fruitless and wasteful expenditure Fruitless and wasteful expenditure receivables are recognised in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable. Fruitless and wasteful expenditure is recorded in the notes to the financial statements when and at amounts confirmed, and comprises of: - fruitless and wasteful expenditure that was under assessment in the previous financial year; - fruitless and wasteful expenditure relating to previous financial year and identified in the current year; and - fruitless and wasteful expenditure incurred in the current year.
19	Irregular expenditure Losses emanating from irregular expenditure are recognised as a receivable in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable. Irregular expenditure is recorded in the notes to the financial statements when and at amounts confirmed and comprises of:

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

	irregular expenditure that was under assessment in the previous financial year; irregular expenditure relating to previous financial year and identified in the current year; and irregular expenditure incurred in the current year.
19	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.
20	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.
21	Principal-Agent arrangements The department is not party to a principal-agent arrangement
22	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 did not depart from the requirements to achieve fair representation.
23	Capitalisation reserve The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.
24	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 transferred to the Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.
25	Inventories (<i>Effective from date determined by the Accountant-General</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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

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 recorded in the Employee benefits note. Accruals and payables not recognised for employee benefits are measured at cost or fair value at the reporting date. The provision for employee benefits is measured as the best estimate of the funds required to settle the present obligation at the reporting date.
28	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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

PART B: EXPLANATORY NOTES

1. Annual Appropriation

1.1. Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act (and the Adjustments Appropriation Act) for National Departments (Voted funds) and Provincial Departments:

Programmes	2022/23			2021/22		
	Final Budget	Actual Funds Received	Funds not requested / not received	Final Budget	Appropriation Received	Funds not requested / not received
	R'000	R'000	R'000	R'000	R'000	R'000
ADMINISTRATION	472 300	472 300	-	435 510	435 510	-
SUSTAINABLE RESOURCE	136 406	136 406	-	131 555	131 470	85
AGRICULTURAL PRODUCER SUPPORT AND DEVELOPMENT	835 775	835 775	-	825 104	825 104	-
VETERINARY SERVICES	338 319	338 319	-	295 506	295 506	-
RESEARCH AND TECHNOLOGY DEVELOPMENT	132 599	132 599	-	117 796	117 796	-
AGRICULTURAL ECONOMIC SERVICES	35 087	35 087	-	31 868	31 868	-
STRUCTURED AGRICULTURE EDUCATION AND TRAINING	192 590	192 590	-	188 098	188 098	-
RURAL DEVELOPMENT	210 160	210 160	-	228 903	228 903	-
Total	2 353 236	2 353 236	-	2 254 340	2 254 255	85

1.2. Conditional grants

	Note	2023/22 R'000	2021/22 R'000
Total grants received	30	342 250	336 317

2. Statutory Appropriation

	Note	2022/23 R'000	2021/22 R'000
Members' remuneration		2 277	2 267
Total		2 277	2 267
Actual Statutory Appropriation received		2 096	2 267

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

3. Departmental revenue

	Note	2022/23 R'000	2021/22 R'000
Sales of goods and services other than capital assets	3.1	4 585	5 903
Interest received	3.2	98	45
Sales of capital assets	3.3	1 123	1 117
Transactions in financial assets and liabilities	3.4	10 684	954
Total revenue collected		16 490	8 019
Less: Own revenue included in appropriation		(7 962)	(7 605)
Total		8 528	414

3.1 Sales of goods and services other than capital assets

	Note	2022/23 R'000	2021/22 R'000
Sales of goods and services produced by the department		4 203	4 790
Sales by market establishment		129	149
Administrative fees		410	428
Other sales		3 664	4 213
Sales of scrap, waste and other used current goods		382	1 113
Total	3	4 585	5 903

3.2. Interest received

	Note	2022/23 R'000	2021/22 R'000
Interest		98	45
Total	3	98	45

3.3. Sales of capital assets

	Note	2022/23 R'000	2021/22 R'000
Tangible capital assets		1 123	1 117
Biological assets		1 123	1 117
Total	3	1 123	1 117

3.4. Transaction in financial assets and liabilities

	Note	2022/23 R'000	2021/22 R'000
Receivables		10 684	954
Total	3	10 684	954

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

4. Compensation of employees

4.1. Analysis of balance

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Basic salary		886 217	847 647
Performance award		75	6 695
Service based		1 951	1 081
Compensative/circumstantial		6 015	7 903
Periodic payments		-	-
Other non-pensionable allowances		217 936	206 877
Total		1 112 194	1 070 203

4.2. Social contributions

Employer contributions	<i>Note</i>	2022/23 R'000	2021/22 R'000
Pension		113 906	108 688
Medical		67 542	64 095
Bargaining council		288	265
Insurance		6 962	6 192
Total		188 698	179 240
Total compensation of employees		1 300 892	1 249 443
 Average number of employees		 2 475	 2 464

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

5. Goods and services

	Note	2022/23 R'000	2021/22 R'000
Administrative fees		1 449	384
Advertising		7 191	4 960
Minor assets	5.1	332	1 310
Bursaries (employees)		287	336
Catering		8 223	9 689
Communication		15 880	15 764
Computer services	5.2	21 647	20 350
Consultants: Business and advisory services	5.9	3 285	3 870
Infrastructure and planning services		3 140	4 061
Laboratory services		771	880
Legal services		2 984	1 412
Contractors		9 289	7 925
Agency and support / outsourced services		68 929	73 585
Entertainment		44	69
Audit cost - external	5.3	8 638	6 452
Fleet services		29 697	16 148
Inventories	5.4	203 900	181 075
Consumables	5.5	8 349	11 857
Operating leases		15 940	15 080
Property payments	5.6	30 803	27 167
Rental and hiring		125	256
Travel and subsistence	5.7	80 743	63 137
Venues and facilities		2 478	1 823
Training and development		9 786	10 790
Other operating expenditure	5.8	1 125	1 027
Total		535 035	479 407

1. Administrative fees

The department incurred costs relating to registration fees.

2. Minor Assets:

There was no demand for biological minor assets. Due to the escalating costs of machinery and equipment, the majority of items purchased are classified as capital assets.

3. Legal fees

The department received a backlog of invoices from State attorney.

4. Fleet Services

There were accruals relating to the prior year due to budget constraints which were paid in the current year.

5. Inventories

The department received an increase in demand from beneficiaries for farming equipment.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

6. Travel and subsistence

There were disease outbreaks during the financial year under review, therefore, the officials were required to travel throughout the province.

5.1. Minor assets

	Note	2022/23 R'000	2021/22 R'000
Tangible capital assets		332	1 310
Machinery and equipment		332	799
Biological assets		-	511
Total	5	332	1 310

5.2. Computer services

	Note	2022/23 R'000	2021/22 R'000
SITA computer services		4 560	4 810
External computer service providers		17 087	15 540
Total	5	21 647	20 350

5.3. Audit cost - external

	Note	2022/23 R'000	2021/22 R'000
Regularity audits		8 638	6 452
Total	5	8 638	6 452

5.4. Inventories

	Note	2022/23 R'000	2021/22 R'000
Clothing material and accessories		-	220
Farming supplies		145 786	113 663
Food and food supplies		30	435
Fuel, oil and gas		2 440	2 336
Learning, teaching and support material		17	42
Materials and supplies		12 228	20 584
Medical supplies		846	1 876
Medicine		34 129	28 441
Other supplies	5.4.1	8 424	13 478
Total		203 900	181 075

1. Farming Supplies:

The department received an increase in demand from beneficiaries for farming equipment.

2. Food and food supplies:

The decrease relates to fewer students enrolled on the training program.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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3. Materials and supplies:

The department received fewer request relating to materials and supplies.

4. Medical supplies:

There department purchased more supplies in the prior year.

5. Other supplies:

The department received fewer request relating to machinery and equipment for distribution.

5.4.1. Other supplies

	Note	2022/23 R'000	2021/22 R'000
Assets for distribution		7 644	12 579
Machinery and equipment		7 357	12 037
Other assets for distribution		287	542
Other		780	899
Total	5.4	8 424	13 478

1. Machinery and equipment

The department received fewer request relating to machinery and equipment for distribution.

5.5. Consumables

	Note	2022/23 R'000	2021/22 R'000
Consumable supplies		4 544	7 571
Uniform and clothing		2 429	3 832
Household supplies		1 805	2 731
Communication accessories		1	-
IT consumables		11	195
Other consumables		298	813
Stationery, printing and office supplies		3 805	4 286
Total	5	8 349	11 857

5.6. Property payments

	Note	2022/23 R'000	2021/22 R'000
Municipal services		8 293	7 073
Property management fees		21 462	16 698
Property maintenance and repairs		1 048	3 396
Total	5	30 803	27 167

The increase relates to safeguard & security services incurred by the department.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

5.7. Travel and subsistence

	Note	2022/23 R'000	2021/22 R'000
Local		80 299	63 137
Foreign		444	-
Total	5	80 743	63 137

1. Local:

There were disease outbreaks during the financial year under review, therefore, the officials were required to travel throughout the province.

2. Foreign:

There were two approved trips outside the country during the financial year.

5.8. Other operating expenditure

	Note	2022/23 R'000	2021/22 R'000
Professional bodies, membership and subscription fees		-	28
Resettlement costs		781	270
Other		344	729
Total	5	1 125	1 027

6. Payments for financial assets

	Note	2022/23 R'000	2021/22 R'000
Debts written off	6.1	4 654	-
Forex losses		-	59
Total		4 654	59

Long outstanding debts were written off as they were considered irrecoverable.

6.1. Debts written off

Nature of debts written off	Note	2022/23 R'000	2021/22 R'000
Other debt written off		4 654	-
Total debt written off	6	4 654	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

7. Transfers and subsidies

		2022/23 R'000	2021/22 R'000
	Note		
Departmental agencies and accounts	Annex 1A	224 074	232 608
Higher education institutions	Annex 1B	59 051	61 198
Households	Annex 1C	21 245	37 155
Total		304 370	330 961

7.1 Donations made in kind (not included in the main note)

		2022/23 R'000	2021/22 R'000
	Note		
<i>List in-kind donations made</i>	Annex 1D		
Donations (Livestock) for numerous events. Tardi graduation ceremony and Traditional leaders inauguration		53	
Total		53	

8. Expenditure for capital assets

		2022/23 R'000	2021/22 R'000
	Note		
Tangible capital assets		174 132	195 026
Buildings and other fixed structures	28	97 168	110 112
Machinery and equipment	26	70 846	70 495
Biological assets	26	6 118	14 419
Total		174 132	195 026

8.1. Analysis of funds utilised to acquire capital assets - Current year

	2022/23		
	Voted funds	Aid assistance	Total
Name of entity	R'000	R'000	R'000
Tangible capital assets	174 132	-	174 132
Buildings and other fixed structures	97 168	-	97 132
Machinery and equipment	70 846	-	70 846
Biological assets	6 118	-	6 118
Total	174 132	-	174 132

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

8.2. Analysis of funds utilised to acquire capital assets - Prior year

Name of entity	2021/22		
	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible capital assets	195 026	-	195 026
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

8.3. Finance lease expenditure included in Expenditure for capital assets

	Note	2022/23 R'000	2021/22 R'000
Tangible capital assets			
Machinery and equipment		42 035	39 021
Total		42 035	39 021

9. Cash and cash equivalents

	Note	2022/23 R'000	2021/22 R'000
Consolidated Paymaster General Account		35 046	1 608
Total		35 046	1 608

The balance of cash and cash equivalent increased in relation to the department's expenditure.

10. Receivables

	Note	2022/23			2021/22		
		Current	Non-current	Total	Current	Non-current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	10.1	7	-	7	88	-	88
Recoverable expenditure	10.2	84	-	84	(86)	4 655	4 569
Staff debt	10.3	3 461	-	3 461	2 266	-	2 266
Other receivables	10.4	174	-	174	189	-	189
Total		3 726	-	3 726	2 457	4 655	7 112

Recoverable expenditure amounting to R4 million was written off during the financial year under review.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

10.1. Claims recoverable

	Note	2022/23 R'000	2021/22 R'000
Provincial departments		7	88
Total	10	7	88

10.2. Recoverable expenditure

	Note	2022/23 R'000	2021/22 R'000
Salary related		84	(86)
Disallowance		-	4 655
Total	10	84	4 569

10.3. Staff debt

	Note	2022/23 R'000	2021/22 R'000
Debt Account		3 461	2 266
Total	10	3 461	2 266

10.4. Other receivables

	Note	2022/23 R'000	2021/22 R'000
Fruitless and wasteful expenditure		174	189
Total	10	174	189

11. Voted funds to be surrendered to the Revenue Fund

	Note	2022/23 R'000	2021/22 R'000
Opening balance		648	15 236
Prior period error	11.1		(978)
As restated		648	14 258
Transferred from statement of financial performance (as restated)		36 430	1 711
Voted funds not requested/not received	1.1	-	(85)
Conditional grants surrendered by the provincial department	11.2	(3 601)	(7 563)
Paid during the year		-	(7 673)
Closing balance		33 477	648

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

11.1 Prior period error

Nature of prior period error	Note	2022/23 R'000
Relating to 2021/22		
Voted funds to be surrendered		(978)
Total prior period errors		(978)

The prior period error is aligning the accounting system and the financial statements.

11.2 Reconciliation on unspent conditional grants

	Note	2022/23 R'000	2021/22 R'000
Total conditional grants received	1.2	342 250	336 402
Total conditional grants spent		(321 644)	(332 825)
Unspent conditional grants to be surrendered		20 606	3 577
Less: Paid to the Provincial Revenue Fund by Provincial department			(3 601)
Approved for rollover			-
Not approved for rollover			(3 601)
Add: Received from provincial revenue fund by national department			-
Due by the Provincial Revenue Fund	30	20 606	(24)

12 Departmental revenue to be surrendered to the Revenue Fund

	Note	2022/23 R'000	2021/22 R'000
Opening balance		286	268
Prior period error			-
As restated		286	268
Transferred from statement of financial performance (as restated)		8 528	414
Own revenue included in appropriation		7 962	7 605
Paid during the year		(16 245)	(8 001)
Closing balance		531	286

13 Payables - current

	Note	2022/23 R'000	2021/22 R'000
Amounts owing to other entities		199	3 055
Clearing accounts	13.1	3 210	3 911
Total		3 409	6 966

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

13.1. Clearing accounts

	Note	2022/23 R'000	2021/22 R'000
Salary related accounts		3 210	3 911
Total	13	3 210	3 911

14 Net cash flow available from operating activities

	Note	2022/23 R'000	2021/22 R'000
Net surplus/(deficit) as per Statement of Financial Performance		44 958	2 125
Add back non-cash/cash movements not deemed operating activities		156 299	179 429
(Increase)/decrease in receivables		(1 269)	271
(Increase)/decrease in prepayments and advances		-	3 454
Increase/(decrease) in payables – current		(3 557)	(2 488)
Proceeds from sale of capital assets		(1 123)	(1 117)
Expenditure on capital assets		174 132	195 026
Surrenders to Revenue Fund		(19 846)	(23 237)
Voted funds not requested/not received		-	(85)
Own revenue included in appropriation		7 962	7 605
Net cash flow generating		201 257	181 554

15 Reconciliation of cash and cash equivalents for cash flow purposes

	Note	2022/23 R'000	2021/22 R'000
Consolidated Paymaster General account		35 046	1 608
Total		35 046	1 608

The balance of cash and cash equivalent increased in relation to the department's expenditure.

16 Contingent liabilities and contingent assets

16.1 Contingent liabilities

Liable to	Nature	Note	2022/23 R'000	2021/22 R'000
Housing loan guarantees	Employees	Annex 3A	100	185
Claims against the department		Annex 3B	30 077	21 234
Total			30 177	21 419

The were new claims lodged against the department during the year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

16.2 Contingent assets

Nature of contingent asset	Note	2022/23 R'000	2021/22 R'000
Guadrisk Insurance		989	989
SARS TAX		11 976	11 976
Cotton Star		895	895
Total		13 860	13 860

17 Capital commitments.

	Note	2022/23 R'000	2021/22 R'000
Buildings and other fixed structures		25 175	19 871
Machinery and equipment		523	5 202
Total		25 698	25 073

18 Accruals and payables not recognised

18.1 Accruals

Listed by economic classification	Note	2022/23			2021/22
		30 Days R'000	30+ Days R'000	Total R'000	Total R'000
Goods and services		7 351	-	7 351	17 148
Capital assets		1 972	-	1 972	1 033
Total		9 323	-	9 323	18 181

Listed by programme level	Note	2022/23 R'000	2021/22 R'000
Administration		5 145	12 633
Sustainable Resource Management		1 518	2 561
Farmer support & Development		614	52
Veterinary Service		29	1 353
Technology Research & Dev Service		406	440
Agricultural Economics		12	5
Structured Agriculture Training		1 352	1 098
Rural Development		247	39
Total		9 323	18 181

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

18.2 Payables not recognised

Listed by economic classification	Note	2022/23			2021/22
		30 Days	30+ Days	Total	Total
		R'000	R'000	R'000	R'000
Goods and services		622	385	1 007	6 094
Capital assets		2 562	-	2 562	2 367
Total		3 184	385	3 569	8 461

Listed by programme level	Note	2022/23 R'000	2021/22 R'000
Administration		580	3 336
Sustainable Resource Management		111	31
Farmer support & Development		1 137	4 259
Veterinary Service		78	29
Technology Research & Dev Service		515	-
Agricultural Economics		-	-
Structured Agriculture Training		169	763
Rural Development		979	43
Total		3 569	8 461

Included in the above totals are the following:	Note	2022/23 R'000	2021/22 R'000
Confirmed balances with other departments	Annex 5	-	4
Confirmed balances with other government entities	Annex 5	199	3 051
Total		199	3 055

During the year, payments were paid on time and contractual obligations were budgeted.

19 Employee benefits

	Note	2022/23 R'000	2021/22 R'000
Leave entitlement		94 799	94 240
Service bonus		36 757	34 925
Performance awards		-	23
Capped leave		84 221	96 667
Other		12 771	8 648
Total		228 548	234 503

Other employee benefits relates to leave gratuities payable to employees and provision for long service awards. The leave entitlement includes negative leave balances amounting to R134 401,97

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

20 Lease commitments

20.1 Operating lease

	2022/23		
	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000
Not later than 1 year	7 980	-	7 980
Later than 1 year and not later than 5 years	3 237	-	3 237
Total lease commitments	11 217	-	11 217

	2021/22		
	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	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

20.2 Finance leases **

	2022/23		
	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000
Not later than 1 year	-	33 464	33 464
Later than 1 year and not later than 5 years	-	52 390	52 390
Total lease commitments	-	85 854	85 854

	2021/22		
	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000
Not later than 1 year	-	38 029	38 029
Later than 1 year and not later than 5 years	-	65 199	65 199
Total lease commitments	-	103 228	103 228

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

21 Accrued departmental revenue.

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Sales of goods and services other than capital assets		387	200
Interest, dividends and rent on land		11	-
Sales of capital assets		80	86
Transactions in assets and liabilities		53	-
Total		531	286

21.1 Analysis of accrued departmental revenue

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Opening balance		286	268
Add: amounts recorded		531	286
Less: amounts paid		(286)	(268)
Closing balance		531	286

22 Unauthorised, Irregular and Fruitless and wasteful expenditure

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Fruitless and wasteful expenditure - current year		31	-
Total		31	-

Information on any criminal or disciplinary steps taken as a result of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure is included in the annual report under the PFMA Compliance Report.

23 Related party transactions

Related party relationships also include ECRDA subsidiaries such as Kangela Citrus Farm (Pty) Ltd
The department holds 100% interest in Magwa Enterprise Tea.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

24 Key management personnel

	2022/23 R'000	2021/22 R'000
Political office bearers	2 037	1 978
Level 15 to 16	5 471	7 001
Level 14(incl. CFO)	14 083	16 058
Acting allowance	-	278
Family members of Key management	3 305	2 025
Total	24 896	27 340

25 Provisions

	Note	2022/23 R'000	2021/22 R'000
Retention		2 215	3 407
Total		2 215	3 407

25.1 Reconciliation of movement in provisions - Current year

	2022/23	
	Provision 1	Total provisions
	R'000	R'000
Opening balance	3 407	3 407
Settlement of provision	(3 407)	(3 407)
Change in provision due to change in estimation of inputs	2 215	2 215
Closing balance	2 215	2 215

Reconciliation of movement in provisions - Prior year

	2021/22	
	Provision 1	Total provisions
	R'000	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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

26 Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

	2022/23				
	Opening balance	Value adjustments	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	267 935	-	29 314	(4 004)	293 245
Transport assets	21 628		306	-	21 934
Computer equipment	70 797		9 195	(2 366)	77 626
Furniture and office equipment	21 537		69	(74)	21 532
Other machinery and equipment	153 973		19 744	(1 564)	172 153
BIOLOGICAL ASSETS	6 751	-	7 415	(7 051)	7 115
Biological assets	6 751	-	7 415	(7 051)	7 115
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	274 686	-	36 729	(11 055)	300 360

26.1 MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

	2021/22				
	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	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	(3)	15 010	(14 315)	6 751
Biological assets	6 059	(3)	15 010	(14 315)	6 751
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	260 956	(3)	46 128	(32 395)	274 686

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

26.1.1 Prior period error

Nature of prior period error	Note	2021/22 R'000
Relating to 2021/22 <i>[affecting the opening balance]</i>		
Biological assets		(3)
Total prior period errors		(3)

Biological Assets erroneously accounted for in 2019/20.

26.2 Minor assets

MOVEMENT IN MINOR CAPITAL ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

	2022/23			
	Intangible assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000
Opening balance	48	38 423	2 618	41 089
Value adjustments			-	-
Additions	-	339	1 000	1 339
Disposals	-	(471)	(900)	(1 371)
Total Minor assets	48	38 291	2 718	41 057
	Intangible assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	7	-	7
Number of minor assets at cost	-	27	3	30
Total number of minor assets	-	34	3	37

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

	2021/22			
	Intangible assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000
Opening balance	48	38 489	4 187	42 724
Prior period error	-	-	(13)	(13)
Additions	-	815	-	815
Disposals	-	(881)	(1 556)	(2 437)
Total Minor assets	48	38 423	2 618	41 089

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

	Intangible assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	7	-	7
Number of minor assets at cost	-	28	2	30
Total number of minor assets	-	35	2	37

26.2.1 Prior period error

Nature of prior period error	Note	2021/22 R'000
Relating to 2020/21 <i>[affecting the opening balance]</i>		
Biological assets		(13)
Total prior period errors		(13)

Biological Assets erroneously accounted for in 2019/20

27 Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

	2022/23			
	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
SOFTWARE	8 642	-	-	8 642
TOTAL INTANGIBLE CAPITAL ASSETS	8 642	-	-	8 642

27.1 MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

	2021/22				
	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	8 642	-	-	-	8 642
TOTAL INTANGIBLE CAPITAL ASSETS	8 642	-	-	-	8 642

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

28 Immovable Tangible Capital Assets

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

	2022/23			
	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	-	158 662	(147 853)	10 809
Non-residential buildings	-	64 400	(54 414)	9 986
Other fixed structures	-	94 262	(93 439)	823
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	-	158 662	(147 853)	10 809

28.1 MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

	2021/22				
	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	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)	-

28.2 Immovable tangible capital assets: Capital Work-in-progress
CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2023

	2022/23			
	Opening balance	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance
	1 April 2022			31 March 2023
	R'000	R'000	R'000	R'000
Buildings and other fixed structures	84 240	97 168	(158 662)	22 746
Total	84 240	97 168	(158 662)	22 746

Note
Annex 7

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2022

	2021/22				
	Opening balance 1 April 2021	Prior period error	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2022
	R'000	R'000	R'000	R'000	R'000
<i>Note</i>					
Buildings and other fixed structures	85 693	-	39 201	40 654	84 240
Total	85 693	-	39 201	40 654	84 240

29 Prior period errors

29.1 Correction of prior period errors

	2021/22		
	Amount bef error correction	Prior period error	Restated
	R'000	R'000	R'000
<i>Note</i>			
Assets:			
Biological assets: Major	6 754	(3)	6 751
Biological assets: minor	2 631	(13)	2 618
	9 385	(16)	9 369

Livestock died and accounted erroneously in 2021/22 opening balance

29.2 Correction of prior period errors

	2021/22		
	Amount bef error correction	Prior period error	Restated
	R'000	R'000	R'000
<i>Note</i>			
Liabilities:			
Voted funds to be surrendered	1 626	(978)	648
	1 626	(978)	648

The prior period error is aligning the accounting system and the financial statements

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023**

30 Inventories

30.1 Inventories for the year ended 31 March 2023

	2022/23								
	Farming Supplies	Food & food supplies	Fuel, Oil & Gas	Learning material	Materials & supplies	Medical supplies	Medicine	Other Supplies	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	-	-	-	-	-	-	-	-
Add: Additions/Purchases – Cash	145 786	30	2 440	17	12 228	846	34 129	7 768	203 244
(Less): Issues	(145 786)	(30)	(2 440)	(17)	(12 228)	(846)	(34 129)	(7 768)	(203 244)
Closing balance	-	-	-	-	-	-	-	-	-

Inventories for the year ended 31 March 2022

	2021/22									
	Clothing	Farming Supplies	Food & food supplies	Fuel, Oil & Gas	Learning material	Materials & supplies	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	220	113 663	435	2 336	42	20 584	1 876	28 441	13 478	181 075
(Less): Issues	(220)	(113 663)	(435)	(2 336)	(42)	(20 584)	(1 876)	(28 441)	(13 478)	(181 075)
Closing balance	-	-	-	-	-	-	-	-	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

Annual Report Financial Year 2022/2023
Vote 8: Department of Rural Development and Agrarian Reform
Province of the Eastern Cape

31 Statement of conditional grants received

Name of grant	2022/23									2021/22	
	GRANT ALLOCATION					SPENT					
	Division of Revenue Act / Provincial grants	Roll overs	DORA Adjust-ments	Other Adjust-ments	Total Available	Amount received by department	Amount spent by department	Under- / (Overspe-nding)	% of available funds spent by department	Division of Revenue Act / Provincial grants	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	251 234	-	-	-	251 234	251 234	231 964	19 270	92%	247 246	243 645
LAND CARE	12 700	-	-	-	12 700	12 700	11 365	1 335	89%	12 513	12 513
ILIMA/LETSEMA	76 210	-	-	-	76 210	76 210	76 209	1	100%	74 567	74 591
EPWP	2 106	-	-	-	2 106	2 106	2 106	-	100%	2 076	2 076
	-	-	-	-	-	-	-	-	-	-	-
TOTAL	342 250				342 250	342 250	321 644	20 606	94%	336 402	332 825

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

32 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.

33 COVID 19 Response expenditure

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Goods and services		-	583
		-	
Total		-	583

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

ANNEXURE 1A

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

Departmental Agency or Account	2022/23						2021/22	
	TRANSFER ALLOCATION				TRANSFER			
	Adjusted Budget	Roll overs	Adjustments	Total Available	Actual transfer	% of available funds transferred	Final Budget	Actual transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
ECRDA	137 666	-	-	137 666	137 365	100%	129 156	129 156
Magwa	28 115	-	-	28 115	28 115	100%	41 853	41 853
Chris Hani Development Agency	2 209	-	-	2 209	2 189	99%	2 209	2 209
Casual Labourers	4 343	-	-	4 343	4 643	107%	11 248	11 248
Cannabis	10 000	-	-	10 000	10 000	100%	4 500	4 500
Pineapple	1 300	-	-	1 300	1 300	100%	1 300	1 300
Blended Finance	25 000	-	-	25 000	25 000	100%	-	-
Macadamia Nuts	3 000	-	-	3 000	3 000	100%	-	-
Citrus Intervention	12 462	-	-	12 462	12 462	100%	-	-
RED Hub	-	-	-	-	-	-	11 200	11 200
Mechanisation	-	-	-	-	-	-	7 900	7 900
Yellow Fleet	-	-	-	-	-	-	7 000	7 000
Economic Stimulus	-	-	-	-	-	-	8 500	8 500
Technical Advisory Services	-	-	-	-	-	-	5 200	5 200
Administration	-	-	-	-	-	-	2 542	2 542
TOTAL	224 095	-	-	224 095	224 074	-	232 608	232 608

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

ANNEXURE 1B

STATEMENT OF TRANSFERS TO HIGHER EDUCATION INSTITUTIONS

Higher Education Institution	2022/23							2021/22	
	TRANSFER ALLOCATION				TRANSFER				
	Adjusted Budget	Roll overs	Adjustments	Total Available	Actual transfer	Amount not transferred	% of available funds transferred	Final Budget	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Fort Cox College	59 051	-	-	59 051	59 051	-	100%	61 199	61 198
TOTAL	59 051	-	-	59 051	59 051	-	100%	61 199	61 198

ANNEXURE 1C

STATEMENT OF TRANSFERS TO HOUSEHOLDS

Household	2022/23						2021/22	
	TRANSFER ALLOCATION				EXPENDITURE			
	Adjusted Budget	Roll overs	Adjustments	Total Available	Actual transfer	% of available funds transferred	Final Budget	Actual transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers & Subsidies								
Leave Gratuity	15 000	-	6 066	21 066	21 066	100%	22 274	26 855
Arbitration Award	-	-	179	179	179	100%	6 515	10 300
TOTAL	15 000	-	6 245	21 245	21 245	100%	28 789	37 155

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

ANNEXURE 1D

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE

Nature of gift, donation or sponsorship	2022/23	2021/22
	R'000	R'000
Made in kind		
Donations (Livestock) for numerous events.	53	70
TOTAL	53	70

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

ANNEXURE 2

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

Name of entity	Nature of business	Cost of investments		Net Asset value of investments		Amounts owing to entities		Amounts owing by entities	
		R'000		R'000		R'000		R'000	
		2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22
Controlled entities		-	-	141 974	140 483	-	-	-	-
Subtotal									
TOTAL		-	-	141 974	140 483	-	-	-	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

ANNEXURE 3A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2023 - LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2022	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced during the year	Revaluation due to foreign currency movements	Closing balance 31 March 2023	Revaluation s due to inflation rate movements	Accrued guaranteed interest for year ended 31 March 2023
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Standard Bank	Housing		100	-	-	-	100	-	-
ABSA			85	-	(85)	-	-	-	-
	TOTAL		185	-	(85)	-	100		

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

ANNEXURE 3B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2023

Nature of liability	Opening balance 1 April 2022	Liabilities incurred during the year	Liabilities paid / cancelled / reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2023
	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
Robet Boakye Yiadom / MEC for DRDAR	50				50
Manelisi Zukile Somhlahlo/ 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
Mzimkhulu Mtshikilana		597			597
EAST LONDON					
L. Sibanyoni	50		(50)		

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

Nature of liability	Opening balance 1 April 2022	Liabilities incurred during the year	Liabilities paid / cancelled / reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2023
	R'000	R'000	R'000	R'000	R'000
Eagles Multi-purpose Primary Co-operative	4 983				4 983
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
Mavuvula Trading	248				248
MEC Public Works/Balasi Traditional Council, DRDAR	100				100
DRDAR/Nomakhaya Moioa	100		(100)		-
Ntombozuko Linoria and 2 others / MEC & HOD for DRDAR	-	896			896
,Mbulelo Msuli Poswa / MEC DRADR and MEC Public Works	-	7 600			7 600
PORT ELIZABETH					
Azile Ndaba	200				200
Sizwe Mayekiso	100				100
TO Molefe	100				100
Beta Advisory	3 953				3 953
Sanisiwe Matola	100				100
NCSPCA/AI Mawashi& 9 Others	100				100
Qwathi-Tolo Property Farm Holdings/DRDAR	5 067				5 067
Vukile Myemane & 9 others	100		(100)		
CK Mafu	100				100

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

Nature of liability	Opening balance 1 April 2022	Liabilities incurred during the year	Liabilities paid / cancelled / reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2023
	R'000	R'000	R'000	R'000	R'000
PRETORIA					
SM Skoto	200				200
TOTAL	21 234	9 093	(250)		30 077

ANNEXURE 3B (continued)

Nature of liabilities recoverable	Details of liability and recoverability	Opening balance 1 April 2022	Movement during the year	Closing balance 31 March 2023
		R'000	R'000	R'000
GOTSHANA AND NEHAWU	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	(4 655)	-
TOTAL		4 655	(4 655)	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

ANNEXURE 4
CLAIMS RECOVERABLE

	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 2021/22	
							Receipt date up to six (6) working days after year end	Amount
	31/03/2023	31/03/2022	31/03/2023	31/03/2022	31/03/2023	31/03/2022		
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Government entity								
Department								
Dept. of Correctional services	1	-	-	1	1	1	-	-
Gauteng Dept. of Health	6	-	-	6	6	6	-	-
Dept. of Justice	-	-	-	48	-	48	-	-
Dept. of Water & Sanitation	-	-	-	33	-	33	-	-
TOTAL	7	-		88	7	88	-	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023

ANNEXURE 5

INTERGOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 2021/22 *	
							Payment date up to six (6) working days after year end	Amount
	31/03/2023	31/03/2022	31/03/2023	31/03/2022	31/03/2023	31/03/2022		
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
DEPARTMENTS								
Dept. of Water & Sanitation	-	39	-	-	-	39	-	-
WC Department of Agriculture	-	(73)	-	-	-	(73)	-	-
NW Office of the Premier	-	38	-	-	-	38	-	-
Subtotal	-	4	-	-	-	4	-	-
Total Departments	-	4	-	-	-	4	-	-
OTHER GOVERNMENT ENTITIES								
AGRISETA	16	2 134	-	-	16	2 134	-	-
HWSETA	114	902	-	-	114	902	-	-
MHLONTLO MUNICIPALITY	-	12	-	-	-	12	-	-
O R Tambo	69	3	-	-	69	3	-	-
Subtotal	199	3 051	-	-	199	3 051	-	-
TOTAL INTERGOVERNMENT PAYABLES	199	3 055	-	-	199	3 055	-	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 6
INVENTORIES

	Farming Supplies	Food & food supplies	Fuel, Oil & Gas	Learning material	Materials & supplies	Medical supplies	Medicine	Other Supplies	Total
Inventories for the year ended 31 March 2023	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	-	-	-	-	-	-	-	-
Add: Additions/Purchases - Cash	145 786	30	2 440	17	12 228	846	34 129	7 768	203 244
(Less): Issues	(145 786)	(30)	(2 440)	(17)	(12 228)	(846)	(34 129)	(7 768)	(203 244)
Closing balance	-	-	-	-	-	-	-	-	-

	Clothing	Farming Supplies	Food & food supplies	Fuel, Oil & Gas	Learning material	Materials & supplies	Medical supplies	Medicine	Other Supplies	Total
Inventories for the year ended 31 March 2022	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	-	-	-	-	-	-	-	-	-
Add: Additions - Non-cash	220	113 663	435	2 336	42	20 584	1 876	28 441	13 478	181 075
(Less): Issues	(220)	(113 663)	(435)	(2 336)	(42)	(20 584)	(1 876)	(28 441)	(13 478)	(181 075)
Closing balance	-	-	-	-	-	-	-	-	-	-

ANNEXURE 7
MOVEMENT IN CAPITAL WORK IN PROGRESS

Movement in capital work in progress for the year ended 31 March 2023

	Opening balance	Current year CWIP	Ready for use (Asset Register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	84 240	97 168	(158 662)	22 746
Non-residential buildings	18 526	59 051	(64 400)	13 177
Other fixed structures	65 714	38 117	(94 262)	9 569
TOTAL	84 240	97 168	(158 662)	22 746

Movement in capital work in progress for the year ended 31 March 2022

	Opening balance	Prior period error	Current year CWIP	Ready for use (Asset Register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	85 693	-	39 201	(40 654)	84 240
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

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 8
COVID 19 RESPONSE EXPENDITURE
Per quarter and in total

Expenditure per economic classification	2022/23	2021/22			
	Q2	Q3	Q4	Total	Total
	R'000	R'000	R'000	R'000	R'000
Goods and services					
Cons Supp: Medical Suppliers	-	-	-	-	498
Consu Hous Sup:Lin& Soft Furnish	-	-	-	-	85
TOTAL COVID 19 RESPONSE EXPENDITURE	-	-	-	-	583