ANNUAL REPORT

2023 | 2024

CONTENTS

PART A

GENERAL INFORMATION

1. DEPARTMENT GENERAL INFORMATION

PHYSICAL ADDRESS:	Department of Rural Development and Agrarian Reform Dukumbana Building, Independence Avenue. Bhisho, 5605
POSTAL ADDRESS:	Private Bag X0040 Independence Avenue Bhisho, 5605
TELEPHONE NUMBER:	040-602 5007
FAX NUMBER:	040 – 635 0604
EMAIL ADDRESS:	communication@drdar.gov.za
WEBSITE:	www.drdar.gov.za

2. LIST OF ABBREVIATIONS

AGSA	Auditor General of South Africa	**MOU**	Memorandum of Understanding
AHT	Animal Health Technicians	**OIE**	Office Internationale Etizooties
APP	Annual Performance Plan	**OP**	Operational Plan
ARP	Annual Recruitment Plan	**MTSF**	Medium Term Strategic Framework
BAC	Budget Advisory Commitee	**NAMC**	National Agricultural Marketing Council
CA	Conservetion Agriculture	**NARYSEC**	National Rural Youth Service Corps
CASP	Comprehensive Agricultural Support Programme	**NCDT**	Nguni Cattle Development Trust
CFO	Chief Financial Officer	**NCR**	Non-Conformance Registers
CoAFs	Confirmation of Accuracy Forms	**NDP**	National Development Plan
COE	Compensation of Employees	**NQF**	National Qualifications Framework
COGTA	Cooperative Governance and Traditional Affairs	**OHS**	Occupational Health Safety
COO	Chief Operations Officer	**OHSA**	Occupational Health Safety Act
DAAC	District Agri-park Advisory Councils	**OI**	Output Indicator
DAFF	Department of Agriculture, Forestry and Fisheries	**OSD**	Occupational Specific Dispensation
DAPOT	District Agri Park Organising Task Team	**OTP**	Office of the Premier
DRDAR	Department of Rural Development and Agrarian Reform	**PAETV**	Provincial Agriculture and Training Forum
ECAETS	Eastern Cape Agricultural Economic Transformation Strategy	**PAHC**	Public Animal Health Care
ECATU	Eastern Cape Appropriate Technology Unit	**PCMT**	Provincial Coordinating Monitoring Team
ECDC	Eastern Cape Development Corporation	**PDI**	Previously Disadvantage Individual
ECGP	Eastern Cape Provincial Government	**PERSAL**	Payroll and Salaries
ECPT	Eastern Cape Provincial Treasury	**PFMA**	Public Finance Management Act
ECRDA	Eastern Cape Rural Development Agency	**PLAS**	Proactive Land Acquisition Strategy
EE	Employment Equity	**PoA**	Program of Action
EEP	Employment Equity Policy	**PPE**	Personal Protective Equipment
EIA	Environmental Impact Assessment	**PPPFA**	Preferential Procurement Policy Framework
EPWP	Extended Public Works Programme	**QAR**	Quality Assurance Review
ERM	Enterprise Risk Management	**RFIs**	Request for Information
EXCO	Executive Council	**RMC**	Risk Management Committee
FAS	Financial Accounting Services	**SABS**	South African Bureau of Standards
FET	Further Education and Training	**SACNASP**	South African Council for National Science Profession
FMD	Food and Mouth Diseases	**SANAS**	South African National Accreditation System
FSCMCC	Finance and Supply Chain Management Compliance Committee	**SANSAE**	South African Society for Agricultural Extension
FTE's	Full Time Equivalents	**SASAE**	South African Society for Agricultural Extension
GARDAG	Government Agricultural Research and Development Action Group	**SASAT**	South African Society Agricultural Technologists

GIS	Geographic Information System	**SCM**	Supply Chain Management
GITO	Government Information Technology Office	**SCOPA**	Standing Committee on Public Accounts
HET	Higher Education and Training	**SDGs**	Sustainable Development Goals
HIV	Human Immune deficiency Virus	**SDIP**	Service Delivery Improvement Plan
HOD	Head of Department	**SDM**	Service Delivery Model
HR	Human Resources	**SETA**	Sector Education Training Agency
HROPT	Human Resource Operations Project Task Team	**SHE**	Safety Health Environment
IAA	Internal Audit Activity	**SHERQ**	Safety, Health, Environment , Risk and Quality
ICP--OES	Inductive Coupled Plasma-Optical Emission Spectroscopy	**SLA**	Service Level Agreement
ICT	Information Communication and Technology	**SMME**	Small Medium Micro Enterprise
ICU	Internal Control Unit	**SMS**	Senior Management Service
IOD	Injury on Duty	**SOMPED**	Society for Medicinal Plants and Economic Development
ISPPIA	International Standards for the Professional Practice of internal Auditing	**SPLUMA**	Spatial Planning and Land Use Management Act of 2013
IT	Information Technology	**TARDI**	Tsolo Agricultural and Rural Development Institute
LMF	Labour Management Forum	**TB**	Tuberculosis
MEC	Member of the Executive Council		

3. FOREWORD OF THE MEC

This Annual Report covers the 2023/24 financial year, aligning with the end of the 6th administration of the current government and the departmental five-year strategy for 2020-2025. It is a significant milestone for evaluating the performance of the provincial government and our department in relation to the goals set out in the Provincial Development Plan 2030 and the Provincial Medium-Term Strategic Framework 2020-2025.

Our department contributes to Strategic Goal 3 of the revised Provincial Development Plan 2030, which focuses on "rural development and an innovative and high-value agricultural sector." To achieve this goal, we have identified food security, land rehabilitation, and the development of agricultural value chains as key drivers for building a resilient agriculture sector. This has resulted in job creation, improved rural livelihoods, and the establishment of a strong export base through the targeted development of high-value commodities.

Over the past three decades, the government has made significant progress in enhancing the living conditions of Eastern Cape residents. As we mark 30 years of freedom and democracy in our country, we must acknowledge the complex global and domestic challenges. While celebrating our freedom, we must also address the crises and opportunities that lie ahead.

The ongoing geopolitical tensions in the Russia/Ukraine war continue to disrupt global energy markets and food value chains. Moreover, escalating tension in the Middle East, particularly the conflict between Israel and Palestine, is impacting South Africa and other African countries, leading to trade disruptions, higher commodity prices, and tighter financial conditions. Global economic conditions are currently constrained, with economic output expected to slow down, posing short- to medium-term risks such as sustained high inflation, increased cost of living, and rising borrowing costs.

The Eastern Cape economy contracted by 0.2% in the fourth quarter of 2023. Despite this, the mining, electricity, and transport industries were positive contributors to provincial GDP growth. Conversely, agriculture, trade, and construction were the largest negative contributors, declining by 9.0%, 2.7%, and 1.3% quarter-on-quarter, respectively. Government services, the largest employer in the province, also contracted by 0.6% in the fourth quarter.

The Eastern Cape provincial government signed an investment agreement with Medigrow, a cannabis consulting firm. The agreement includes a R246 million investment by the end of 2024 to finish building a facility for indoor cannabis cultivation, CBD extraction, hemp cigarette production, and packaging. The aim is to develop 10,000 hectares of cannabis over the next five years.

During the period under review, the department supported five fishing cooperatives by providing them with fishing gear to enhance their fish farming operations. This initiative is in line with our commitment to promoting sustainable and productive agricultural practices.

On behalf of the department, I wish to express gratitude to the Premier of the province for his support, the department's management 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 enhance the impact of our interventions in the agricultural sector in the province.

HON NONCEBA KONTSIWE, (MEC)
MEMBER OF THE EXECUTIVE
DATE: 30 August 2024

4. REPORT OF THE ACCOUNTING OFFICER

Overview of the Departmental Performance

In the 2023/24 fiscal year, the department focused on ensuring food security for all Eastern Cape citizens, in line with the constitutional right to food. Section 27(1)(b) of the Constitution guarantees the right to sufficient food and water. Furthermore, the Agriculture and Agro-processing Master Plan enabled the development of commodity value chain corridores throughout the province. This was complemented by the Department of Agriculture Land Reform and Rural Development's introduction of Integrated Rural Development Strategy to develop a coherent coordination and implementation of rural development programmes in all three spheres of government. These by in large shaped the implementation of the departmental programmes during the year under review.

To increase food security programme and support to vulnerable household as part of the departments response to SAHRC's report on high malnutrition rates, especially among children in impoverished households. The household food security programme supported a total of 23,160 households in the 2023/24 financial year. Furthermore, DALRRD implemented Presidential Economic Stimulus where a total of 31,966 individuals were supported with food production vouchers to the value of R165.5 million.

During the period under review, the Department introduced the agriculture and Agro-processing Blended Finance to improve productivity and competitivenes of the agriculture value chains in the province. This initiative was implemented in partnership with the ECRDA and ECDC, where a total of R50 million was allocated for agricultural enterprises. This initiative provided farmers from different commodity value chains (i.e. citrus, livestock, grains, etc) an opportunity to implement commercial initiatives across the province. By March 31, 2024, a total of R32,345,699 had been disbursed to 18 enterprises.

To support distressed citrus farmers, the department disbursed a total of R8,497,438 to sustain the production of citrus by 32 farmers in Alice-Kat, Keiskamma, and Sunday River Valleys. This intervention has ensured the sustenance of 9,609 jobs along the value chain in these valleys.

As part of the commodity value chains, the department implemented aggregation of grain through seven partnerships to increase the area under cultivation and improve yield. These partnerships enabled communal farmers to participate in the grain value chain through aggregation of their land parcels into commercial units for the purposes of supplying the markets. Through these partnerships, the department has created a network of commercial agriculture expertise from both government and private sector to support the black farmers of the province.

To increase the involvement of communal and smallholder farmers in the mainstream economy, 117 agricultural infrastructure projects have been completed. These projects include fencing, dipping tanks, stock water dams, boreholes, stock water systems, and livestock handling facilities, all aimed at boosting agricultural productivity. Furthermore, these projects have generated 877 infrastructure jobs and have benefitted a total of 3,585 small producers. During the review period, the department successfully protected and rehabilitated 5,380 hectares of productive land that had been damaged by the invasion of foreign species, resulting in the creation of 547 green jobs.

Veterinary services play a crucial role in maintaining the health of animals and ensuring the safety of animal products for human consumption. A total of 1,315,202 animals have been vaccinated against controlled animal diseases in accordance with the Animal Disease Act (Act 35 of 1984). Moreover, 8,950,616 sheep have been treated for sheep scab to enhance the quality and quantity of the wool clip. In the 2023 wool market season, the province exported 22,873,101 kg of greasy wool, which accounts for 34% of the national clip, with an estimated value of R3.431 billion. Communal wool producers continue to play a significant role in this sector, having sold 5,659,840 kg in this marketing season.

A total of 2,012 participants were trained in skills development programs in the sector. Additionally, 162 youth were supported in agri-business and placed in various commercial agriculture enterprises to acquire knowledge and practical experience. To promote rural development, 11 basic infrastructure projects were implemented using innovative and appropriate technologies. These projects focused on building basic infrastructure such as sanitation and water care facilities.

DRDAR, in partnership with the World Bank, Infrastructure for South Africa (ISA), and other departments, is working on revitalizing irrigation schemes. The department has started developing a business case to secure R3 billion in funding from the Budget Facility for Infrastructure (BFI) for 10 irrigation schemes in the province.

In 2023, the impact of climate change caused a significant decrease in production at Magwa-Majola Tea Estates, with an estimated 40% of targets missed. Despite this setback, the Tea Estate has expanded its reach, with Magwa tea now available in Sun International group, Premier Hotel, and fourteen Spar retail shops in the province. The tea is also being sold in Gauteng food markets and flea markets, with loyal customers from the Western Cape and Limpopo. This expansion is part of market testing, with plans to sell in Gauteng retail stores by late 2025.

Addressing the issues of hunger, food insecurity, and malnutrition, the department persistently aligns its efforts with the stipulations of the National Food Security Policy. This Policy lays down strategies to improve the lives of the majority of the citizens, and enhance their productivity and participation in the sustainable development through growing agriculture for food security, good nutrition and health.

The Department's organizational profile comprises of 2 679 funded posts of which 2 638 filled posts, 41 vacant and translates to a vacancy rate of 2%, which is below the DPSA threshold of 10%. The staff turnover rate, which articulates employee attrition, emanating from retirement, resignations, demise, contract expiry, discharge due to ill-health and transfers out of the department, was at 8% as at the end of the 2023/24 financial year. Two hundred and twelve (212) employees exited the department and the decomposition of such attritions are - 96 (45%) retirements, 75 (35%) resignations, 3 (1%) contract expires, 22 (10%) demise, 2 (1%) discharge due to ill-health, and 14 (7%) transfers out.

Gender Equity: The Department has surpassed the gender equity target of 50% for the employment of females in the Senior Management Service (SMS). Currently, there are 27 females (55%) and 22 males (45%) serving as Senior Managers within the Department.

The table below provides a summary of the department's performance by programme. The department's total performance is currently at 90%, indicating a noticeable improvement in performance when compared to the previous financial year's performance of 83%.

Programme Description	No of the target outputs	No of the actual outputs	% Achieved
Administration	20	19	95
Sustainable Resource Management	18	17	94
Agricultural Producer Support and Development	13	12	92
Veterinary Services	15	12	80
Research and Technology Development services	11	10	91
Agricultural Economic Services	7	7	100
Agricultural Education and Training	10	7	70
Rural Development	6	6	100
TOTALS	**100**	**90**	**90**

Overview of the financial results of the department

Departmental receipts	2022/2023			2023/2024		
	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	5,342	4,585	757	5,650	5,758	(108)
Transfers received	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	3	(3)
Interest, dividends and rent on land	50	98	(48)	70	194	(124)
Sale of capital assets	727	1,123	1,850	,800	980	820
Financial transactions in assets and liabilities	720	10,684	9,964	800	1,094	(294)
Total	7,962	16,490	(8,528)	8,320	8,029	291

The department has an approved tariff policy that is reviewed annually. The tariff policy aims to recover the costs incurred by the department for services rendered to the farming communities. The tariff policy is adjusted annually according to the prevailing inflation rate. During the current year, the tariff policy was adjusted by 4,2%.

During the current year, the department has under collected by 3% of the revenue included in appropriated funds. A significant amount of the under collection emanated from sale of biological capital assets. The decrease is sale of biological assets collarate to the research process undertaken by the department.

The department has over collected on interest received due to an increase in the number of interest bearing debts. The over collection from sale of goods and services other than capital assets was driven by the sale of scrap and administrative fees. The revenue from sale of scrap resulted from the disposal of obsolete assets. The administrative fees include revenue collected from export certificates issued by the department. The department improved its billing process relating to export services offered by the department.

The department has monitored the revenue collection throughout the department. We have ensured that the internal controls are efficient and effective and this has resulted in over collection.

Programme Expenditure

Programme Description	2023/2024 R'000			2022/2023 R'000		
	Final Appropriation	Actual Expenditure	Variance	Final Appropriation	Actual Expenditure	Variance
Administration	475,624	475,058	566	474,577	474,124	453
Sustainable Resource Management	132,966	132,878	88	136,406	131,532	4,874
Agricultural Producer Support and Development	805,070	804,884	186	835,775	821,864	13,911
Veterinary Services	343,988	343,989	(1)	338,319	337,845	474
Research and Technology Development services	138,587	138,586	1	132,599	131,706	893
Agricultural Economic Services	38,737	38,739	(2)	35,087	34,519	568
Agricultural Education and Training	189,152	188,834	318	192,590	180,815	11,775
Rural Development	212,117	212,116	1	210,160	206,678	3,482
TOTALS	**2,336,241**	**2,335,084**	**1,157**	**2,355,513**	**2,319,083**	**36430**

Explanation of variances

Programmme 1

There were overtime payments that were not paid at the end of the financial year due to the lengthy verification process

Programmme 3

The department had final retentions that were not paid due to finalisation of the project with the contractors.

Programmme 7

Under-expenditure can be ascribed to saving attributed to students who were enrolled in entrepreneurial programmes that dropped out. Furthermore, savings from training due to lower-than-expected cost of providing the youth training, and Fort Cox Lecture Hall savings after all invoices including the retention fees were paid.

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.

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. Recognising 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 (FSCMCC) 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:

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.

The department incurred fruitless and wasteful expenditure amounting to R266 978.66 during the current financial year. Out of that total expenditure, transactions amounting to R238 603.00, were condoned leaving an outstanding closing balance amount of R 28 375.66 for 2023/24 financial year. The department is in the process of cost recoveries through debt implementation from the transgressing officials.

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

The department did not incur any unauthorised expenditure for the 2023/24 financial year.

The internal controls are strongly practised by successful pre-audit processes and awareness programmes on how to control internal control weaknesses in both procurement and payments.

The irregular expenditure of the department remained as a NIL balance since 2018 to date.

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

The Head of department has taken a strong decision and remedial steps taken this year for non-reoccurance of such contraventions by strictly cost recovering it from thej officials' salaries unless the Finance and Supply Chain Management Compliance Committee (FSCMCC) recommends for a condonement to the Head of Department for approval of such condonements. Consequence management is also applied in cases where none of the above is actioned.

Step 1 - Cost recovery letters were sent to the transgressed officials requesting them to make arrangements for debt acknowledged by paying their debts with the Financial Accounting Services Directorate.

Step 2 - Cases where the expenditures are not agreed upon as per step 1, the affected officials are required to respond to the condonement request for the condoning of such expenditures by the Finance and SCM Compliance Committee.

Step 3 - Acknowledgement of debt forms are also sent to the officials for acknowledging their debt and debt take-on by Financial Accounting Services (FAS) Directorate.

Step 4 - Failure to all the above, the department have no option other than to recover the debt directly from their salaries through PERSAL.

Step 5 - The fruitless and wasteful expenditure register will then be updated as such as per the above steps taken.

The Internal Control Directorate, who is responsible for the sound compliance of processes of the department is diligently managing to mitigate/eliminate all irregular and fruitless & wasteful expenditures. The internal controls are strongly practised by successful pre-audit processes and awareness programmes on how to control internal control weaknesses in both procurement and payments.

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 authorisation 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.

B DAYIMANI
ACTING ACCOUNTING OFFICER
DATE: 30 August 2024

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

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

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

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

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

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

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

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

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

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the department for the financial year ended 31 March 2024.

Yours faithfully

B DAYIMANI
ACTING ACCOUNTING OFFICER
DATE: **30 August 2024**

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

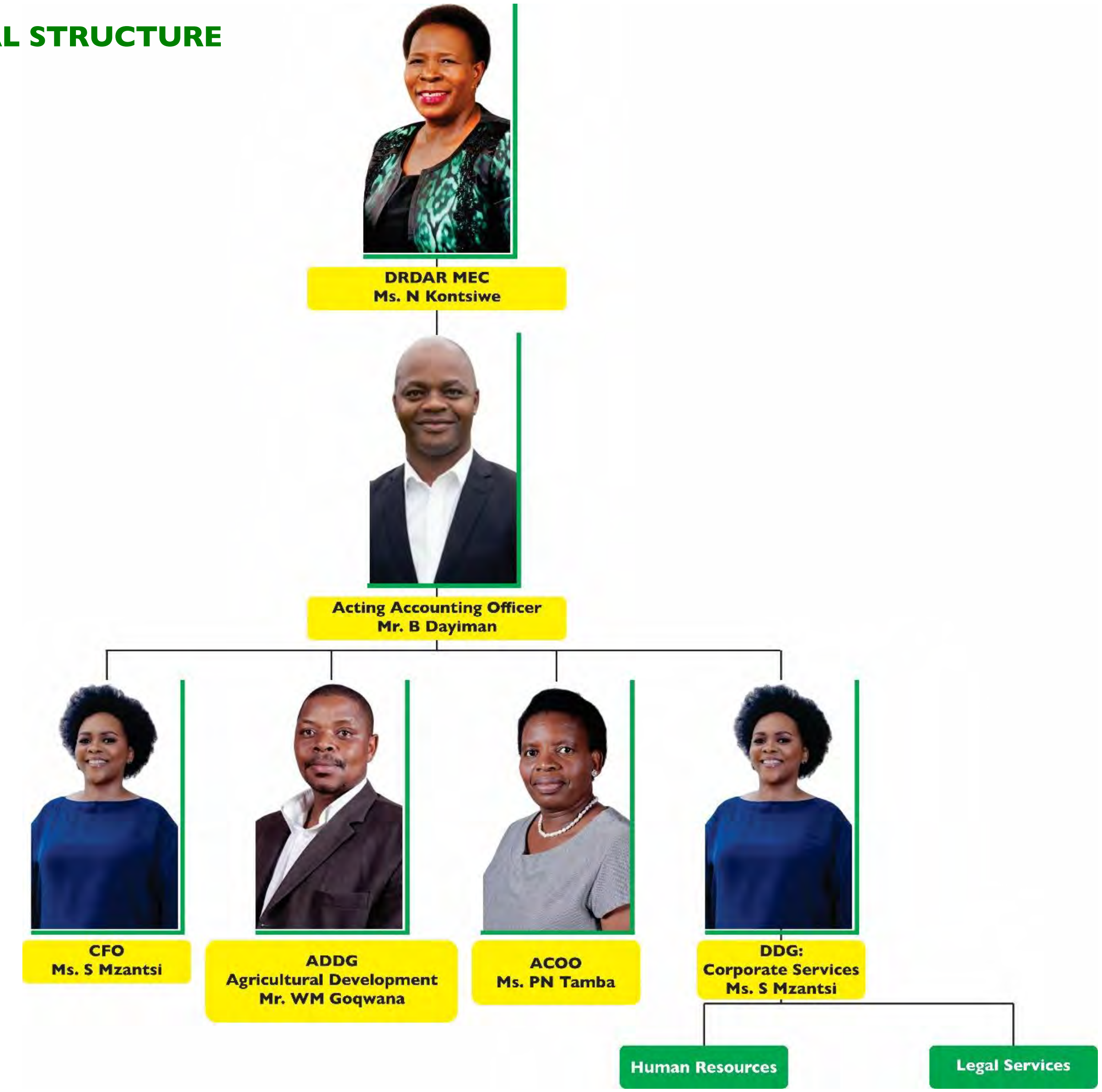
Ethical leadership:	We lead with respect for ethical beliefs and values and for the dignity and rights of others.
Honesty & Integrity:	Commitment to be transparent with all stakeholders.
Innovation:	Commitment to keep abreast of new developments in relevant fields of expertise and be innovative in carrying 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	Act No 108 of 1996
• The Agriculture Development Act, 1999	Act No. 67 of 1999
• Conservation of Agricultural Resources Act,1983	Act No. 43 of 1983
• Eastern Cape Rural Finance Corporation, Act 1 of 2012	Act No. 9 of 1999 as Amended by Act1 of 2012
• Veterinary and Para-Veterinary Professions Act,1982	Act No. 19 of 1982
• The Animal Health Act, 2002	Act No. 7 of 2002
• The Animal Identification Act, 2002	Act No. 6 of 2002
• The Meat Safety Act, 2000	Act No. 40 of 2000
• Animal Diseases Act, 1984	Act No. 35 of 1984
• Animal Improvement Act, 1998	Act No. 62 of 1998
• Animal Protection Act, 1962	Act No. 71 of 1962
• Livestock Improvement Act, 1997	Act No. 25 of 1997
• Agricultural Pests Act, 1983	Act No. 36 of 1983
• Fertilizers, Farm Feeds, Agricultural Remedies and Stock Remedies Act, 1947	Act No. 36 of 1947
• Agricultural Research Amendment Act, 2001	Act No. 27 of 2001
• Marketing of Agricultural Products Act, 1996	Act No. 47 of 1996
• Fencing Act, 1963	Act No. 31 of 1963
• Land Tenure Rights Act, 1991	Act No. 112 of 1991
• Intergovernmental Relations Framework Act, 2005	Act No. 13 of 2005
• Public Finance Management Act, 1999	Act No.1 of 1999
• Basic Conditions of Employment Act,1997	Act No.75 of 1997
• Division of Revenue Act, 2009	Act No. 12 of 2009
• Preferential Procurement Policy Framework Act, 2000	Act No. 5 of 2000
• Public Service Act and Regulations, 1994	Act No. 103 of 1994
• Skills Development Act, 1998	Act No. 97 of 1998
• Occupational Health and Safety Act, 1993	Act No. 85 of 1993
• Employment Equity Act, 1998	Act No. 55 of 1998
• Promotion of Access to Information Act, 2000	Act No. 2 of 2000
• Treasury Regulations issued in terms of PFMA Act, 1999	Act No. 29 of 2000
• Promotion of Administrative Justice Act, 2000	Act No. 2 of 2000
• Spatial Planning and Land Use Management Act, 2013	Act No. 16 of 2013
• Protection of Personal Information Act, 2013	Act No. 4 of 2013

8. ORGANIZATIONAL STRUCTURE



9. ENTITIES REPORTING TO THE MEC

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

Accountability includes 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 every quarter through the 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 0f 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). 2023/24 Budget allocation was R141m.	• Administrative. • Project Management. • Rural Financial Services (Rural Finance).

PART B

PERFORMANCE INFORMATION

1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

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

Refer to pages 195 - 197 of the Report of the Auditor-General, published as Part E: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

The Performance of the Provincial Agriculture Sector

The performance of the Eastern Cape agricultural industry economically has always been of concern in the backdrop of the renowned provincial natural resource endowment. However, it must be noted that this endowment has its inherent agroecological limitations, which are compounded by socioeconomic challenges facing land users and or producers. It is however encouraging that in the last 15 years commercial provincial agriculture has grown significantly according to the StatsSA Census of Commercial Agriculture of 2017. These statistics revealed that the highest growth was recorded between 2007 and 2017 when the income grew by 380 % from R5,6 billion to R27,0 billion, which put the province in the 8th position.

This growth has not slowed down since the Agriculture Survey of 2022 has reflected that between the period 2021 and 2022 the sector grew by a strong 17 %, to R38bn and displaced Limpopo, moving the province to 7th position. At the same time, the province recorded the third largest increase in salaries' contribution by 12%, while employment improved by 6.5 % to 80 268. The number of people employed in the agriculture sector continued to increase in the third quarter from 90 000 in the first quarter, to 121 000 in the second quarter and 136 000 in the third quarter of 2023. The agricultural sector showed stronger growth in both quarter on quarter and year on year growth where it showed a significant expansion of 16,8% when comparing Q2 2023 to Q2 2022.

As is the norm that this is a livestock province, animal products had the highest contribution to the total Eastern Cape Gross income at 57% followed by horticulture and field crops at 41% and 2,5% respectively. Wool had the largest gross income (24,5%) in animal products and the value of wool exported from the Eastern Cape reached 15 million tons annually generating no less than R3.9 billion with the formerly underdeveloped communal sector exceeding R250 million in annual income. Meat exports to Africa, Asia, and Middle East increased to more than 4.5 million tons per year with incomes of up to R317 million.

Citrus contributes approximately 60% of the horticulture gross income. Noticeable, the citrus international trade challenges faced by the industry in 2021 affected the performance of citrus negatively. However, the citrus gross income for Eastern Cape recovered by 5,6% in 2022 from the black spot citrus export requirement which caused a decline in citrus exports in 2021. The value of total citrus exported increased by 11% in 2022 from R4,1 billion in 2021 to R4,7 billion. The Citrus Growers Association has reported that the 2024 citrus export season is promising as millions of cartons of citrus will be making their way to destinations in Europe, China, the US, Russia, and the Middle East.

Commercial maize production statistics reveal that the province is not a huge grain producer, a reflection of its natural resource potential at only 1 % of the national output. Also, the income generated from field cops including grains in the province is only 2.5 % of the total farming income. However, this commodity remains vital for all the farmers in the province as it drives the livestock industry in terms of feed supply. Due to strides by the Department, the province produces 48 % of the 664 000 tons produced annually from the non-commercial sector followed by KZN at 21%.

Furthermore, maize production in the Eastern Cape has more than doubled over the last 5 years, from 93 200 tons in 2018 up to 198 650 tons in 2022. Between 2021 and 2022, the province has seen a significant increase in commercial grain production from 20 000 to 30 750 ha. The total gross income of deciduous fruit increased by 9,6% in 2022. Quantities exported are the reason behind the increase in the deciduous fruit. The total value of deciduous fruit exported from the Eastern Cape to the international markets, increased by 59% in 2022 from R87 million in 2021 to R214 million in 2022. Apples grew by 69% followed by pears at 64% and plums 44% in 2022.

General Weather Conditions

During the reporting period, most of the country received average to above-average rainfall since about 2020, which is in contrast to the severe drought conditions over large parts of the country from about 2014 to 2019. The most important factor that is responsible for these fluctuations is the so-called ENSO (El Niño Southern Oscillation), with the two main components of El Niño and La Niña. The impact of El Niño over South Africa is usually drier conditions and with a La Niña present, wetter conditions. 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.

As was predicted the greater parts of the Eastern Cape received average to above-average rainfall until about December with below-average rainfall in the second part of the summer from about January/February 2024. During the latter part, the country experienced a wave of excessive heat and scant rains across South Africa, which was a significant concern for the sector particularly in the summer grains with fears of the possibility of poor yields. At the same time, the Crop Estimates Committee (CEC) also predicted a possible decline in the summer grains and oilseed harvest at 17,4 million tonnes, down by 13% on a year-to-year basis.

SERVICE DELIVERY HIGHLIGHTS

The Department has continued to drive commercialization of the sector through district commodity value chains. This is in line with the Agriculture and AgroProcessing Master Plan, which seeks to put the sector on a new growth trajectory through collaborative efforts by all role players. The department has since pursued and implemented programs and projects to drive this intention and these have included financing tools, investment on infrastructure and production support.

1. Blended Finance

From a provincial perspective mindful of the uniqueness of the province the department realized the need to establish tailor-made finance mechanisms that will reduce the inherent dependency on grants and amongst others was the Blended Finance. DRDAR has developed the Blended Finance Mechanism with the goal of commercializing smallholder farmers who are currently reliant on grant funding, which was a collaborative effort between DRDAR, ECRDA, and the Eastern Cape Development Corporation (ECDC).

In this regard, the DRDAR availed a total of R25 million for the grant part which was to be matched by the ECDC with another R25 million for the loan component. A total of 300 applications were received with 160 projects considered further. ECDC, appointed as the implementing institution, is processing all applications. It's important to note that the R50 million funding provided by both entities has been fully allocated, leaving a shortfall of about R8.3 million.

Furthermore, the ECRDA forged a partnership with the Small Enterprise Finance Agency (SEFA) Rural Blended Finance Scheme with an allocation of R75 million. A total of 118 applications, collectively valued at R248,033,793.71, have been submitted to SEFA for a comprehensive assessment, including investment assessment and commercial due diligence.

2. Market Access and Strategic Partnerships

To create sustainable agribusinesses the Department committed to accelerate the implementation of support programs that will ensure an increased participation of black smallholder producers throughout the value chain including access to markets. To that end, the department achieved the following: -

- Support to agribusinesses where in the department extended marketing services to 305 agribusinesses, provided economic assistance for production to 563 clients, and bolstered 20 agribusinesses through agro-processing initiatives. These concerted efforts have not only propelled the success of individual businesses but also contributed to the advancement of the broader agricultural industry. Black Economic Empowerment forms a crucial part of the department's mission to stimulate economic prosperity.
- In partnership with Perishable Products Export Control Board (PPECB), the department committed to assist farmers in achieving South African Good Agricultural Practices (SA GAP), accreditation. The program successfully facilitated nine (09) new SA GAP accreditations of which four agribusinesses in the Amathole District and five in the Chris Hani District.

3. Grain Value Chain

Despite unfavorable weather conditions in January and February 2024, the planting conditions in the summer months (November and December 2023) were conducive. Most producers were able to meet their planting targets, and through the partnership model, the department surpassed the total number of hectares targeted for the 2023/24 period by supporting a total of 29 117 ha. As was indicated earlier the May 2024 crop estimates by the CEC reported a steady increase in the area under commercial grain production from 30 750 last season (2022/23) to 33 000 ha in the current season. The province has continued to make the most contribution on the non-commercial sector at 46 % of the national output on 264 500 tons. Infrastructure support in this commodity in particular fencing of productive arable lands benefitted a total of 734 producers through the completion of 36 projects.

4. Wool and Mohair Value Chains

As indicated earlier this is one commodity that is growing at an increasing rate in the communal space of the province, with noticeable increases in income generation and strong community-based farmer organization. As is known animal numbers are not the limiting factor, however, the quality of the flock and the infrastructure to facilitate the harvesting and proper processing of the wool clip are major drawbacks in these production areas. To this end, a total of 8 shearing sheds and 12 multi-purpose sheds were completed. These projects have had a direct impact on 624 beneficiaries, providing them with improved facilities for wool production and processing. Furthermore, to support the improvement of genetic material and the quality of the produce a total of 234 rams, 30 ewes, 75 bucks, and 90 does were distributed to qualifying projects and producers across the province.

5. Red Meat Value Chain

Like the wool and mohair commodities, in the red meat commodity, animal numbers are not a challenge, but the quality of animals (type of breeds) and the production infrastructure remain some on the limiting factors. In the period under reporting a total of 36 dip tanks projects were completed with 27 renovated and 7 new ones constructed benefitting a total of 1388 farmers. In addition to the dip tanks, two dams were also constructed, and 3 borehole and stock water projects were completed benefitting a total of 221 producers. Furthermore, seven livestock fencing infrastructure projects were completed, providing for appropriately managed grazing for the livestock of 88 beneficiaries, while 5 animal handling facilities were also completed. The improvement of genetic material also received attention as well wherein a total of 55 bulls and 195 good quality heifers were distributed across the province.

6. Citrus Value Chain

The province continues to support the transformation and development of this commodity. The recent phytosanitary bans by the European Union and the logistic nightmares at the harbours after Covid 19, which caused shipping backlogs and congestions put the small black holder producers on the back foot. The department availed an amount of R8.4m to support and sustain the production of Citrus by 32 farmers in Alice-Kat, Keiskamma, and Sunday River Valleys. The funds were transferred to ECRDA for management and disbursement to beneficiaries and an amount of R8 497 438 has been disbursed as follows;

- R6 268 601 has been disbursed for production inputs.
- R2 228 836 has been paid for wages for 127 workers.

This intervention ensured the sustenance of 9609 jobs along the value chain in these valleys. Furthermore, to support the expansion of the commodity amongst the black smallholder producers in Amathole, at Krila a total of 5 ha of orchards were established bringing the total new orchards for the farming business to 30 ha while at Craighead Farm 27 ha were developed. In Sarah Baartman the Three Pence farm had a borehole drilled and 3.2 ha of hail net were constructed.

7. Household Food Security

The province remains a hotspot for food insecurity, poverty, and malnutrition hence the Department is committed to strengthening Household Food Security to protect vulnerable households. In this regard, a total 22 935 households were supported with food production packs, gardening tools and chemicals amongst others so that they can grow their own food inclusive of seeds, seedlings.

8. Animal Health Support

With an animal herd that is not comparable to any in the country in terms of numbers, the Department has an inherent responsibility to protect the province's livestock industry. It is therefore imperative that it provides dedicated animal health programs that seek to control disease outbreaks while managing the spread of disease that would endanger the livestock economy. As a result, the following key deliverables were made during the reporting period.

- 1 315 202 were vaccinated against controlled diseases.
- 8 950 616 treatments were applied to control sheep scab.
- 3 049 027 treatments were applied to control external parasites (dipping)
- 5 039 export certificates were issued.

9. Cannabis Development

The ECRDA supported primary producers in this new industry through training and assisting with securing production inputs. The ECRDA has initiated collaborative discussions with the Agricultural Research Council (ARC), the national research body designated by DALRRD for cannabis agronomic research. A database of 92 hemp cultivation permit holders in the Eastern Cape was developed, with assistance from the Eastern Cape Hemp Producer Association.

Furthermore, the ECRDA Cannabis Program facilitated discussions with MediGrow ZA, a leading medicinal cannabis grower and exporter in South Africa, to establish a hemp flower producer cluster in the province. This led to the signing of an MoU with the company on the cannabis and hemp supplier development program. In addition, the ECRDA engaged with Afrimat, a Cape Town-based company, to forge relations on value-add on biomass from the indigenous cannabis growers of the Mpondoland Cannabis Belt as part of the strategy to mainstream the indigenous cannabis growers into the cannabis economy.

10. Forestry development

Through the support driven by the ECRDA support the 4 forestry projects (Izinini, Makhambathi, Sixhotyeni, and Gqukunqa) wherein a total of 124.3 hectares of the new plantation was planted, while 177 jobs were maintained, of which 63% were women and youth. Operational activities across the four projects focused on asset protection, planting, road maintenance, harvesting, and weed control. The harvesting operations at Mkambathi and Izinini progressed smoothly and the ECRDA supported these projects in negotiating with potential harvesting contractors. ECRDA also secured an arrangement with PG Bison for these two projects to deliver up to 500 tons per month each, despite the restrictions that were placed on the intake of outside sources.

11. Sustainable Natural Resource Management

Globally, land degradation, particularly soil erosion, is a significant environmental issue and the department strives to address this by promoting conservation measures through conservation agriculture, veld management, water management, and sustainable practices, which also results in job creation, training, and capacity building among other related benefits. To this end:

- A total of 5 380 ha of land was rehabilitated while the introduction of task-rate payment over daily rate resulted in more land being rehabilitated than the set target.
- Additionally, 802 ha of land were cultivated through conservation agriculture principles and 547 jobs were created.

- A total of 622 agricultural resource maps were produced, exceeding the target of 383.

12. Youth and farmer Skills Development

The department established collaborations with higher education institutions, such as the University of Pretoria, which attracted learners interested in veterinary medicine careers. The collaboration with the Food and Agriculture Organisation (FAO) funded the Para-Vet program wherein unemployed Animal Health graduates were capacitated with business skills and start-up kits, enabling them to establish their own animal health clinics in rural areas. The program, valued at R1.6m, benefited 45 youths from the Eastern Cape and North West Provinces who received training at TARDI.

Through support from the Health and Welfare Sector Education and Training Association (HWSETA) and the Agriculture Sector Education and Training Authority (AgriSETA) students at both Colleges were afforded funding, for the academic programs. The Unemployed Graduate Internship Program placed 120 youths in farming enterprises to gain practical experience. The Farmer and Farm Worker Training program was in high demand and well-received and as such, respectively a total of 2012 farmers and 318 farm workers were trained in agricultural production and agribusiness skills.

13. Research & Technology Development

The department acknowledges the pivotal role of agricultural research in addressing both provincial and national food security challenges. Considering the funding and human resource capacity issues the Department established a total of four formal collaborations with the following tertiary institutions:

- Walter Sisulu University with research focus on Medicinal Cannabis, specifically Intsangu. This project involved the taxonomic classification of landraces found in Pondoland.
- North West University whose research focussing on centred on Hemp.
- Mpumalanga University with a specific focus on research on biopesticides.
- Clinvet, wherein the collaboration is for the formulation and Validation of a BM86 immunomodulator a cattle vaccine.

In addition to these collaborations, the department conducted 38 research projects aimed at improving agricultural production. Furthermore, published nine (09) scientific papers in various fields of agricultural science, both nationally and internationally, and made 37 scientific presentations on different platforms. The department also provided support to five fishing cooperatives by supplying them with fishing gear, which has enabled them to enhance their fish farming operations. This initiative is part of our commitment to sustainable and productive agricultural practices.

14. Socio-Economic Research Services

The Department undertook an evaluation focusing on the economic performance of the sector, the economic impact on communities from 14 citrus farms in the Amathole district municipality and 8 citrus farms in the Sarah Baartman municipality, and the contributions to community success by the five Rural Enterprise Development (RED) hub projects (Mbizana, Mqanduli, Tshabo, Emalahleni, and Ncorha) in the Province.

15. Rural Development Initiatives

In pursuit of non-farm rural economy and industries, the Department distributed a total of 245 sewing machines to 126 Clothing and Textile Enterprises comprising 472 beneficiates. The beneficiaries included 68 young females, 23 young males, 22 females with disabilities, 8 males with disabilities, 325 adult females, and 20 adults. Furthermore, the department successfully implemented 11 spring water protection projects. These projects were distributed across the province as follows: Alfred Nzo (2 projects), Chris Hani (6 projects), Amathole (2 projects), and Joe Gqabi (1 project). These initiatives benefited a total of 2,606 households, with the installation of 353 taps and the creation of 582 jobs. The workforce was comprised of 181 women and 317 young individuals.

2.2 Service Delivery Improvement Plan

Main services provided and standards

Main services	Beneficiaries	Current /actual standard of service	Desired standard of service	Actual achievement
The department provides expert support to farmers in the development and establishment of comprehensive agricultural infrastructure, ensuring sustainable and efficient farming operations.	Subsistence Farmers. Smallholder Producers Producers conducting large-scale commercial farming operations.	Comprehensive provision of agricultural infrastructure projects, in each financial year as targeted.	All engaged contractors consistently adhere to the established standards, resulting in a record of zero contract terminations and 100% project completions.	During the current financial year, the department has successfully finalized the construction of 115 agricultural infrastructure projects. This milestone was accomplished by forming strategic alliances with specialized external contractors, ensuring the delivery of high-quality and efficient infrastructure solutions to support the agricultural sector.

Batho Pele arrangements with beneficiaries (Consultation)

Current arrangements	Desired arrangements	Actual achievements
The Infrastructure Development Plan, designed to address the requirements of both the community and individual households, was formulated through an inclusive consultation process.	The Infrastructure Development Plan, designed to address the requirements of both the community and individual households, was formulated through an inclusive consultation process.	The Infrastructure Development Plan, designed to address the requirements of both the community and individual households, was formulated through an inclusive consultation process.

Batho Pele arrangements with beneficiaries (Access)

Current/Actual information tools	Desired information tools	Actual achievement
Contractors have an opportunity to obtain information via multiple avenues, such as digital advertising platforms and direct personal consultations.	The department utilises Bulk SMS service, aiming to enhance the accessibility of information.	Tender notices are systematically recorded on the e-tenders portal as well as the department's official website. Furthermore, notifications for infrastructure project tenders are archived on the i-tender system. This system is configured to dispatch SMS alerts to all contractors who are registered under the relevant categories of work, ensuring timely and efficient communication.

Service delivery Information tool

Current /actual information tools	Desired information tools	Actual achievements
Administer and uphold a comprehensive registry dedicated to the documentation and ongoing update of customer feedback, encompassing both grievances and commendations.	Streamlining the Coordination of Complaint Management where the departmental processes involves the efficient handling and prompt response to complaints received through multiple channels. This includes the Departmental Toll-Free Hotline, direct inquiries, walk-in clients, faxes, emails, Facebook, and the Presidential Hotline. The department is committed to ensuring that all concerns are addressed with the utmost professionalism and diligence.	Enhancing Client Support and Reporting Procedures through ensuring that calls are promptly escalated to the relevant officials for expert advice and necessary support. Additionally, the department maintains diligent follow-ups with clients to offer updates and resolutions to their issues. To further the departmental commitment to service excellence, it consolidates and analyse all recorded calls. This data is then synthesised into a comprehensive monthly report that highlights key insights and trends.

Complaints mechanism

Current /actual complaints mechanism	Desired complaints mechanism	Actual achievements
In optimising client inquiry and complaint resolution the department is dedicated to promptly receiving and resolving queries and complaints via the Customer Care Line and the Presidential Hotline. Furthermore, to ensure transparency and efficiency, the department updates the complaints register weekly, enabling precise tracking and monitoring of each case's progress.	In pursuit of establishing effective complaint mechanisms, the departmental goal is to offer clear and easily navigable channels for clients to voice their complaints. These mechanisms are designed to uphold transparency, accountability, and promptness in the resolution process. The department prioritises clients' privacy by providing options for confidentiality and anonymity. Ensuring fair and unbiased investigations, the departments strive to deliver suitable resolutions and remedies.	The department collects and systematically organise the feedbacks of both complaints and compliments submitted through the departmental suggestion boxes. Additionally, the department disseminated posters and brochures detailing the Customer Care Guidelines within the sub-district office. This initiative is aimed at enhancing the departmental clients' awareness and comprehension of these guidelines.

2.3 Organisational environment

Human Resources and Capacity Building

The Department has demonstrated its commitment to creating job opportunities in the province and simultaneously strengthening organisational capacity. In implementing an Annual Recruitment Plan (ARP) during the period under review (2023/24 FY), resulted in three hundred and eighty four (384) appointments into the Department. The recruitment and attraction of potentially suitable qualifying persons in the Agricultural Engineering and Veterinarians workstream remains a challenge that requires extraordinary recruitment methods.

The Department's organisational profile comprises of 2679 funded posts of which 2638 filled posts, 41 vacant and translates to a vacancy rate of 2%, which is below the DPSA threshold of 10%. The staff turnover rate, which articulates employee attrition, emanating from retirement, resignations, demise, contract expiry, discharge due to ill health, and transfers out of the department, was at 8% as of the end of the 2023/24 financial year. Two hundred and twelve (212) employees exited the department and the decomposition of such attritions are - 96 (45%) retirements, 75 (35%) resignations, 3 (1%) contract expires, 22 (10%) demise, 2 (1%) discharge due to ill-health, and 14 (7%) transfers out.

Gender Equity: The Department has surpassed the gender equity target of 50% for the employment of females in the Senior Management Service (SMS). Currently, there are 27 females (55%) and 22 males (45%) 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 273 females (44%) and 353 males (56%). In terms of the overall gender equity status within the Department, there is a nearly equal representation of 1 383 females (52%) and 1 270 males (48%) across all levels. Additionally, the Department has taken measures to ensure inclusivity by employing 41 persons with disabilities, which accounts for 1.7% of the total staff complement and 23% of the workforce is under 35 years of age.

Human Resource Development: To address critical skill gaps, DRDAR employees were encouraged to utilise the free eLearning courses provided by the National School of Government (NSG) in addressing training budgetary constraints. In the financial year of 2023/2024 under review, seven hundred and four (704) employees attended various training interventions. Two hundred and forty-nine (249) employees at salary level 1-12 were trained in the Compulsory Induction Programme (CIP), forty four (44) employees attended online NSG courses, fourteen (14) employees attended EAPA-SA Eduweek and GovTech Conference, one hundred and five (105) employees attended various Transversal courses, one hundred and twenty-four (124) officials attended the OHS SHE Rep, forty-eight (48) engineers attended General Conditions of Construction Work (GCC 2015) and one hundred and twenty (120) Interns were developed in Life Skills Training.

The Department continues to provide financial assistance to previously designated youth in a form of bursaries to address scarce skills in the sector. In the 2023/24 financial year, eleven (11) students benefited from the department's bursary scheme, and of the eleven, six (6) are males and five (5) are females. Of the eleven, five (5) BVSc bursary holders started Compulsory Community Service (CCS) in January 2024 and will be completing it in December 2024.

The Department further provided financial assistance to nine (9) employees, to pursue their studies through Institutions of Higher Learning. This programme aims at enhancing the technical and soft skills of the workforce. Of the nine (9) employees, eight (8) are females and one (1) is a male. The courses undertaken include Bachelor of Public Administration, Bachelor of Commerce in Financial Management, Masters in Public Administration, and Masters (MSc) in Chemistry. Out of the nine (9) employees, seven (7) completed their studies, and this programme assists in improving the technical and soft skills of the workforce.

The department created space for unemployed graduates in an effort to contribute towards youth employment in the province. The Graduate Entrepreneurship Internship program continued to be implemented with one hundred and seventeen (117) graduates placed in commercial farms across the province. In addition, the department placed two (2) Occupational Health and Safety interns at the Head Office and OR Tambo District. The Work Integrated Learning (WIL) made provision for thirty two (32) TVET learners who received training in different fields of study for a period of eighteen (18) months and out of the 32, six (6) completed their 18 months period and this programme will assist the learners to obtain NQF 6 qualifications.

Employee Health and Wellness

The Employee Health and Wellness program in the department aims at creating a healthy and safe working environment for employees. The activities performed in the period under review were in all EHW Pillars and that includes SHERQ Management, Wellness, Health and Productivity, and HIV, TB and STI Management. Employees of the department were encouraged to improve their healthy lifestyles through awareness sessions and health screenings. In the period under review, 566 employees were screened for TB, HIV, Cholesterol, Diabetes, Blood Pressure, and Body Mass Index. A total of 983 employees participated in health and wellness education that includes Pre-retirement, Financial Wellness, Stress Management, HIV and TB, Substance abuse, and Healthy Lifestyle, whilst 1755 partook in physical and recreational activities. Rendered Psychosocial services to 104 employees and presenting problems were financial challenges, trauma, depression, stress, conflict, retirement marital challenges, work, family related, and substance abuse.

In efforts to improve the quality of life for its employees and render inclusive services for the diverse workforce, the department managed to launch its Wellness Centre at Head Office, which promotes confidentiality and a conducive environment in line with the required standards of the Employee Assistance Program (EAP).

Labour Relations and Grievances

Constructive Dialogue: The department maintains sound employment relations. Grievances registered for this financial year were thirty three (33), relating to unfair labour practice with twenty three (23) finalised, and three (3) referred to the next level of the management process. Currently, there are seven (7) grievances under facilitation. Discipline and Dispute Resolution: Labour Relations received twenty one (21) misconduct cases this financial year, with ten (10) disciplinary proceedings finalised and eleven (11) are under facilitation. The facilitation of fourteen (14) dispute cases is in progress at various levels of dispute resolution processes, with six (6) finalised.

Information Technology and Systems

The department focused on advancing Information Technology support initiatives to enhance service delivery. During the period under review, the services of the department improved drastically. This is attributable to its ICT Infrastructure enhancements, which included upgrades to the Bhisho data center, refurbishments were made to the TARDI and O R Tambo district infrastructure to address network failures. Through the Cloud Strategy implementation, the department's ICT continued to maintain its resilience during power outages when it migrated its critical business workloads from on-prem to a cloud platform. To ensure business continuity, the department implemented its Business Continuity Plan, renewing its Endpoint data protection service. This is to safeguard information assets in line with security standards.

The department continues to monitor performance of its Disaster Recovery infrastructure, which includes data backup, which is stored offsite. For increased agricultural productivity, the GIS-enabled system was developed to aid Animal Health Technicians, Extension and Advisory Service officers in supporting farmers, data collection, reporting, and project monitoring.

Producer Support Services

The directorate in the Joe Gqabi District has been functioning with a single project coordinator for the past five years, despite having two positions for project coordinators on the organogram. This has led to a significant workload for the incumbent. Recently, the current project coordinator has been transferred to the Extension and Advisory Service for career development, leaving a void in the PIMS directorate. Furthermore, the position of data capturer remains vacant, resulting in the Deputy Director: PIMS and the project coordinator shouldering the responsibility of data capturing.

In the districts of OR Tambo and Alfred Nzo, two project coordinators have been newly appointed as assistant directors: Extension and Advisory Service. This change will result in each of these districts operating with a single project coordinator, potentially impacting the efficiency of project management. The Sara Baartman district is also facing a shortage of staff, with a need for an additional project coordinator and a data capturer. The absence of these roles could hinder the smooth operation and data management of the projects in the district.

The situation is particularly challenging in the Chris Hani District, where there is a vacant position for a project coordinator. This vacancy is due to the high workload and the need to manage the allocated budget. Despite being the district with the highest service delivery budget, it has the least staff complement compared to other districts. This discrepancy between the workload and the available staff could potentially impact the effective utilisation of the budget and the overall project outcomes. These staffing issues highlight the need for strategic human resource planning and management to ensure the efficient operation of the directorates and districts. It is crucial to fill these vacancies promptly to maintain the momentum of the projects and to ensure the optimal use of resources.

2.4 Key Policy Development and Legislative Changes

There have been no changes in the year under review

3. ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

Department contributes to the Priorities of government as adopted for the 06th Administration. These priorities are stated below:

- Priority Number One: A Capable, Ethical and Developmental State
- Priority Number Two: Economic Transformation and Job Creation
- Priority Number Three: Education, Skills and Health,
- Priority Number Four: Consolidating the Social Wage through Reliable and Quality Basic Services
- Priority Number Five: Spatial Integration, Human Settlement and Local Government
- Priority Number Six: Social Cohesion and Safe Communities
- Priority Number Seven: A better Africa and a Better World

Programme 1:

Administration

4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

4.1 PROGRAMME 1: ADMINISTRATION

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

List of Sub-Programmes:

- Sub-Programme 1.1: Office of the MEC.
- Sub-Programme 1.2: Senior Management.
- Sub-Programme 1.3: Corporate Services.
- Sub-Programme 1.4: Financial Management.
- Sub-Programme 1.5: Communication Services.

Sub-Programme: 1.1: 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 2021/22**	**Audited Actual Performance 2022/23**	**Planned Annual Target 2023/24**	**Actual Achievement 2023/24**	**Deviation from planned target to actual achievement for 2023/24**	**Comment on deviations**
Improved corporate governance.	Political oversight provided.	**1.1.1**	Number of performance reviewal sessions held with senior management.	10	10	**10**	12	2	Over performance
		1.1.2	Number of MEC's engagements with Stakeholders to ensure optimum Alignment of the Department.	30	30	**30**	35	5	Over performance
		1.1.3	Number of MEC's special programmes' interventions implemented to cater for rural development priorities.	17	8	**8**	8	-	No deviation

Reasons for all deviations

1.1.1 The overachievement was a result of the necessity for regular management meetings to oversee departmental spending and performance.
1.1.2 The overachievement was driven by a surge in stakeholder engagement requirements during the quarter.

Strategy to overcome areas of under performance

None as there were no underperformance.

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 2021/22**	**Audited Actual Performance 2022/23**	**Planned Annual Target 2023/24**	**Actual Achievement 2023/24**	**Deviation from planned target to actual achievement for 2023/24**	**Comment on deviations**
Improved corporate governance.	Effective oversight by governance structures.	**1.2.1**	Number of strategic leadership sessions held to enhance efficiency in the Department.	12	12	**4**	10	6	Over performance
		1.2.2	Number of organisational performance review sessions concluded.	4	4	**4**	5	1	Over performance
		1.2.3	Number of governance sessions concluded.	13	12	**12**	13	1	Over performance
		1.2.4	Number of reports on mainstreaming programmes pertaining to designated groups.	4	4	**4**	4	-	No deviation

Reasons for all deviations

1.2.1 Throughout the year, underperformance in various departmental programs necessitated extra meetings to review recovery strategies and reallocate funds, primarily in response to anticipated budget reductions.

1.2.2 To maintain program efficiency and financial accountability, the Acting Head of Department (AHOD) instituted a system of monthly performance evaluations, leading to an overachievement.

1.2.3 A Special Audit Committee meeting was convened on March 19, 2024, for the purpose of planning and approving the Audit plan and related documents.

Strategy to overcome areas of underperformance

None as there was no underperformance.

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 2021/22**	**Audited Actual Performance 2022/23**	**Planned Annual Target 2023/24**	**Actual Achievement 2023/24**	**Deviation from planned target to actual achievement for 2023/24**	**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.	**1.3.5**	Number of evidence based Policies developed.	5	5	**5**	5	-	No deviation

Priority 01: A Capable, Ethical and Developmental State									
Outcome	**Output**	**Output Indicator**		**Audited Actual Performance 2021/22**	**Audited Actual Performance 2022/23**	**Planned Annual Target 2023/24**	**Actual Achievement 2023/24**	**Deviation from planned target to actual achievement for 2023/24**	**Comment on deviations**
	environment enabled.	**1.3.6**	Number of strategic documents developed in accordance with the Framework for Strategic and Annual Performance Plans.	New OI	2	**6**	6	-	No deviation
		1.3.7	Number of validated reports submitted to measure departmental performance against pre-determined objectives.	New OI	6	**6**	6	-	No deviation

Reasons for all deviations

None as there are were no deviations.

Strategy to overcome areas of underperformance

None as there were no underperformance.

Sub-Programme 1.4: Financial Management

Purpoes: 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 2021/22**	**Audited Actual Performance 2022/23**	**Planned Annual Target 2023/24**	**Actual Achievement 2023/24**	**Deviation from planned target to actual achievement for 2023/24**	**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.	12	12	**30 days**	10	-	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.	4	4	**4**	4	-	No deviation

Reasons for all deviations

None as there were no deviations.

Strategy to overcome areas of underperformance

None as there were no underperformance.

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 2021/22**	**Audited Actual Performance 2022/23**	**Planned Annual Target 2023/24**	**Actual Achievement 2023/24**	**Deviation from planned target to actual achievement for 2023/24**	**Comment on deviations**
Improved Corporate Governance.	Communication Plan.	**1.5.1**	Number of projects implemented in accordance with the Communication Plan.	4	4	**20**	17	(3)	Under performance
	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

1.5.1 Production of internal and external newsletter was not done due to the expiry of the design and editing software, and holding media briefings tours could not be done due to reprioritisation of funds, hence the underperformance.

Strategy to overcome areas of under performance

1.5.1 The department is in the process of upgrading the expired design and editing software to enable newsletter production and media activities and this will be in effect in the 2024/25 financial year.

LINKING PERFORMANCE WITH BUDGETS

The unspent funds are under Compensation of employees, largely relates to payment of payprogress and grading that required Treasury approval before it could be processed which was only granted after the last payment run.

ADMINISTRATION		2023/24			2022/2023		
		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
1.1	Office of the MEC	12,363	12,317	46	12,230	12,027	203
1.2	Senior Management	54,073	54,075	(2)	48,965	48,813	152
1.3	Corporate services	226,844	226,383	462	229,610	229,504	106
1.4	Financial Management	173,239	173,179	60	173,891	174,032	(141)
1.5	Communication services	9,105	9,105	-	9,881	9,748	133
TOTAL		**475,624**	**475,058**	**566**	**474,577**	**474,124**	**453**

Programme 2:

Sustainable Resource use & Management

4.2 PROGRAMME 2: SUSTAINABLE RESOURCE USE AND MANAGEMENT

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

List of Sub programmes

- Sub-Programme 2.1: Agricultural Engineering Services.
- Sub-Programme 2.2: Land Care.
- Sub-Programme 2.3: Land Use Management.
- Sub-Programme 2.4: Disaster Risk Reduction.

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 2021/22**	**Audited Actual Performance 2022/23**	**Planned Annual Target 2023/24**	**Actual Achievement 2023/24**	**Deviation from planned target to actual achievement for 2023/24**	**Comment on deviations**
Sustainable agricultural value chains.	Agricultural infrastructure established.	**2.1.1**	**Number of agricultural infrastructure established.**	101	92	**104**	92	(12)	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.	781	785	**461**	893	432	Over performance

Reasons for all deviations

2.1.1 Financial constraints and liquidity issues led to subpar performance by some contractors, causing certain projects to be deferred to the 2024/25 fiscal year or even terminated. This, in turn, required the implementation of corrective measures on the projects, thereby prolonging the construction timeline.

2.1.2 There has been a notable surge in the need for advisory services among farmers throughout all districts.

Strategy to overcome areas of under performance

2.1.1 It is imperative to evaluate the financial stability and cash flow of contractors prior to contract finalisation. Contractors are advised to proactively seek financial assistance from financial institutions when necessary. Furthermore, the creditworthiness of contractors must be verified before their appointment. Furthermore, the formation of a service provider panel under a Framework Agreement is essential.

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 2021/22**	**Audited Actual Performance 2022/23**	**Planned Annual Target 2023/24**	**Actual Achievement 2023/24**	**Deviation from planned target to actual achievement for 2023/24**	**Reasons for deviations**
Sustainable agricultural value chains.	Behavioural change in natural agricultural resource utilization and management practices"	**2.2.1**	Number of awareness campaigns conducted on Land Care to promote conservation of natural resources.	19	31	**25**	37	12	Over performance
	Sustainable natural agricultural resources utilization and management capacity by land users for improved agricultural production.	**2.2.2**	Number of capacity building exercises conducted within approved Land Care projects.	18	17	**7**	17	10	Over performance
	Hectares of agricultural land rehabilitated.	**2.2.3**	**Number of hectares of agricultural land rehabilitated.**	4,970	7,283	**2,690**	5,380	2,690	Over performance
	Hectares of cultivated fields under	**2.2.4**	**Number of hectares of cultivated land under**	221	232	**249**	802	553	Over performance

Priority 02: The Economic Transformation and Job Creation									
Outcome	**Output**	**Output Indicator**		**Audited Actual Performance 2021/22**	**Audited Actual Performance 2022/23**	**Planned Annual Target 2023/24**	**Actual Achievement 2023/24**	**Deviation from planned target to actual achievement for 2023/24**	**Reasons for deviations**
	Conservation Agriculture practices.		**Conservation Agriculture practises.**						
	Land users practicing sustainable land use practices.	**2.2.5**	Number of beneficiaries adopting /practicing sustainable production technologies and practices for improved livelihoods.	1,012	787	**405**	471	66	Over performance
	Green jobs created.	**2.2.6**	**Number of green jobs created.**	544	531	**360**	547	187	Over performance

Reasons for all deviations

2.2.1 The Parliamentary office's ad-hoc requests, coupled with the Department of Education's special requests and conservation committee awareness campaigns, led to an overachievement of our goals.

2.2.2 The Provincial Parliamentary Office's request for more Capacity Building exercises resulted in the facilitation of the Tree Planting Programme and participation in the DFFE Backyard Garden Initiative.

2.2.3 The overperformance is as a result of an introduction of task rates that led to enhanced output.

2.2.4 Conservation Agriculture (CA) was utilised as a form of rehabilitation, hence, the increase in the hectares of agricultural land rehabilitated under CA.

2.2.5 The overperformance was due to the intensification of awareness campaigns that led to more beneficiaries adopting sustainable production technologies and practices.

2.2.6 The overperformance in the number of jobs created was due to high demand and increased hectares on land rehabilitation.

Strategy to overcome areas of under performance

None as there were no underperformances.

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 2021/22**	**Audited Actual Performance 2022/23**	**Planned Annual Target 2023/24**	**Actual Achievement 2023/24**	**Deviation from planned target to actual achievement for 2023/24**	**Reasons for 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 advices guiding subdivision/ rezoning/ change of agricultural land use to protect agricultural land.	1,748	1 038	**11**	11	-	No deviation
	Farm management plans developed.	2.3.3	Number of farm management plans developed	43	53	**51**	51	-	No deviation
	Informed decision making by land users for sustainable agricultural production	2.3.4	Number of natural /agricultural resources maps produced for planning and decision making purposes.	493	604	**383**	622	239	Over performance
	Advices on guiding sustainable use of agricultural natural resources.	2.3.5	Number of advices guiding sustainable use of agricultural natural resources.	159	147	**81**	132	51	Over performance

Reasons for all deviations

2.3.4 A significant number of maps were generated in response to the needs of land users.
2.3.5 The output indicator operates based on demand, which led to a higher than expected volume of requests.

Strategy to overcome areas of under performance

None as there were no under performance.

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 2021/22**	**Audited Actual Performance 2022/23**	**Planned Annual Target 2023/24**	**Actual Achievement 2023/24**	**Deviation from planned target to actual achievement for 2023/24**	**Comment on deviations**
Sustainable agricultural value chains. Improved Food Security.	Awareness of disaster risk reduction conducted.	**2.4.1**	**Number of awareness campaigns on disaster risk reduction conducted.**	2	5	**2**	2	-	No deviation
	Surveys on uptake for early warning information conducted.	**2.4.2**	**Number of surveys on uptake for early warning information conducted.**	1	-	**1**	1	-	No deviation
	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**	1	-	No deviation
		2.4.4	Number of spatial data disseminated to end users for planning purposes.	296	211	**120**	124	4	Over performance
		2.4.5	Number of advisories issued regarding Early warning.	1	172	**150**	212	62	Over performance

Reasons for all deviations

2.4.4 The overperformance in spatial data and information is due to its ad-hoc nature, as it is dependent on the requests from end users.
2.4.5 The overperformance in weather alert advisories is attributed to the unpredictable weather conditions brought about by climate change.

Strategy to overcome areas of underperformance

None as there were no underperformances.

LINKING PERFORMANCE WITH BUDGETS

Under-expenditure is mainly a result of the retention for the Veld Care and Junior Land Care, which could not be paid before the contractor finalised the work.

Sustainable Resource Management		2023/2024			2022/2023		
		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	55,004	55,005	(1)	61,419	57,211	4,208
2.2	Land Care	17,205	17,117	88	19,478	16,992	2,486
2.3	Land Use management	57,496	57,495	1	52,208	53,940	(1,732)
2.4	Disaster Risk Management	3,261	3,261	-	3,301	3,389	(88)
TOTAL		**132,966**	**132,878**	**88**	**136,406**	**131,532**	**4,874**

Programme 3:
Agricultural Producer Support & Development

4.3 PROGRAMME 3: AGRICULTURAL PRODUCER SUPPORT AND DEVELOPMENT

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.
- Sub-Programme 3.2: Extension and Advisory Services.
- Sub-Programme 3.3: Food 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 2021/22**	**Audited Actual Performance 2022/23**	**Planned Annual Target 2023/24**	**Actual Achievement 2023/24**	**Deviation from planned target to actual achievement for 2023/24**	**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.**	3,541	3,521	**2,141**	2,569	428	Over Performance
		3.1.2	**Number of Producers supported in the Grain Commodity.**	1,384	1,340	**498**	734	236	Over Performance
		3.1.3	**Number of producers supported in the Citrus Commodity.**	30	52	**38**	44	6	Over Performance
		3.1.4	Number of producers supported in other provincial priority commodities.	283	1,149	**201**	238	37	Over Performance
	Increased agricultural production efficiency.	**3.1.5**	Number of agricultural infrastructure completed.	176	155	**134**	123	(11)	Under Performance
	Increased employment in rural	**3.1.6**	Number of jobs created through infrastructure projects in support of	926	755	**767**	954	187	Over Performance

Priority 02: The Economic Transformation and Job Creation									
Outcome	**Output**	**Output Indicator**		**Audited Actual Performance 2021/22**	**Audited Actual Performance 2022/23**	**Planned Annual Target 2023/24**	**Actual Achievement 2023/24**	**Deviation from planned target to actual achievement for 2023/24**	**Comment on deviations**
	agricultural areas.		sustainable agricultural development.						

Reasons for all deviations

3.1.1 The overperformance is mainly due to the increased number of beneficiaries who participated in the communal dipping tanks and feedlot to those who applied.

3.1.2 The over-performance is attributed to the participation of more beneficiaries than those that applied.

3.1.3 The over-performance is attributable to citrus farmers who applied for a particular intervention under Amatole and Sara Baartman.

3.1.4 The overperformance is manly due to the Wayside stock water project, Qaka and Keisakamahoek Rural Market Centres that were scheduled for completion in 2022/23 but was delayed due to the slow progress of the appointed service provider due to financial constraints as well as additional beneficiaries from Kibiti,

3.1.5 The underperformance was caused by the fencing projects in KSD and Ingquza Hill's non-completion. There were also delays in the Quench juice, Gcinubuzwe in Amatole, Ndlantaka Dip Tank, Simunye Shed, Mt Zion Fencing in Alfred Nzo, Kwebulana, and Lupapasi sheds in Chris Hani, as well as projects that were put on hold due to the National budget cuts.

3.1.6 Over-performance is due to creating additional jobs under citrus projects. Jobs were created in Corndale and Wayside fences, and Mdilingo was planned to be created in Q4 2022/23 but was delayed due to late material procurement. Additionally, jobs were created through the Irene fence project, which was implemented due to realised savings

Strategy to overcome areas of underperformance

3.1.5 The department implements close monitoring and tighter contract management. All engineering and contract management staff were trained on the GCC contract as it is the dominating form of contract used in the department, this is expected to yield better results in future. It is also important to note that projects not completed due to budget cuts will be carried out in the next financial year, 2024/25.

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 2021/22**	**Audited Actual Performance 2022/23**	**Planned Annual Target 2023/24**	**Actual Achievement 2023/24**	**Deviation from planned target to actual achievement for 2023/24**	**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.	2,372	6,066	**7,790**	11,119	3,327	Over performance
		3.2.2	Number of agricultural demonstrations conducted to practically educate producers on production methods.	3,379	15,223	**18,450**	21,998	3,548	Over performance
		3.2.3	Number of training attended by extension practitioners on priority commodities.	755	391	**309**	413	104	Over performance

Reasons for all deviations

3.1.1 & 3.1.2 Over performance is as a result of additional recruited Extension Practitioners.

3.1.3 Over performance is a result of increased trainings that were conducted and attended by the Extension Practitioners on technical skills so as to meet producer demands for knowledge transfer by the extension advisors.

Strategy to overcome areas of underperformance

None as there were no under performances.

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 2021/22**	**Audited Actual Performance 2022/23**	**Planned Annual Target 2023/24**	**Actual Achievement 2023/24**	**Deviation from planned target to actual achievement for 2023/24**	**Comment on deviations**
Improved food security.	Smallholder producers supported.	**3.3.1**	**Number of smallholder producers supported.**	14,822	12,539	**8,600**	11,901	3,301	Over-performance
	Subsistence producers supported.	**3.3.2**	**Number of subsistence producers supported.**	20,046	22,645	**22,620**	22,935	315	Over-performance
	Smallholder producers participating in Agricultural Value Chains.	**3.3.3**	Number of hectares planted for production of field crops.	31,735	32,139	**27,774**	29,117	1,343	Over-performance
		3.3.4	Number of Livestock enterprises supported in support of sustainable Agriculture Value Chains.	662	308	**380**	380	-	No deviation

Reasons for all deviations

3.3.1 The over performance this year is attributed to an increase in the number of Agricultural advisors employed. This, coupled with the awareness sessions they conducted for crop and livestock producers on managing and mitigating the effects of the recent heatwave and climate change, significantly enhanced our performance. Furthermore, the demonstrations on scouting for the Fall Army Worm (FAW) contributed to the increased support for smallholder producers.

3.3.2 The support extended to a larger number of subsistence producers aligns with the recommendations of the South African Human Rights Commission and the Human Sciences Research Council of South Africa. These bodies have emphasised the need for the department to promote household food production as a strategy to enhance food security in the province. Consequently, the department has prioritised a portion of its savings to support additional households.

3.3.3 The overachievement in this indicator is due to the additional hectares planted under the department's grain partnership model. Despite unfavorable environmental conditions in January and February 2024, the planting conditions in the summer months (November and December 2023) were conducive. Most producers were able to meet their planting targets, and through the partnership model, the department surpassed the total number of hectares targeted for the 2023/24 period.

Strategy to overcome areas of underperformance

None as there are no underperformances.

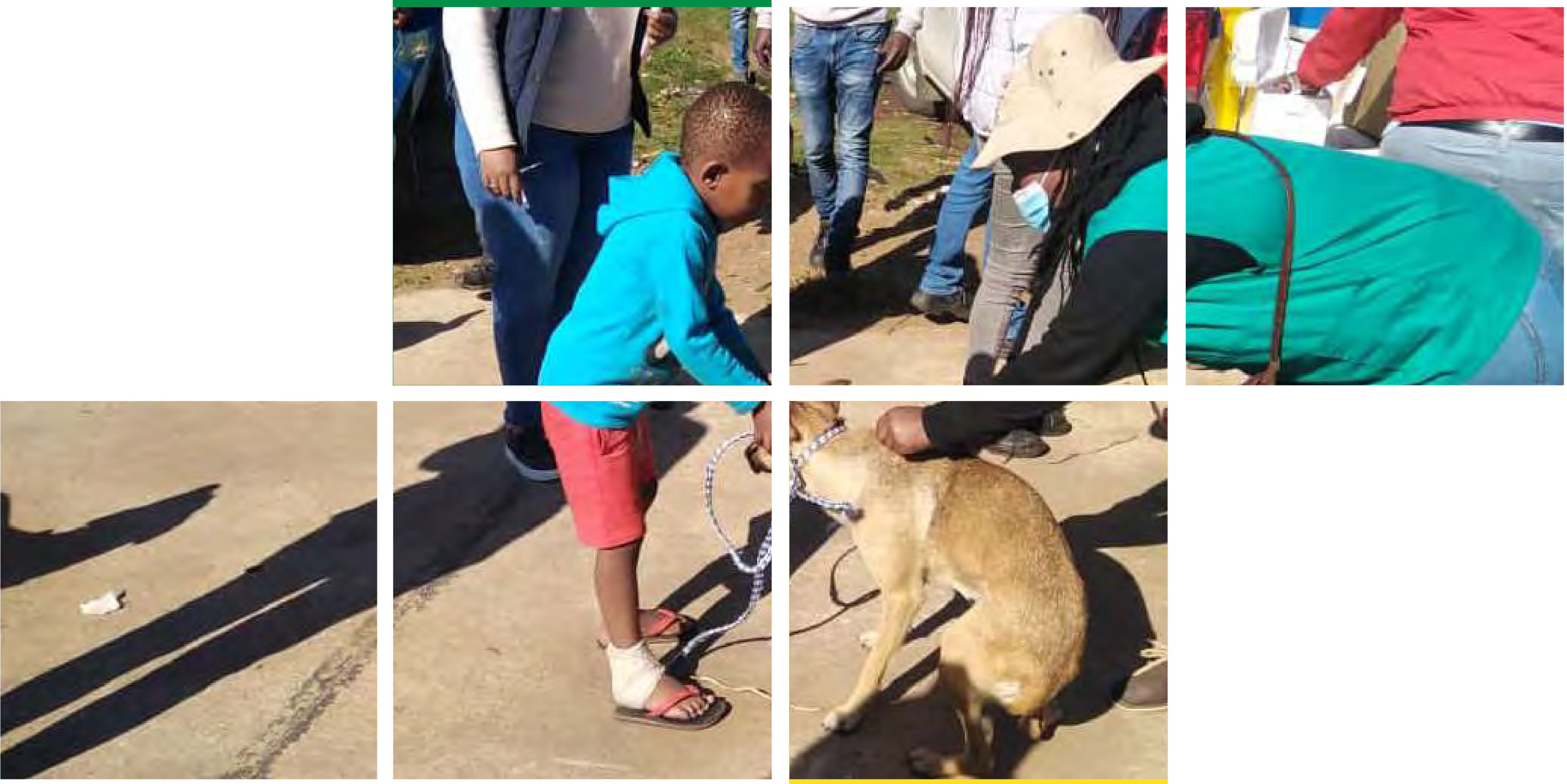
LINKING PERFORMANCE WITH BUDGETS

Under-expenditure was mainly caused by supplier that was non-tax compliant which was providing mechanisation services in Alfred Nzo District, and the department could not process these invoices before the end of the year. There were also minimal savings that were realised from infrastructure.

FARMER SUPPORT DEVELOPMENT		2023/2024			2022/2023		
		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	115,929	115, 972	(44)	140,720	138,523	2,197
3.2	Extension and Advisory services	457,586	457,573	13	438,505	432,658	5,847
3.3	Food Security	231,555	231,339	216	256,550	250,683	5,867
TOTAL		**805,070**	**804,884**	**186**	**835,775**	**821,864**	**13,911**

Programme 4:

Veterinary Services



4.4 PROGRAMME 4: VETERINARY SERVICES

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

List of Sub-Programme

- Sub-Programme 4.1: Animal Health.
- Sub-Programme 4.2: Veterinary International Trade Facilitation
- Sub-Programme 4.3: Veterinary Public Health.
- Sub-Programme 4.4: Veterinary Diagnostics Services.
- Sub-Programme 4.5: Veterinary Technical Support Services.

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 2021/22**	**Audited Actual Performance 2022/23**	**Planned Annual Target 2023/24**	**Actual Achievement 2023/24**	**Deviation from planned target to actual achievement for 2023/24**	**Comment on deviations**
Improved food security.	**Biosecurity policies and strategies strengthened.**	**4.1.1**	**Number of samples collected for targeted animal disease surveillance.**	78,526	94,164	**111,393**	126,380	14,987	Over performance
		4.1.2	**Number of visits to epidemiological units for veterinary interventions.**	15,323	16,543	**11,580**	15,465	3,885	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).	1,507,751	1,329,903	**1,396,713**	1,315,202	(81,511)	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.	9,330,715	9,205 024	**8,115,412**	8,950,616	835,204	Over performance
		4.1.5	Number of treatments applied to animals for external parasites control.	3,674,663	3,549,866	**4,091,622**	3,049,027	(1,042,595)	Under performance

Reasons for all deviations

4.1.1 Over performance was due to an extensive surveillance of Avian Influenza (AI)virus from ostrich and poultry which was undertaken following the outbreaks of Highly Pathogenic Avian Influenza that ravaged the poultry industry in the country.

4.1.2 Over performance was due to the visits done as a result of several disease outbreaks experienced (Rabies in Amathole, Sarah Baartman, Chris hani and OR tambo districts, Brucellosis in NMBM, BCM and Blue Crane, Johnes Disease in BCM, RHD in NMBM, Avian Influenza in AB Xuma and NMBM as well as ASF in Mnquma, AB Xuma, Raymond Mhlaba and NMMB) resulting in an increased in monitoring done after each disease outbreak.

4.1.3 Under performance was due to rabies vaccination that was abandoned in most areas in the Nelson Mandela Metro due to escalation of criminal activity with hijackings and robbery of the officials when conducting vaccination in the townships, with case numbers; For Sarah Baartman CAS 151/11/2022 and CAS 33/03/2024, and CAS 116/03/2024 for OR Tambo District.

4.1.4 Over performance due to a highly productive season due to good veld conditions throughout the province thus more sheep was availed for treatment.

4.1.5 Under performance is due to delays in the processes of the National Treasury (NT) that sought to regulate the RT10 contract. This; therefore; affected the renewal of the contract and delivery of drugs. Furthermore, high rainfall in some areas in the province affected the dipping activities.

Strategy to overcome areas of under performance

4.1.3 The district veterinary services has joined forces with other affected departments to source assistance from the security cluster of the Metro for officials to be escorted when going to the hot spot areas.

4.1.5 For the 2024-25 financial year, the RT10 contract has been renewed for 5 years i.e. 2024 - 2028.

Sub-Programme 4.2: Veterinary International Trade Facilitation

Purpose: 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 2021/22**	**Audited Actual Performance 2022/23**	**Planned Annual Target 2023/24**	**Actual Achievement 2023/24**	**Deviation from planned target to actual achievement for 2023/24**	**Comment on deviations**
Sustainable agricultural value chains.	**Biosecurity policies and strategies strengthened.**	**4.2.1**	**Number of veterinary certificates issued for export facilitation.**	4,854	4,805	**4,664**	5,039	375	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	29	**34**	38	4	Over performance

Reasons for all deviations

4.2.1 Overperformance was due to more veterinary certificates issued as a result of increased demand for export of greasy wool to China.
4.2.2 Overperformance was due to requests increasing demand for Services on Wheels which were not targeted for.

Strategy to overcome areas of underperformance

None as there were no underperformances.

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 2021/22**	**Audited Actual Performance 2022/23**	**Planned Annual Target 2023/24**	**Actual Achievement 2023/24**	**Deviation from planned target to actual achievement for 2023/24**	**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.**	1,023	1,105	**988**	1,140	152	Over performance
	Safe meat produce.	**4.3.2**	Number of compliant abattoirs registered and monitored (to support livestock value chain).	98	99	**95**	89	(6)	Under performance
		4.3.3	Number of interactions to respond to the Provisions of the Meat Safety Act (Act 40 of 2000).	1,471	1,376	**991**	1,209	218	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).	2,285	2,073	**1,976**	2,205	229	Over performance

Reasons for all deviations

4.3.1 Overperformance was mainly due to inspections conducted at an export abattoir in Graaff-Reinet to monitor compliance.
4.3.2 Underperformance was due to some abattoirs that were planned for but could not submit their applications for registration due to them being dormant.
4.3.3 Overperformance was due to butchery inspections to check authenticity of meat sold as well as contact sessions on establishment of abattoirs.
4.3.4 Overperformance was due to increased monitoring of safety of meat produced at abattoirs.

Strategy to overcome areas of underperformance

4.3.2 The annual target for 2024-25 financial year, has been adjusted downwards taking into account the current operational abattoirs.

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 2021/22**	**Audited Actual Performance 2022/23**	**Planned Annual Target 2023/24**	**Actual Achievement 2023/24**	**Deviation from planned target to actual achievement for 2023/24**	**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.	97,134	113,738	**75,000**	159,591	84,591	Over performance
	Reduce level of risks associated with food.	**4.4.2**	**Number of laboratory tests performed according to prescribed standards.**	62,583	50,360	**45,300**	120,091	74,791	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.	15,399	11,420	**9,400**	12,743	3,343	Over performance

Reasons for all deviations

4.4.1 Over performance was due to ongoing brucellosis outbreaks in Sarah Baartman and Amathole districts.
4.4.2 Over performance was due to ongoing brucellosis outbreaks in Sarah Baartman and Amathole districts.
4.4.3 Over performance was due to increased demand for primary animal health care interactions in resource poor community.

Strategy to overcome areas of under performance

None as there were no underperformances.

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 2021/22**	**Audited Actual Performance 2022/23**	**Planned Annual Target 2023/24**	**Actual Achievement 2023/24**	**Deviation from planned target to actual achievement for 2023/24**	**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.	12	17	**18**	21	3	Over performance

Reasons for all deviations

4.5.1 Over performance was due to registration of new facilities as well as facilities that were none compliant.

Strategy to overcome areas of under performance

None as there were no underperformances.

LINK PERFORMANCE WITH THE BUDGETS

The slight over performance is mainly as result of filling of vacant posts.

VETERINARY SERVICES		2023/2024			2022/2023		
		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	296,917	296,918	(1)	293,469	293,368	101
4.2	Export Control	9,581	9,580	1	9,692	9,591	101
4.3	Veterinary Public Heath	17,365	17,366	(1)	16,117	16,031	86
4.4	Veterinary Laboratories	20,125	20,125	-	19,041	18,855	186
TOTAL		**343,988**	**343,989**	**(1)**	**338,319**	**337,845**	**474**

Programme 5:
Research & Technology Development Services

4.5 PROGRAMME 5: RESEARCH AND TECHNOLOGY DEVELOPMENT SERVICES

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

List sub programmes

- Sub- Programme 5.1: Agricultural Research.
- Sub-Programme 5.2: Technology Transfer Services.
- Sub-Programme 5.3: Research Infrastructure Support Services.

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 2021/22**	**Audited Actual Performance 2022/23**	**Planned Annual Target 2023/24**	**Actual Achievement 2023/24**	**Deviation from planned target to actual achievement for 2023/24**	**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	60	**38**	38	-	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.	3,435	1,904	**3,600**	2,564	(1,036)	Under performance
	Aquaculture enterprises supported.	**5.1.3**	Number of aquaculture projects supported.	New OI	New OI	**10**	12	2	Overperformance
	Fishing cooperatives supported.	**5.1.4**	Number of fishing co-operatives supported.	New PI	New OI	**5**	5	-	No deviation

Reasons for all deviations

5.1.2 The economic hardships prevalent in the country and thisprovince has affected largely communal subsistence farmers as such they were not able to pay for analysis of samples, hence, the underperformance.

5.1.3 The over performance on aquaculture projects supported, is a consequence of the additional assistance sought for the initiation of new projects in Sarah Baartman and Amathole.

Corrective measures on underperformance:

5.1.2 The department has since exempted the smallholders and susbsistence producers of the Eastern Cape from paying the sample analyses fees.

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 2021/22**	**Audited Actual Performance 2022/23**	**Planned Annual Target 2023/24**	**Actual Achievement 2023/24**	**Deviation from planned target to actual achievement for 2023/24**	**Comment on deviations**
Sustainable agricultural value chains.	Scientific paper published.	**5.2.1**	Number of scientific papers published.	16	16	**6**	9	3	Over performance
	Research presented at peer review events.	**5.2.2**	Number of research presentations made at peer reviewed events.	20	35	**25**	37	12	Over performance
	Research presented at technology transfer events.	**5.2.3**	Number of research presentations made at technology transfer events.	37	30	**25**	30	5	Over performance
	Technologies developed for smallholder producers.	**5.2.4**	Number of new technologies developed for the smallholder producers.	4	4	**4**	4	-	No deviation
	Booklets developed for smallholder producers.	**5.2.5**	Number of booklets developed for the smallholder producers.	8	8	**9**	9	-	No deviation
	Trial demonstrated.	**5.2.6**	Number of demonstration trials conducted with farmers in order to impart knowledge and skills on farming practices.	23	12	**12**	12	-	No deviation

Reasons for all deviations

5.2.1 The over performance was a result of the delays in response times from various peer reviewers that reviewed the papers to be accepted by scientific journals, as such the previous financial year's papers where only accepted in the current financial year.

5.2.2 The over performances emanates from the maturity of research projects in the province that has led to the availability of research data which resulted in an increased number of research presentations in scientific congresses. Furthermore, the department has increased this performance through participation of scientific technicians in these events as a form of professional development as per Occupation Specific Dispensation (OSD).

5.2.3 The overperformance was a result of an increased number of requests from a variety of stakeholders. The indicator is determined by the requests received from farmers and extension services.

Strategy to overcome areas of under performance

None as there were no under performances.

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 2021/22**	**Audited Actual Performance 2022/23**	**Planned Annual Target 2023/24**	**Actual Achievement 2023/24**	**Deviation from planned target to actual achievement for 2023/24**	**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 as there were no deviations.

Strategy to overcome areas of under performance

None as there were no underperformances.

LINKING PERFORMANCE WITH BUDGETS

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

RESEARCH AND TECHNOLOGY DEVELOPMENT SERVICES		2023/2024			2022/2023		
		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	133,196	133,197	(1)	126,970	126,245	725
5.2	Technology Transfer Services	4,213	4,213	-	4,280	4,243	37
5.3	Infrastructure Support Services	1,178	1,176	2	1,349	1,218	131
TOTAL		**138,587**	**138,586**	**1**	**132,599**	**131,706**	**893**

Programme 6:
Agricultural Economic Services

4.6 PROGRAMME 6: AGRICULTURAL ECONOMIC SERVICES

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

List of sub programmes

- Sub-Programme 6.1: Production Economics and Marketing Support.
- Sub-Programme 6.2: Agro-Processing Support.
- Sub-Programme 6.3: Macroeconomics Support.

Sub-Programme 6.1: Production Economics and Marketing Support

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

Priority 02: The Economic Transformation and Job Creation									
Outcome	**Output**	**Output Indicator**		**Audited Actual Performance 2021/22**	**Audited Actual Performance 2022/23**	**Planned Annual Target 2023/24**	**Actual Achievement 2023/24**	**Deviation from planned target to actual achievement for 2023/24**	**Comment on deviations**
Sustainable agricultural value chains.	**Agri-business supported with market access.**	**6.1.1**	**Number of Agri Businesses supported with marketing services.**	1,758	2,445	**177**	305	128	Over performance
		6.1.2	**Number of agri-businesses supported with production economic services**	1,116	1,062	**559**	563	4	Over performance
		6.1.3	Number of producers with SA Gap certification.	4	9	**9**	9	-	No deviation
		6.1.4	Number of commercially viable partnerships to drive productivity and competitiveness.	6	0	**6**	6	-	No deviation
	Agribusiness supported with BEE.	**6.1.5**	**Number of agribusiness supported with Black Economic Empowerment advisory services.**	35	27	**32**	92	60	Over performance

Reasons for all deviations

6.1.1 The over-performance can be attributed to several factors. Firstly, workshops were held across the Province to educate smallholder farmers about SA GAP accreditation. Secondly, the introduction of a new Government procurement model, which aims to source from smallholder farmers, necessitated briefing sessions. These were followed by workshops to prepare smallholder farmers for supply readiness. This comprehensive approach significantly contributed to the observed over-performance.

6.1.2 The observed over-performance can be attributed to the implementation of a blended finance model by Eastern Cape Rural Development Agency (ECRDA) and Small Enterprise Finance Agency (SEFA). This strategic financial approach significantly contributed to the enhanced results.

6.1.5 The over performance was primarily driven by the keen interest demonstrated by farmers, particularly those in the Chris Hani and Joe Gqabi Districts, in Agri-BEE information. This active engagement significantly contributed to the observed over-performance.

Strategy to overcome areas of under performance

None as there were no under performances.

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 2021/22**	**Audited Actual Performance 2022/23**	**Planned Annual Target 2023/24**	**Actual Achievement 2023/24**	**Deviation from planned target to actual achievement for 2023/24**	**Comment on deviations**
Sustainable agricultural value chains.	Agri-business supported.	**6.2.1**	Number of Agri-businesses supported with agro-processing initiatives.	7	13	**15**	20	5	Over performance

Reasons for all deviations

6.2.1 The initiation of the blended finance model, in collaboration with ECDC, led to an increased in support for agro-processing initiatives. This strategic financial approach exceeded the initially planned support.

Strategy to overcome areas of under performance

None as there were no under performances.

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 2021/22**	**Audited Actual Performance 2022/23**	**Planned Annual Target 2023/24**	**Actual Achievement 2023/24**	**Deviation from planned target to actual achievement for 2023/24**	**Comment on deviations**
Sustainable agricultural value chains.	Economic Reports.	**6.3.1**	Number of economic reports compiled.	36	19	**28**	38	10	Over performance

Reasons for all deviations

6.3.1 The formation of the macro-economics forum led to an increase in structured commodity reports. Various macro-economic reports were necessitated during the strategic planning sessions involving both the Department and external stakeholders.

Strategy to overcome areas of under performance

None as there were no under performances.

LINKING PERFORMANCE WITH BUDGETS

The overexpenditure mainly attributable to fleet services invoices that were mainly processed in March.

AGRICULTURAL ECONOMIC SERVICES		2023/2024			2022/2023		
		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	31,422	31,424	(2)	30,816	18,953	11,863
6.2	Agro-Processing Support	-	-	-	-	-	-
6.3	Macroeconomics Support	7,315	7,315	-	4,271	15,566	(11,295)
TOTAL		**38,737**	**38,739**	**(2)**	**35,087**	**34,519**	**568**

Programme 7:
Agricultural Education & Training






4.6 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.
- Sub-Programme 7.2: Agricultural Skills Development.

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 2021/22**	**Audited Actual Performance 2022/23**	**Planned Annual Target 2023/24**	**Actual Achievement 2023/24**	**Deviation from planned target to actual achievement for 2023/24**	**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.	759	600	**600**	636	36	Over performance
		7.1.2	**Number of students graduated with agricultural qualification.**	334	153	**155**	136	(19)	Under performance
		7.1.3	Number of youth supported towards agri-business services.	90	26	**120**	162	42	Over performance

Reasons for all deviations

7.1.1 The active Career Expos, orchestrated by the programme in collaboration with Health and Welfare Sector Education and Training Authority (HWSETA), Agricultural Sector Education and Training Authority (AgriSETA), and the University of Pretoria, sparked an interest in veterinary health among the youth. For those who were unable to secure a university placement, Tsolo Agriculture and Rural Development Institute (TARDI) emerged as a viable alternative. The Principal's resourcefulness in procuring tuition funding allowed the institute to accommodate additional students. Furthermore, consideration was given for re-registration to a handful of students who needed to retake a class. This approach highlightsour commitment to providing educational opportunities for all.

7.1.2 After the moderation process, it was determined that not all candidates who participated in the examinations demonstrated the requisite competence, hence, the under performance. Furthermore, the Advanced Diploma program experienced a drop-out of fourteen (14)graduates; two (2) students that passed on and three (3) have outstanding Work Intergrated Learning (WIL) reports which bring the deviation to nineteen (19).

7.1.3 In addition to the Agriculture Graduate Placement Program, which accommodates 120 graduates, the collaboration between the Food and Agriculture Organisation (FAO) and TARDI has resulted in the certification of 45 Animal Health Graduate Interns. These interns were awarded their certificates after successfully completing their Entrepreneurship Certificate. This qualification equips them with the necessary skills to establish their own businesses, with a focus on Animal Health.

Strategy to overcome areas of under performance

7.1.3 The colleges are striving to ensure that students reach a level of competence that meets the required standards. However, in instances where some students fall short of these standards, they are provided with the opportunity to re-register or complete their WIL program. This approach facilitates their successful attainment of their 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.

Priority 02: The Economic Transformation and Job Creation									
Outcome	**Output**	**Output Indicator**		**Audited Actual Performance 2021/22**	**Audited Actual Performance 2022/23**	**Planned Annual Target 2023/24**	**Actual Achievement 2023/24**	**Deviation from planned target to actual achievement for 2023/24**	**Comment on deviations**
Sustainable agricultural value chains.	**Skilled Producers.**	**7.2.1**	**Number of participants trained in skills development programmes in the sector.**	2,148	2,608	**2,000**	2,012	12	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.	40	29	**55**	53	(2)	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.	293	732	**350**	1,908	1,558	Over performance
		7.2.4	Number of out of school youth participated /trained in learnership programme.	189	299	**200**	274	74	Over performance
	Enhanced Farming Business acumen.	**7.2.5**	Number of farms/projects mentored according to different commodities in	20	31	**20**	18	(2)	Under performance

Priority 02: The Economic Transformation and Job Creation									
Outcome	**Output**	**Output Indicator**		**Audited Actual Performance 2021/22**	**Audited Actual Performance 2022/23**	**Planned Annual Target 2023/24**	**Actual Achievement 2023/24**	**Deviation from planned target to actual achievement for 2023/24**	**Comment on deviations**
			order to make them profitable.						
	Efficiently capacitated farmers / sector beneficiaries.	**7.2.6**	Number of Farm-Workers completing accredited and/ or non-accredited training to develop skilled Farm-Workers.	184	12	**250**	318	68	Over performance
	Efficiently trained graduates.	**7.2..7**	Number of infrastructure programmes implemented in Agricultural Colleges developed to improve the farmer training capacity.	-	2	**2**	2	-	No deviation

Reasons for all deviations

7.2.1 Despite pattern and garment making training not being part of the original schedule, we managed to accommodate this request. This flexibility resulted in an over performance beyond the expectations.

7.2.2 Due to unforeseen personal emergencies, two educators were unable to attend the training. Despite their best efforts, they had to prioritise these urgent matters over the training session and thereby forfeiting the training.

7.2.3 A joint initiative was undertaken by the HWSETA, University of Pretoria's Faculty of Veterinary Science, and Equine-Librium College. This collaboration aimed to enhance awareness about veterinary and para-veterinary careers across three districts: OR Tambo, Alfred Nzo, and Chris Hani. The objective was to inform learners about the open applications at the University of Pretoria and to educate Grade 11 students interested in these fields about the admission requirements.

7.2.4 The Learnership program faces a significant challenge due to learners dropping out in pursuit of higher stipends from the EPWP. The prevailing poverty and unemployment conditions lead the youth to perceive the learnership more as a temporary employment opportunity, which they can resign from, rather than a valuable learning experience. The National Rural Youth Service Corps (NARYSEC) program rolled out by TARDI on behalf of DALRRD contributed to the number of youth in the leadership program.

7.2.5 Out of the 20 farming units that were projected for mentorship, only 18 were found to be eligible.

7.2.6 The engagement of the Mpofu Training Centre in the training of farmworkers resulted in a rise in participation. This increase was notable as the training was formerly conducted by external providers.

Strategy to overcome areas of under performance

7.2.2 A processs has been established to incorporate the Department of Education (DoE) into the Educator program. This is to guarantee the identification of suitable agricultural educators for the capacity-building program, and to ensure that the selected training sessions are integrated into the educators' development plans during their contract period.

7.2.5 Programmes 3 and 6 have been engaged to guarantee that the selected farms for mentorship align with the established criteria for this initiative.

LINKING PERFORMANCE WITH BUDGETS

Under-expenditure can be ascribed to saving attributed to students who were enrolled in entrepreneurial programmes that dropped out. Furthermore, savings from training due to lower-than-expected cost of providing the youth training, and Fort Cox Lecture Hall savings after all invoices including the retention fees were paid.

STRUCTURED AGRICULTURAL EDUCATION AND TRAINING		2023/2024			2022/2023		
		Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
7.1	Higher Education and Training.	61,708	61,708	-	59,051	59,051	-
7.2	Agricultural Skills Development.	127,444	127,126	318	133,539	121,764	11,775
TOTAL		**189,152**	**188,834**	**318**	**192,590**	**180,815**	**11,775**

Programme 8:
Rural Development

4.7 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.
- Sub-programme 8.2: Social Facilitation.

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 2021/22**	**Audited Actual Performance 2022/23**	**Planned Annual Target 2023/24**	**Actual Achievement 2023/24**	**Deviation from planned target to actual achievement for 2023/24**	**Comment on deviations**
Integrated rural development.	Integrated development plans.	**8.1.1**	Number of District Planning Model supported.	2	6	**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.	8	7	**7**	7	-	No deviation

Reasons for all deviations

- None as there were no deviations.

Strategy to overcome areas of under performance

- None as there were no under performances.

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 2021/22**	**Audited Actual Performance 2022/23**	**Planned Annual Target 2023/24**	**Actual Achievement 2023/24**	**Deviation from planned target to actual achievement for 2023/24**	**Comment on deviations**
Integrated rural development.	Spatial integrated rural development.	**8.2.1**	Number of basic infrastructure projects implemented using innovations and appropriate technologies.	6	8	**9**	11	2	Over performance
		8.2.2	Number of rural development enterprises supported.	112	141	**105**	126	21	Over performance
		8.2.3	Number of IGR sessions conducted.	1	4	**4**	4	-	No deviation

Reasons for all deviations

8.2.1 There was a high demand from the municipalities of spring water to address the water supply backlog in communal areas, hence, the over performance.

8.2.2 The overperformance is attributed to the roll-over budget that was allocated at the onset of the third quarter, hence, more rural development enterprises were supported in the 2023-24 financial year.

Strategy to overcome areas of underperformance

None as there were no underperformances.

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 2024/25.

RURAL DEVELOPMENT COORDINATION		2023/2024			2022/2023		
		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	192,484	192,483	1	187,434	188,006	-572
8.2	Social Facilitation	19,633	19,633	-	22,726	18,672	4,054
TOTAL		**212,117**	**212,116**	**1**	**210,160**	**206,678**	**3,482**

5. 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 and Programmes.	• ECRDA Operations: R141.3 million • Magwa – R29.3 million • Cannabis: R10.4 million; • Red Hubs: R4.7 million; • Amadlelo: R7 million • Macadamia Nuts: R4.5 million; • Revolving credit facility: R2 million; • Blended Finance: R25 million; and • Citrus Intervention: R8.4 million. The budget for the Red Hubs of R11.2 million was reduced to R4.7 million, during the quarter and re-allocated to fund the Ncera Macadamia (R4.5 million) and Commodity Revolving credit facility (R2 million). As previously reported the session to engage on the latter did not materialise, scheduled meetings were cancelled, which means the R2 million has not be spent.	• ECRDA: R153.5m • Magwa: R29,3m • Cannabis: R3.5m • RED Hubs: R3.7m • Amadlelo: R7m • Ncera: R4.5m • Blended: R25m • Citrus: R8.5m	The ECRDA had 26 indicators for the year. The board resolved to waive indicator 10, as a result of the uncertainty around the placement process that was ongoing for most of the year and only concluded at year end. Consolidating the four quarters outputs the agency has achieved twenty (20) if the remaining indicators, four (4) indicators were partially achieved and one (1) indicator were not achieved, which is an unaudited performance of 80% for the financial year and 16% partially achieved with 4% unachieved. Own funded projects: **Forestry:** Four community owned forestry projects were supported with technical and management support. In addition, 124.3 hectares of new plantation was planted. **Aquaculture:** A Provincial workplan for the MTEF was developed for consideration and sourcing of funding. **Wool & Mohair:** The agency trained 804 communal and emerging farmers on responsible wool/mohair standards and the responsible production audit of all sites, communal shearing sheds and emerging farms, was completed. The total number of approved **loan** applications for the whole financial year is fifty-five (55) and amounted to R5,091,883 as shown in figure1 below. This reflects the organisation's ongoing efforts to providing financial support to individuals and businesses so that they meet their financial needs. There are thirty-eight (38) agricultural loan applications approved with a value of R4,280,083 and production inputs accounted for 69%. The

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
				approved non-agricultural loan applications are 17 which amounted to R960 000 and these are mostly unbankable group clients.
	Magwa Tea Estate			The 2023-24 harvesting started officially 26th September 2023. Against a target of 253 600kg only 143 230kg of tea are made, thus 110 370kg (44%) lesser that target. Cost per kilogram for Magwa Estate improved R73,47 (2022/23) to R61,23 (2023/24) while Majola Estate cost worsened from R98,40 (2022/23) to R117,68 (2023/24). Climate change certainly has been a perfect storm for us accounting for an estimated 60% of the missed target while the rest is due to a lack of fertilizer application, load shedding that interrupts the production process and downtime due to old infrastructure at Majola (16%). Q4 Target not achieved by 56% due to harvesting stopped earlier than planned in February 2024 (Thus 22 days earlier). Of the 132 planned productive days , only 81 days achieved (-38,6%). Poor weather condition meant low production and less inventory available for sale to fund the on-going harvesting, consequently production stopped earlier. Sales and Revenue Teabag sales lower than planned by R136k (41,8%) in Q4 - due to lack of internal equipment to pack Hospitality tea product line (High demand) while annual teabag sales of R755 742 higher than prior year by R112 241(17%), but lower than the budget by R544 257 (42%). Bulk tea sales of R6 060 865 higher than planned by R1 760 865 (41%) – We continue to take advantage of the favourable prices from increased domestic demand attributed to high shipping cost on imports (Red sea shipping challenges and increased cost). Diversification Forestry operations

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
				A total of 22,6 hectares have been harvested from July to end March 2024. Yield per hectare current at 80tons Vs. standard 120tons, the low yield due to lack of silviculture work in the last 10 years and poor stand planting, consequently loosing 40T (R46,800) per hector and 886T (R1 057 680) Year-to-date. A total of 1,815.58 tons have been harvested as at 25 March 2024, thus 2 234 less than the 4 050T target. A poor performance in March with 93,74T harvested valued at R118 778.62 with net profit of R45 220.74 and delivered in the March 2024, the 93.74T is against a target of 450T. Total revenue of R1 786 488 been generated and net income of R1 004 811and net profit before tax of R421,80/tonnage. During the period, and average of thirty five (35) Jobs opportunities have been created while a local Sappi approved contractor and transportation company benefiting from the initiative. A total of R1 004 811 has been paid to forestry and logistics service providers. A multiyear Forestry Enterprise Development Agreement (FEDA) has been approved by SAPPI and the agreement is currently with the Magwa Tea board for review and approval. The agreement has been prepared for the MEC1s approval as per section 66 (1) of the PFMA while The BeeHive agreement is currently in progress for conclusion in Q1 of 2024/25.
	Cannabis Industry Development			Cannabis: The agency supported primary producers in this new industry through training and assisting with securing production inputs. 109 Producers were trained and 100 were assisted with production inputs.
	Eastern Cape Agriculture and Agro-processing Blended Finance Scheme			**ECRDA-ECDC Blended Finance** Scheme has successfully approved twenty-one (21) applications, totalling R37 391 401. Disbursements have been processed for eighteen (18) of these approved applications, reaching a total cumulative disbursement value of R31,983,468.

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
				Following this directive, the inaugural meeting between **ECRDA and SEFA Blended Finance** took place on 3 October 2023. During this meeting, SEFA provisionally committed R50 million, with an additional R25 million from ECRDA, totalling the partnership fund to R75 million. Subsequently, on 6 October 2023, both parties convened a formal workshop to discuss the joint implementation of the blended finance instrument. The Implementation Agreement was officially signed on 10 November 2023. Subsequently, on 6 October 2023, both entities convened a formal workshop to deliberate on the joint implementation of the blended finance instrument, paving the way for collaborative planning and strategising. The culmination of these efforts was marked by the official signing of the Implementation Agreement on 10 November 2023, solidifying the commitment of both parties towards mutual objectives. The Call for Applications, initiated on 13 November 2023, and concluded on 24 November 2023, highlighted several hurdles. In particular, incomplete applications posed a significant obstacle, with 81 out of 195 submissions lacking critical details. Additionally, late submissions and appeals, compounded by external factors such as load shedding on the part of the applicants, added complexity to the process, albeit promptly addressed upon receipt. As of 31 March 2024, the following progress has been achieved. Advanced stage applications are twenty (20) and ready for submission to the Approval Committee, with a transaction value of R19,235,900. Thirty-nine (39) applications are still under consideration, with a transaction value of R63,466,097. It is anticipated that approximately 30% of these applications will be converted to approved transactions, albeit with potential adjustments to loan amounts. Regrettably, of the 118 applications received 59 (50%) transaction valued at R123,106,191.48, will be declined due to quality issues,

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
				including credit default judgments and debt review statuses of applicants. Despite the complexities encountered, both parties remain resolute in their commitment in the partnership with the timelines pushed out and the contract extended to the 31 March 2025 to allow for sufficient time process the applications.
	Citrus Intervention			The Citrus Intervention Project, managed by the Eastern Cape Rural Development Agency (ECRDA), is a pivotal initiative aimed at supporting the citrus farmers in distress. Funded by a substantial allocation of R8,496 million from the Citrus Fund, this initiative aims to rejuvenate struggling orchards and enable farmers to produce high quality citrus fruits for the export market. A collaboration between the Department of Rural Development and Agrarian Reform (DRDAR) and ECRDA has resulted in the selection of 32 citrus farmers for participation in this transformative program.
	Macadamia Nuts			Transferred the funds to Ncera on instruction of DRDAR.
	Pineapple projects			Not applicable in 2023/24 financial year.
	EPWP – payments of casual labourers			Not applicable in 2023/24 financial year.

5.2 Transfer payments to all organisations other than public entities

The table below reflects the transfer payments made for the period 1 April 2023 to 31 March 2024.

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
-	-	-	-	-	-	-

The table below reflects the transfer payments which were budgeted for in the period 1 April 2023 to 31 March 2024 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 grant 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 2023 to 31 March 2024.

COMPREHENSIVE AGRICULTURAL SUPPORT PROGRAMME GRANT:

Department to whom the grant has been transferred to	Eastern Cape Department of Rural Development and Agrarian Reform
Strategic goal	• To create a favourable and supportive agricultural services environment for the farming community, in particular, subsistence and smallholder farmers and distressed commercial farmers within strategically identified grain, livestock and horticulture production areas
Purpose of the grant	• To provide effective agricultural support services, promote and facilitate agricultural development by targeting beneficiaries of land restitution and redistribution, and other previously disadvantaged producers who have acquired land through private means, and are engaged in value-adding enterprises domestically, or involved in export. • To revitalise agricultural colleges into centres of excellence.
Outcome statements	• Broadened access to agricultural support for black subsistence, smallholder and distressed commercial farmers • Increased number of sustainable and profitable black producers in horticulture, grains, livestock, fibre and aquaculture value chains • Increased capacity to support and oversee productivity and farming efficiency of beneficiaries of the Comprehensive Agricultural Support Programme (CASP) • Improved systems required for the maintenance of a foot and mouth disease-free status as prescribed by the World Organisation for Animal Health • Increased wealth creation and sustainable employment in rural areas • Increased access to formal and institutional markets by beneficiaries of CASP • Improved household and national food security • Reliable and accurate agricultural information available for management decision-making
Expected outputs of the grant	• 267 subsistence, 2,086 smallholder and 19 commercial farmers supported through CASP. • 217 youth, 1525 women, and 0 farmers with disabilities supported through CASP. • 134 on-off farm infrastructure provided • 4 beneficiary of CASP supported with SA GAP certification • 440 jobs created • 2,250 beneficiaries of CASP trained on farming methods, and 20 farms receiving. • 120 unemployed graduates placed on commercial enterprises for potential skills transfer • beneficiaries of CASP supported with markets access • 99 extension personnel maintained in the system • 2 Agricultural colleges upgrading infrastructure
Actual outputs achieved	• 482 subsistence, 2843 smallholder and 44 commercial farmers supported through CASP. • 217 youth, 1525 women, and 21 farmers with disabilities supported through CASP. • 127 on-off farm infrastructure provided

Department to whom the grant has been transferred to	**Eastern Cape Department of Rural Development and Agrarian Reform**
Strategic goal	• To create a favourable and supportive agricultural services environment for the farming community, in particular, subsistence and smallholder farmers and distressed commercial farmers within strategically identified grain, livestock and horticulture production areas
	• 954 jobs created • 14 beneficiaries of CASP supported with SA GAP certification. • 2,250 beneficiaries of CASP trained on farming methods, and 20 farms receiving mentoring. • 120 unemployed graduates placed on commercial enterprises for potential skills transfer. • 134 beneficiaries of CASP with markets identified • R36,025 extension personnel salaries paid and maintained in the system. • Agricultural colleges upgrading infrastructure • Construction of the TARDI hall • Professional services for the construction of the TARDI hall • Payment of retention for the Access control gate at TARDI • Payment of retention for the Incinerator and its super structure at TARDI • Professional services of the access control gate and incinerator • Payment of retention for the 2X50 seater lecture halls and professional services at Fort Cox. • 830 Farmers participating in KYD programme.
Budget Allocation	R 237,612
Amount received	R 237,612
Reasons if budget Allocation not received	N/A
Amount spent by the Province	R 237,110
Reasons for the funds unspent	• Retention fees released due to outstanding works not finalised by contractors
Reasons for deviation on performance	• The under-performance was caused by the non-completion of the PSJ two fencing project in KSD and Ingquza hill. There were also delays in the Quench juice, Gcinubuzwe in Amatole, Ndlantaka Dip Tank, Simunye Shed, Mt Zion Fencing in Alfred Nzo and Kwebulana and Lupapasi sheds in Chris Hani as well as projects that were put on hold due to the National budget cuts.
Measures taken to improve performance	• Strengthening of Contract Management • Timely procurement of training and other service providers. • All engineering staff are to undergo purpose-made training in contract administration
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 programmes and APP targets. • Site and District visits by Head Office. • Enforce close-out that includes lessons learned and improvement plan report.

EXPANDED PUBLIC WORKS PROGRAMME GRANT:

The table below details the conditional grants and earmarked funds received during the period 1 April 2023 to 31 March 2024.

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 incentivised to prioritise 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 planned: 767.
Actual outputs achieved	Number of Jobs Created: 846.
Amount per amended DORA (R'000)	R2,081million.
Amount received (R'000)	R2,081million.
Reasons if amount as per DORA was not received	N/A.
Amount spent by the Department (R'000)	R2,081 million.
Reasons for the funds unspent by the entity	N/A.
Reasons for deviations on performance	Issue with the ECRDA system has been resolved.
Measures taken to improve performance	Workshop on Extended Public Workd Programme (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, fertilisers, 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 identifying 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 8,600 smallholder farmers to be supported through ILIMA_LETSEMA. • 27,774 ha of Land to be put under agricultural production (field crops such as grains and oilseeds, horticulture fibre, and livestock).
Actual outputs	• 24,609 Subsistence, and 17,250 smallholder farmers were supported through ILIMA_LETSEMA . • 35,667,53 ha of Land under agricultural production (field crops such as grains and oilseeds).
Amount per amended DORA (R'000)	R70,483 million.
Amount received (R'000)	R70,483 million.
Reasons if amount as per DORA was not received	N/A.
Amount spent by the Department (R'000)	R70,482 million.
Reasons for the funds unspent by the entity	N/A.
Reasons for deviations on performance	The overachievement in this indicator is due to the additional hectares planted under the department's grain partnership model. Despite unfavorable environmental conditions in January and February 2024, the planting conditions in the summer months (November and December 2023) were conducive. Most producers were able to meet their planting targets, and through the partnership model, the department surpassed the total number of hectares targeted for the 2023/24 period.
Measures taken to improve performance	Not applicable as there are no under performances on Ilima funded projects.
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 = 25; Capacity building = 7; Rehabilitation = 2 690 ha and Coservation Agriculture = 249 ha
Actual outputs achieved	Awareness = 37; Capacity building = 17; Rehabilitation = 5 380 ha and Conservation Agriculture = 802 ha
Amount per amended DORA (R'000)	13,429million.
Amount received (R'000)	13,429 million.
Reasons if amount as per DORA was not received	N/A.
Amount spent by the Department (R'000)	13,342million.
Reasons for the funds unspent by the entity	Delays in tax compliance status of service providers resulted in delays in payment.
Reasons for deviations on performance	None.
Measures taken to improve performance	N/A.

Department who transferred the grant	**Department of Agriculture, Land Reform and Rural Development**
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 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 123 projects were successfully completed out of the planned 134 projects. These completed projects encompass various areas, including the construction of 125 km (27 projects) of fencing, the establishment of 50 hectares(3 projects) of small-scale irrigation systems, construction of 12 multi-purpose sheds, 8 shearing sheds and renovations, equipping of 6 boreholes, installation of 9 stock water systems, establishment of 7 new dip tanks for small and large livestock, renovation of 27 existing dip tanks, construction of 6 animal handling facilities, water connection to aquaponics structure and 1 packshed for vegetables. Additionally, 2 dam scooping projects and 2 shade nets for citrus young orchards were successfully implemented. Additionally, to enhance access to markets, 3 vegetable producers were supported with storage and ablution facilities to qualify for South African Good Agricultural Practices (SA-GAP). Furthermore, two Rural Market centers were completed to enhance market access in rural and peri-urban areas.

In line with our commitment to revitalizing agricultural colleges and establishing centers of excellence, several projects were accomplished, including the installation of an incinerator and construction of an access gate at TARDI.

furthermore, 4 projects were completed to upgrade infrastructure for DOHNE Agricultural Development Institute and its satellite in order to enhance research operations, these projects include, cold room repairs, water reticulation, buildings a an nursery rennovations.

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..

8.1 Capital investment, maintenance and asset management plan

No.	Project Name	Nature of investment	Infrastructure type	No. Of units	Commodity	Local Municipality	District	Funding source	Amount running over to 2023/24 R'000	Completion date
1.	TARDI Exam Hall	New Infrastructure Capital	Exam Hall	1	College Infrastructure	Mhlontlo	OR Tambo	Casp: Infrastructure	R2 546 121.96	31 May 2024
2.	Bathurst Agricultural Research Institute Water Reticulation	New Infrastructure Capital	Bulk Water Supply	1	Research Satelite	Ndlambe	Sarah Baartman	Voted Funds	R486 130.31	31 May 2024
3.	Bathurst Irrigation System	New Infrastructure Capital	Irrigation Systems District	1	Research Satelite	Ndlambe	Sarah Baartman	Voted Funds	R54 182.25	31 May 2024
4.	Sterkstroom Meat Abattoir	New Infrastructure Capital	Rural Abbattoirabattoir In	1	Red Meat	Enoch Mgijima	Chris Hani	CASP	R5 082 540.07	30 April 2024
5.	Sonop Coldroom-Pack Shed(Sa Gap)	New Infrastructure Capital	Vegetable Pack-Shed Facility	1	Vegetables	Enoch Mgijima	Chris Hani	CASP	R265 234.53	30 April 2024
6.	Kwebulana New Shed	New Infrastructure Capital	Shearing Shed At Kwebulana Village In	1	Wool	Intsika Yethu Local	Chris Hani District	CASP	R223 760.13	30 April 2024
7.	Qwati-Lolo Potato Pack Shed	New Infrastructure Capital	Potato Pack-Shed	1	Vegetables	Sakhisizwe	Chris Hani District.	CASP	R658 651.75	30 April 2024
8.	Chris Hani Ohs	New Infrastructure Capital	Ohs	All Projects	All Projects	All Projects	Chris Hani	CASP	R653 194.51	30 March 2025
9.	Amathole OHS	New Infrastructure Capital	OHS	All Projects	All Projects	All Projects	Amathole	CASP	R2 839 303.28	14 September 2025
10.	Tardi Exam Hall-Consulatants	New Infrastructure Capital	Professional Services-Construction Management	1	College Infrastructure	Mhlontlo	OR Tambo	CASP	R204 532.09	28 August 2024
11.	Gcinibuzwe Stock Watering	New Infrastructure Capital	Gcinibuzwe Stock Watering	1				CASP	R23 359.82	31 June 2024

No.	Project Name	Nature of investment	Infrastructure type	No. Of units	Commodity	Local Municipality	District	Funding source	Amount running over to 2023/24 R'000	Completion date
12.	Quench Juice	New Infrastructure Capital	Installation Of Bottling Equipment	1	Horticulture	Mhlontlo	OR TAMBO	VOTED	R458 709.60	30 July 2024
13.	Joe Gqabi OHS	New Infrastructure Capital	Ohs	All Projects	All Projects	All Projects	Joe Gqabi	CASP	R495 265.58	01 April 2024
14.	Alfred Nzo OHS	New Infrastructure Capital	Ohs	All Projects	All Projects	All Projects	Alfred Nzo	CASP	R304 817.55	31 October 2024
15.	Alfred Nzo Plunge Dip- Ndlantaka	New Infrastructure Capital	Plunge Dip	1	Red Meat	Ntabankulu	Alfred Nzo	CASP	R361 699.05	
16.	OR Tambo OHS	New Infrastructure Capital	Ohs	All Projects	All Projects	All Projects	OR Tambo	CASP	R270 343.66	
17.	Siyazama (Luphaphasi) Shear Shed_Canc	New Infrastructure Capital	Shearing Shed	1	Wool	Emalahleni	CHRIS HANI	CASP	R 775 000	30 August 2024
18.	Alfr Nzo Mult Shed Simuny Kwamzo-Completions_Canc	New Infrastructure Capital	Multi-Purpose Shed	1	Wool	Ec441 Matatiele	ALFRED NZO	CASP	R 505 000	30 August 2024
19.	Nmbm Borehole Equipping	New Infrastructure Capital	Borehole Equipping	4	Poultry	Nmbm	SARAH BAARTMAN	CASP	R 21 000	30 September 2024
20.	Mount Zion Fencing	New Infrastructure Capital	Fencing-Casual Labourers	5	Grain	Mbizana	ALFRED NZO	CASP	R 70 000	30 August
21.	Bloubos Fence 6km Crop	New Infrastructure Capital	Fencing- Casual Labourers	6kn		Emalahleni	CHRIS HANI	CASP		30 August 2024
22.	Forest Cliff Fence	New Infrastructure Capital	Fencing	5.5 Km	Red Meat	Makana	Sarah Baartman	CASP	R 325 000	30 September 2024
23.	Salempark Fence	New Infrastructure Capital	Fencing- Casual Labourers	8km	Red Meat	Makana	Sarah Baartman	CASP	R 50 000	30 September 2024

No.	Project Name	Nature of investment	Infrastructure type	No. Of units	Commodity	Local Municipality	District	Funding source	Amount running over to 2023/24 R'000	Completion date
24.	KSD Productive Arears (2020)-Baziya Makaula	New Infrastructure Capital	Fencing- Casual Labourers	2.1 Km	Grain	Ksd	OR Tambo	EPWP	R 32 970	31 May 2024
25.	Ingquza Hill Productive Areas(2019)-Bodweni	New Infrastructure Capital	Fencing	6.2 Km	Grain	Ingquza Hill	OR Tambo	CASP	R 253 000	30 September 2024
26.	Xonxa	New infrastructure capital	Fencing- Casual labourers	10	Vegetables	Emalahleni	Chris Hani	EPWP	R 146 000	30 September 2024

8.2 Capital investments, maintenance and asset management plan

Infrastructure Projects	2023/24			2022/23		
	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	88,761	87,441	1,320	94,893	89,143	5,750
Existing infrastructure assets	12,059	10,325	1,734	9,485	8,025	1,460
- Upgrades and additions	1,286	1,829	(543)	4,537	2,000	2,537
- Rehabilitation, renovations and refurbishments	9,273	8,496	777	4,948	6,025	-1,077
- Maintenance and repairs	1,500	-	1,500	-	1	-
Infrastructure transfer	-	-	-	15,462	15,462	-
- Current	-	-	-	15,462	15,462	-
- Capital				-	-	-
Non Infrastructure	17,808	15,759	2,049	16,843	14,234	2,609
Total	**118,628**	**113,525**	**5,103**	**136,683**	**126,864**	**9,819**

PART C

GOVERNANCE

1. 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 utilisation 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, as mandated by Section 38 of the PFMA. 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.

2.1 Risk assessment process and development of risk registers

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

The risks were assessed and rated according to their likelihood of occurrence and impact should they occur or materialise. They were then prioritised and consolidated into Risk Registers, which were signed-off by the Risk Owners, to develop the overall departmental risk profile for that specific financial year. The Strategic Risk Register was signed by the Branch Heads and approved by the Accounting Officer. The approved Risk Registers were submitted to Internal Audit to develop their risk-based Internal Audit Plan for 2023/2024.

Risk mitigation plans agreed upon to manage the risks identified were monitored on a monthly and quarterly basis with portfolio of evidence and these were reported and discussed at the four Risk Management Committee meetings. The Risk Registers were also reviewed by the Risk Management Committee before sign-off and submission to Provincial Treasury. Once approved they are shared with the Programme Managers to communicate to their team members, so that everyone is aware of the identified risks and action plans to mitigate the risks.

2.2 The Risk Management Committee (RMC)

The department has a functional Risk Management Committee (RMC) 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 management 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 reports are deliberated on, is evident, based on the value added by the RMC.

The department has an approved Enterprise Risk Management Framework and Policy, Enterprise Risk Management Methodology and Strategy in place. For the year under review the Committee held four meetings and approved the following Risk Management Strategic documents:, 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 timeoulsy submitted quarterly Risk Management Activity Reports to the Provincial Treasury.

2.3 Progress in terms of Erm

The Enterprise-wide Risk management looks at the whole organisation, in terms of coordinated risk management activities with emphasis collaboration. The department has reviewed and approved the Risk Management Policy, Strategy and Implementation Plan for the financial year. Monitoring of implementation is done quarterly and reported to the relevant governance structures (Top management, Risk Management Committee, Audit committee, Provincial Treasury, etc.). ERM offers a framework to effectively manage uncertainty, respond proactively to the identified risks, and exploit opportunities as they arise to turn every risk into an opportunity for the benefit of the department.

The Province has developed and approved a Risk Appetite and Tolerance Framework for provincial departments to adopt and implement in their respective departments. This is a project that the department will be starting in the new financial year, along with its training as well as looking into developing the Business Continuity Management (BCM) Framework and training, to strengthen resilience and quick response.

Training: One Risk Practitioner was trained on the Certification of Risk Management (CRM-Prac) by the Institute of Risk Management of South Africa (IRMSA), which was sponsored by the Provincial Treasury, as part of training and development interventions for Provincial Departments, along with other Risk Management training.

2.4 Institutionalisation of enterprise risk management

The Department has put systems and structures in place and capacitated officials to ensure they understand the value added of risk management and further created a risk awareness culture. This had a direct impact on the Department in achieving level 3 per the Risk Maturity Assessment performed by the Institute of Risk Management South Africa conducted in 2021.

2.5 Challenges

Due to the declining public purse, Risk Management has limited resources and manual processes remain obstacles to the automation of Risk Management, which would enhance its operations. Work is underway to automate Risk Management as discussions are at an advanced stage with the Departmental Government Information Technology Officer (GITO).

3. FRAUD AND CORRUPTION

Types of anti-corruption cases investigated

Type	Number
Corruption	2
Fraud	3
Financial Misconducts	-
Maladministration	7
Other	8
Total	**20**

Nature Of Offences As Per The Total Number Of Cases Reported

Nature of Cases	Number
Fraud & Corruption	6
Forged Signature	-
Tender Irregularities	-
Nepotism	1
Payroll Fraud	-
Procurement Fraud	1
Travel Claims	1
Financial Misconduct	-
Maladministration	7
Other	4
TOTAL	**20**

Status of cases

Type	Status	Number
SAPS Anti-corruption unit	Cases are still under investigation, and two (2) 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.	20
Recommended cases for finalisation to the Accounting Officer	No cases are awaiting approval by the AO.	-
Total		**24**

Closed files

Type	Year	Number
Files closed; consequence management finalised.	2023/24	14

Pending cases still not finalised

Type	Year	Number
Fraud and Corruption investigated by the Department's Crime Prevention Unit and Special Investigation Unit.	2023/24	6

Challenges faced regarding the cases reported (hotline / department)

The Department has experienced a limited frequency of reported cases through the National Anti-Corruption Hotline (NACH). Following thorough inquiries, it has been confirmed that no cases have been reported to date. The NACH is currently being enhanced by the National to ensure that public confidence is instilled again and encouraged to report cases of fraud and corrupt activities.

4. MINIMISING CONFLICT OF INTEREST

Period	No. of cases /employees on CSD	Status
Q1	15	All have been removed from the CSD.
Q2	13	All have been removed from the CSD.
Q3	7	All have been removed from the CSD.
Q4	15	All have been removed from the CSD.

5. CODE OF CONDUCT

The outlook on adherence to the Public Service Code of Conduct by departmental employees is not so good, henceforth, the Labour Relations unit has been inundated with disciplinary cases. As required by the provisions of the Public Service Regulations (as amended), in order to give practical effect to the relevant constitutional provisions relating to Public Service, all employees are expected to comply with the Code of Conduct which should act as a guideline to employees in terms of what is expected of them from an ethical point of view, both in their individual conduct and in their relationship with others. Compliance with the Code can be expected to enhance professionalism and help to ensure confidence in the Public Service. Therefore, the Labour Relations unit endevours to facilitate awareness sessions to all levels of employees in the Effective Management of Discipline Management which will also encompass the Code of Conduct, thus cultivating a culture of ethical consideration and discipline.

6. HEALTH AND SAFETY AND ENVIRONMENTAL ISSUES

The Employee Health and Wellness programme in the department aims at creating a healthy and safe working environment for employees. The department continues to comply with the OHS Act and has functional Health and Safety Committees. During the 2023/2024 financial year, the department held six Occupational Health and Safety Committee sittings, which were at the provincial level, Amatole, and Western districts.

The department is implementing corrective measures that were recommended in the OHS Risk Assessment that resulted in the development of Non-Conformance Registers. A total of 109 sites were inspected and there were 366 findings of the inspected sites with risk ratings that include 148 extreme high, 105 high risks, 82 medium risks, and 31 low risks. The findings were related to the appointment of

SHE Reps, First Aid kit and PPE provision, display of Signage and Emergency numbers, training on hygiene, checklist on appliances, housekeeping, and cleaning schedules.

The department further managed to train 124 Safety, Health, and Environmental (SHE) Representatives which were compliant requirements of the OHS Act.

7. PORTFOLIO COMMITTEE

The Department met with the Portfolio Committee on 31 October 2023, 02, 09, 17, and 23 November 2023 to discuss the Annual Report and the Financial Oversight report. The Portfolio Committee met on 06 February 2024 and adopted the report. The report was finalised and adopted on 06 February 2024.

Resolutions / recommendations of the portfolio committee on drdar's half-year financial and performance oversight report

Programme 1: Administration

FINDINGS	RECOMMENDATIONS	RESPONSES FROM DRDAR
There is a huge vacancy rate in both the highly skilled production level and highly skilled supervision level, at 46.7 and 31.8 % respectively.	(a) A detailed report on the reasons for the prolonged recruitment process as well as a plan to fast-track it must be submitted to the Committee within 30 days.	A report was provided.
The Department is faced with a high staff turnover.	(b) The Department must within 50 days submit to the Committee the mechanisms to mitigate this challenge.	A report was provided.
The programme has overspent on its projections of R243 387 million by R2 910 million and this can be attributed to poor planning and budgeting.	(c) The Department must within 30 days submit remedial action to prevent this anticipated over-expenditure at the end of the financial year. Furthermore, spending trends should be cautiously monitored to avoid over-expenditure.	The department has undertaken Virements during the Adjustments Estimate to prevent the over expenditure. The departmental Budget Advisory Committee is strictly monitoring the spending trends to prevent overspending at year-end.

Programme 2: Sustainable Resource Management

FINDINGS	RECOMMENDATIONS	RESPONSES FROM DRDAR
The Department is projecting to underspend in all sub-programmes resulting in total overall under-expenditure estimated at R3 429 million at the end of the financial year.	(a) The Department must within 30 days submit to the Committee a remedial plan to prevent this anticipated under-expenditure at the end of the financial year.	The remedial plan focused on re-directing potential unspent funds to critical service delivery areas that were insufficiently funded. Furthermore, a task-based payment plan for green jobs was introduced resulting in an increase in the number of jobs created as well as more work being covered thus resulting in improved expenditure.
The Department has under-performed on the targeted number of agricultural infrastructure projects established due to protracted procurement procedures, defaulting of contractors, and financial constraints. Out of 33 projects, only 13 were achieved, and this has led to under-expenditure amounting to R6 731 million.	(b) A turnaround plan to address this under-performance as well as the anticipated under-expenditure must be submitted to the Committee within 30 days.	The recommendation is noted and the turnaround for all projects including incomplete ones entails:- • The department conducts due diligence in assessing the capacity and financial capability of Contractors to prevent negative effects on infrastructure Projects. The department strictly monitors Contractors through the Engineering Unit and where the Contractors are underperforming, actions are taken as guided by the general conditions of the contract.
There is no correlation between target setting, performance, and budgeting. The Land Care sub-program has over-performed its performance indicators but has incurred under-expenditure.	(c) The spending trends must be closely monitored to ensure that there is alignment between target setting, performance, and budgeting to avoid over-performance and under-expenditure.	The finding is noted, and the department will ensure that there is alignment between the target setting, performance, and budgeting.

Programme 3: Farmer Support Development

FINDINGS	RECOMMENDATIONS	RESPONSES FROM DRDAR
Stock theft is rife, especially in rural areas, and the removal of livestock from one place to another is not properly regulated.	(a) The Department must expedite the process of standardising the livestock removal licences to minimise stock theft.	The recommendation is noted. There is currently no enabling legislation to control animal movement. However, the Animal Identification Act No. 6 of 2002 provides for the identification of animals and related matters to assist in curbing stock theft. In this regard, the Department conducts demonstrations to stock owners on animal branding in terms of the above-mentioned Act.
The delays in the completion of procurement processes have resulted in under-performance on a number of hectares planted for the production of field crops and also contributed to the late delivery of inputs.	(b) The Department must submit to the Committee a recovery plan to address this challenge given the fact that ploughing is seasonal.	The recovery Plan is as follows: • Early procurement of production inputs and mechanisation completed in June. • Delivery of production inputs scheduled for August to October. • Provision of mechanisation scheduled for October to January. The Recovery Plan enables the department and the Farmers to commence with production within the Cropping Season.

Programme 4: Veterinary Services

FINDINGS	RECOMMENDATIONS	RESPONSES FROM DRDAR
The Department has underperformed in its target on the number of treatments applied to animals for external parasites control despite the high need on the ground due to disease outbreaks as a result of climate change.	a) Performance recovery plan must be developed, implemented and strictly monitored to address this challenge.	The recommendation of the committee is accepted. The department has developed an annual dipping program which guides the Veterinary officials and community of an effective dipping program that must be followed at all times regarding the treatment and control of external parasite. The department has recognised the need on the ground as a result a dipping drive in the form of a campaign is planned.
Although sub- programme 4 has over-performed in all its performance indicators, an under-expenditure of R1 869 million has been incurred. Overperformance and underexpenditure are a concern.	(b) An improvement plan in which the setting of targets is aligned with budget allocation must be submitted to the Committee within 30 days.	The refurbishment of the rabies laboratory at Enoch Mgijima local municipality, Komani took longer than planned on both construction and financial projects. The rabies laboratory has since been completed and payment made to the construction company and under-expenditure resolved.

Programme 5: Research and Technology Development Services

FINDINGS	RECOMMENDATIONS	RESPONSES FROM DRDAR
There is a concern that the soil sample analysis results take a long time.	a) The Department must improve and speed up the process.	The department notes the recommendation. The department strives to adhere to the industry norm of 3 weeks from the day of receipt of samples by the laboratory. However, delays are experienced from the time samples are taken from the field and delivered to the laboratories, this is a matter that is receiving attention.
There is a concern that the Department is not proactive and this is based on the fact that there is no clear plan for research trials on fodder production.	(b) The Department is advised to be proactive and develop a clear plan for research trials on fodder production.	The department notes the recommendation and research trials on fodder production are already conducted in the experimental farms located in the relevant agro-ecological zones such as Dohne and Cradock as well as communities.

Programme 6: Agricultural Economic Services

FINDINGS	RECOMMENDATIONS	RESPONSES FROM DRDAR
The delays in the finalisation of CASP business plans contributed to the less number of clients who were supported with production economic services.	a) The Department must within 30 days submit to the Committee a plan on how this challenge will be addressed before the end of the financial year.	The department has assigned Agricultural Economists who specialise in different commodities. Furthermore, Chief Directors are tasked to assess the quality of the Business Plans and in turn, confirm its credibility for a recommendation to the DDG and the HODs approval.

Programme 7: Structured Agricultural Education and Training

FINDINGS	RECOMMENDATIONS	RESPONSES FROM DRDAR
The staff shortage in the Skills Development component has led to less number of participants trained on skills development programmes and also resulted in a few number of farm workers completing accredited and non-accredited courses.	a) The Department must within 30 days submit to the Committee an action plan with timeframes on how the challenge of Skills Development Personnel will be addressed.	The Action Plan is premised on the utilisation of the Extension and Advisory Services staff at the District and Local Municipality level to support the implementation of the Training Programs for Farmers.

Programme 8: Rural Development Coordination

FINDINGS	RECOMMENDATIONS	RESPONSES FROM DRDAR
The under-expenditure on Goods and Services is a concern and this can result in budget cuts.	a) A plan on how the expenditure on Goods and Services will be improved must be submitted to the Committee within 30 days.	The turnaround plan is focused on early procurement, delivery, and implementation of Rural Development Projects. This will enable the department to detect and put measures in place to prevent under-expenditure.
General management of land use is a challenge and the role of social facilitation to address the matter is not significant.	(b) The Department must ensure that general management of land use is prioritised. Social facilitation programmes as well as awareness campaigns must be strengthened to address this challenge.	The recommendation is noted and will be implemented.

General Findings:

FINDINGS	RECOMMENDATIONS	RESPONSES FROM DRDAR
There is a lack of correlation between the set targets, performance, and expenditure.	a) The Department must improve on its planning, target settings, and spending patterns to ensure that the allocated budget is spent as planned. A plan to address this challenge must be submitted to the Committee within 30 days.	The recommendation is noted. The turnaround plan is premised on the Sector performance which outlines the desired targets based on the available budget. Furthermore, the sector norms and standards guide the quality of performance in the targeted key results areas.
The Department consistently underspends on the Conditional Grants and this negatively affects the service delivery.	(b) The Department must within 30 days submit to the Committee a turnaround strategy on how the Conditional Grants spending pattern will be improved to prevent the anticipated underspending.	The department has established a fully effective Budget and Advisory Committee which oversees the spending of Conditional Grants on a monthly basis. Program Plans and budget plans, expenditure is scrutinised and where necessary are adjusted to improve performance and prevent underspending.
Performance on the set targets and also the spending patterns on the projections are not convincing.	(c) The Department must provide the Committee with turnaround strategies to improve the situation.	The recommendation is noted. The turnaround plan is premised on the Sector performance which outlines the desired targets based on the available budget. Furthermore, the sector norms and standards guide the quality of performance in the targeted key results areas.
There is a concern that all the projects that were visited by the Portfolio Committee during the Public Participation programme in June 2021 have not yet been assisted.	(d) The Office of the MEC should prioritise these projects and ensure that the recommendations made by the Committee are implemented. A progress report must be submitted to the Committee within 30 days.	The Department has implemented the resolutions that could be accommodated within the budget. Those that could not be funded they were prioritised in the next budget cycle.

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 prioritise the filling of vacancies for the enhancement of service delivery programmes as this Department is personnel driven. A plan to fast-track 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 the organisational structure and this impacts negatively 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 finalise the new organisational structure. In terms of the service level agreement between the Department and the service provider, the exercise shall be finalised by 30 April 2023. The project plan for the Organisational 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 every 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 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

RESOLUTION NO.	SUBJECT	DETAILS	RESPONSE BY THE DEPARTMENT	RESOLVED (YES/NO)
1	Audit Report/finding Paragraph 7	1.1 The Committee commends the department for its great efforts in terms of improving the department's audit outcomes. The Committee would like to establish if the department has any strategies or systems in place to ensure that it sustains this qualification? - Effective internal controls and management systems which are inclusive of consequence management. - Effectives governance structures i.e. Audit Committee, Risk Management Committee - Oversee effective implementation of the Audit intervention plan. - Effective AFS project plan which entails interim financial statement which is reviewed by the Audit Committee and Provincial Treasury, Monthly, Quarterly as well as verification, and review of performance information. - Conduct a monthly and quarterly review of performance information. - Effective finance and SCM prevention Irregular, Fruitless and Wasteful Expenditure Committee. - Audit Readiness with respect to compliance with all aspects of the PFMA. 1.2 Are there any potential risk areas that might hinder the department in maintaining the qualification which might result in the department regressing? - Critical post vacancies due to the unfunded public sector wage increase of 7%. To mitigate the risk from materialising, the department prioritised critical posts in both in governance and service delivery units.	The department received a clean audit which is an improvement from the previous financial year.	Yes.

RESOLUTION NO.	SUBJECT	DETAILS	RESPONSE BY THE DEPARTMENT	RESOLVED (YES/NO)
		- Spending pressures occasioned by the budget cuts during the 2nd appropriation. To mitigate against the budget cuts the Department reprioritised budget to critical service delivery areas and operations. - Poor management of disaggregated information from the district and local offices to the Provincial office. The Department is implementing Monthly and Quarterly verification of performance information to ensure credibility and completeness.		
		• A clean audit is not always an indicator of good service delivery, can the Accounting Officer confirm if the department has met its targets within the approved budget in the year under review? Please provide evidence. • The department had continuously underspent the budget allocations in the previous financial years. • We can confirm that the Department attained 83% overall performance with respect to service delivery key result areas and spent 98% of the budget. See Annexure A1 (extract of the Annual Report) • Summary of major service delivery programmes for 2022-23: • Through the Department's support, the smallholder producers in the province planted 31 139 hectares for the production of field crops. • A total 22 645 subsistence producers with production inputs such as maize seeds, fertilisers, and agrochemicals related to the health and safety of their crops. • 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.		

RESOLUTION NO.	SUBJECT	DETAILS	RESPONSE BY THE DEPARTMENT	RESOLVED (YES/NO)
		• 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. • Under the Comprehensive Agricultural Support Programme, the Department supported 311 youth and 2 188 women in agriculture throughout the province. This demonstrates the government's unwavering intention to increase youth and women's participation in agriculture in the province. • The employment of 764 Assistant Agricultural Practitioners is further a commitment by 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 fulfill its mandate and deliver efficient services to our farming community. • 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 supported the COGTA (Department of Cooperative Governance and Traditional Affairs) and local		

RESOLUTION NO.	SUBJECT	DETAILS	RESPONSE BY THE DEPARTMENT	RESOLVED (YES/NO)
		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. • Research & Technology Development 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. • 16 Scientific papers were published in relevant research journals to contribute to the body of knowledge in this field. • In 2022-23 the Department Resource Management unit performed as follows: • 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.		

RESOLUTION NO.	SUBJECT	DETAILS	RESPONSE BY THE DEPARTMENT	RESOLVED (YES/NO)
		• 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 resource maps were produced for planning and decision-making purposes. • The department has recognised 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. 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. • Farmer's and Institutional Capacitation: • This 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. • 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.		

RESOLUTION NO.	SUBJECT	DETAILS	RESPONSE BY THE DEPARTMENT	RESOLVED (YES/NO)
		• 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. • The department provides veterinary services to clients 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. • 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 doing business in your country only, you may be limiting the total		

RESOLUTION NO.	SUBJECT	DETAILS	RESPONSE BY THE DEPARTMENT	RESOLVED (YES/NO)
		potential profits you could earn on opportunities to expand your business worldwide. • 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. • Atotal 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 113 738 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 minimise the impact of disease occurrence, • whilst a total of 12 Performing Animals Protection Act (PAPA) registration licenses were issued. • On the overall veterinary services ensure that the province consumes health wholesome products of animal origin such as meat from provincial abattoirs, milk and milk products from disease tested herds. Furthermore, all disease control measures such as avian influenza, sheep scab, tuberculosis ensure that provincial farmers participate in the Frican Continent Free Trade agreement and other livestock markets. To this end the communal		

RESOLUTION NO.	SUBJECT	DETAILS	RESPONSE BY THE DEPARTMENT	RESOLVED (YES/NO)
		farmers whole producers contribute a value of R300 million to the total value of R6,1 billion country revenue from wool. Our provincial poultry producers continue to export and remain on the list of countries such as Oman as permitted exporter whilst other provinces have been temporarily suspend. The province is proud to be known as one of the three province that were not affected by Foot and mouth Disease, we continue to do disease surveillance and export of wool through Gqeberha port and live animals by sea to Kuwait and Mauritius.		
		Can the department share the good practices that can be used as a benchmarking tool by other departments that are still struggling to improve their audit outcomes? - Effective implementation of internal control measures. - Effective internal and external oversight structures.		
2	Material Misstatements	2.1 Can the department explain if there are any possible financial and accounting rules and weaknesses that could materially affect the department's financial statements? - There are new accounting policies that the department is implementing, however, internal control measures have been put in place to ensure that there are no material misstatements.	Material misstatement was identified in the annual 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 there were no material misstatements included in the audit report.	Yes
		2.2 How does the department ensure that it does not put over reliance on the audit process to identify matters to be addressed particularly those concerning financial statements as they were only identified and corrected during the audit? - The Department has prioritised interim financial reviews by internal audit throughout the year to identify and address any possible misstatements.		
3	Disclaimer opinion-ECRDA	3.1 What remedial measures and monitoring tools have been established to intensify that ECRDA is delivering its	**The Eastern Cape Rural Development Agency received a disclaimer opinion in the year under review.**	Yes

RESOLUTION NO.	SUBJECT	DETAILS	RESPONSE BY THE DEPARTMENT	RESOLVED (YES/NO)
		mandate in a cost-effective manner and will enhance the results of its audits in the upcoming financial year? **The following remedial measures and monitoring tools have been established to assist the ECRDA:** 1. Assigning the Finance Manager to assist the entity in ensuring quality financial statements. (We seconded Mr A. Bovungana) 2. The CFO has been tasked to assist the entity to deal with the condonement of irregular expenditure. 3. The Department has been tasked to the assist entity with the review of the AFS opening balances to be audited by the AG(SA). 4. The Department assisted with the development of an Audit Improvement Plan and the monitoring thereof. The Department's Audit Committee monitors the performance of the ECRDA quarterly.	3.2 The Accounting Officer must fully explain what oversight role the department undertook in ensuring good administration in the State Owned Enterprises (SOEs) under their purview and that they are financially sustainable with the aim of assisting them in achieving their objectives? The Committee must be furnished with evidence. **The Accounting Officer supported the MEC to appoint the Board. The ECRDA Board was appointed in May 2022.** - **Upon their appointment the Board set about establishing their governance structures.** - **There are six committees established by the Board:** • Governance and Ethics – chaired by Chairperson of the Board, Dr Maphazi. • Strategic Plan Implementation and Performance Monitor – chaired by Ms Mbete. • Finance and Investment – chaired by Ms Pietersen. • Audit and Risk - chaired by Adv. Korkie. • Human Capital and Remuneration – chaired by Mr Qotywa. • Research, Projects and Stakeholder Managementt – chaired by Mr Koyo. The Department supported ECRDA with budget allocations and timeous transfer for funds to enable the entity to discharge their responsibilities. - The Department further supported the Entity by seconding an interim CEO to the entity until the new CEO resumed duties in August 2022.	

RESOLUTION NO.	SUBJECT	DETAILS	RESPONSE BY THE DEPARTMENT	RESOLVED (YES/NO)
			The Department supported the MEC to conduct quarterly oversight of the Board. At a technical level a Steering Committee was established composed of the CD: Rural Development, DDG. Administration, CFO, Internal Audit, Risk Management and Strategy. - The Audit Improvement plan was in place and monitored quarterly. - In 2022-23 the ECRDA had Internal Audit, which was provided by an external service provider to ensure objectivity and Audit Committee as part of their governance structures. An external chairperson of the Risk Management Committee was appointed to support the entity in risk management. It was later reported that the Internal Auditor's services were discontinued. The Board was able to provide details on this matter. It must be noted that in the past the Department has held representation on the ECRDA Board, in the current Board there is no DRDAR representation.	
		3.3 Did the Accounting Officer hold a board of directors and employees accountable for failure to perform their responsibilities? The Committee must be provided with evidence of steps taken. The Accounting Officer does not have the legislative mandate to hold the ECRDA Board or management to account, this is vested with the MEC. The MEC has been supported with her endeavours to hold the Board and management to account.		
		3.4 What plans did the department establish to enforce compliance with applicable laws and enhance accountability in SOEs with a view of promoting service delivery and protecting public.		

RESOLUTION NO.	SUBJECT	DETAILS	RESPONSE BY THE DEPARTMENT	RESOLVED (YES/NO)
		The Department has appointed the Board which is the accounting authority. The Board in turn oversees management and accounts to the Executive Authority. Therefore, the quarterly performance review meetings preceded by reports are initiatives to ensure the entity complies with applicable legislation and ensure accountability.		
		Root Cause	**What is the underlying cause of the occurrence?** 1. Ineffective governance structures and systems. 2. Ineffective internal controls due to the suspension of the CFO, COO and Corporate Executive Manager. Even though there was an Acting CFO, none of the governance structures were able to detect that the Acting CFO was unable to prepare financial statements. This was never raised with the MEC in all the quarterly review engagements. The Department only became aware of the inability of the acting CFO to prepare financial statements when the entity was struggling to submit the AFS to the AGSA.	
		Corrective actions	**What actions has the department taken to rectify the matter as well as the underlying root cause?** 1. The Department seconded a financial manager to the entity, Mr Bovungana who began working with the entity in May 2023. 2. The Department approached Provincial Treasury to assist the entity. 3. The ECRDA Board appointed an interim CFO. 4. The Department has assigned the CFO to regularly engage the entity and assess their financial statements. 5. Audit Improvement Plan. 6. Risk Management Plan.	

RESOLUTION NO.	SUBJECT	DETAILS	RESPONSE BY THE DEPARTMENT	RESOLVED (YES/NO)
			The Department has established a Steering Committee to conduct oversight of the entity and quarterly analysis reports are submitted to the Department and the Department's Audit Committee. **<u>Encourage the ECRDA to improve it's governance structures and systems.</u>**	
		Time line:	**When will the corrective action be implemented?** The corrective action has been implemented in the current financial year 2023/24.	
		The Audit Committee of DRDAR was previously advised that the ECRDA had their own Audit Committee, however, the DRDAR Audit Committee has monitored and reviewed the quarterly reports by ECRDA to DRDAR. The DRDAR Audit Committee provided a number of recommendations, including that the performance targets are input based, such as number of loans disbursed which are not SMART and may result in no improvement to the economic/agricultural environment of the Eastern Cape. THE ECRDA seem to be non-responsive to the recommendations. The DRDAR audit committee will intensify the oversight of the ECRDA considering the entity received the worst audit report for the PFMA period ended 31 March 2023 in the Eastern Cape. This is of great concern to the Audit committee of DRDAR.		

9. PRIOR MODIFICATION TO AUDIT REPORTS

Include a discussion on mechanisms put in place by the Accounting Officer to resolve the matters reported by the AGSA in the previous financial year. This should include all matters in the audit report and those noted as important in the management report. The discussion should be limited to all matters that gave rise to a qualification, disclaimer, adverse opinion and matters of non-compliance only. The department may include the information in a table as follows:

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing / resolving the matter
After Audit.	After Audit.	After Audit.

10. INTERNAL CONTROL UNIT (ICU)

During the year under review (2023-24 financial year), the Internal Control Unit reviewed and monitored the implementation of the Audit Intervention Plan through successful action plans to address internal control deficiencies that were identified by the Office of Auditor-General. Successful implementation of the Audit Intervention Plans are submitted and reviewed monthly by Provincial Treasury which resulted infull implementation of audit findings as at 31 March 2024. Audit Intervention Plans were also submitted to the Audit committee, Risk Management Committee and other oversight bodies quarterly.

The Audit Intervention Plan is also a standing item in the agenda on the monthly Top Management meetings held by the department. Enforcement of compliance with relevant prescripts, laws & treasury regulations and the periodical review of internal controls and maintenance of Financial BAS systems are always on-going and safeguarding the department on all its payment processes and budget allocations by all programmes. The departmental Information Systems are audited effectively to acknowledge unqualified audit status for the past few years with the Office of the Auditor-General.

Due to the stringent controls introduced and bi-monthly awareness programmes provided by this unit to all head office and regional offices, there are NO irregular expenditures identified since 2018 financial year to date and fruitless and wasteful expenditures of the department are found minimal. The departmental Finance and Supply Chain Management Compliance Committee (FSCMCC) is functioning effectively at all times as its recommendations and decisions are fully implemented timeously and successfully. Monthly irregular, fruitless & wasteful expenditure registers are presented in the Budget Advisory Committees (BAC). The Unit is assisting The Chief Financial Officer by co-ordinating the external audit processes of the department by submitting all the requested information on Request for Informations (RFIs) and ComAudit Findings (COaFs) timely by the given deadlines.

11. INTERNAL AUDIT AND AUDIT COMMITTEES

Internal Audit provides management with independent, objective assurance and consulting services designed to add value and continuously improve the operations of the Department. It assists the Department to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of Governance, Risk Management and Control processes.

The following key activities are performed in this regards:

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

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

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

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

12. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2024.

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 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	02 February 2024	-	7
Ms V Hlehliso	B. Tech: Internal Auditing FIISA, CIA, CCSA & BAP(SA)	External	Ordinary member	01 October 2021	31 August 2023	4
Mr. C. Sparg	CA (SA)	External	(Contract) Ordinary member	01 October 2023	31 March 2023	3
Mr L Mabombo	B.Comm (Accounting)	External	Ordinary member	01 August 2022	-	7
Mr S Mketsu	Certificate in Arbitration Admission as an Attorney Bachelor of Laws (LLB) Diploma in Public Relations	External	Ordinary member	01 August 2022	-	7
Ms. N. Parker	ND: Business Management B. Tech: Business Administration Master's Degree: Business Administration	External	Ordinary member	01 August 2022	-	6

Audit Committee Responsibility

The Audit Committee reports that it has complied with the responsibilities arising from **Section 38 (1) (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.

In year management and monthly/quarterly reports

The Audit Committee appreciates that the Departmental Quarterly Reporting submissions were done timeously and appropriately. The Audit Committee, however, expresses concern in respect of the underperformance due to the abandonment of sites and cancellations of contracts by contractors.

Evaluation of Financial Statements

The Audit Committee reviewed and discussed :

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

Internal Audit

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 2023 to 31 March 2024 covering the following key audit activities:

Type	Total Planned Audits	Total Completed
Regularity and Compliance Audits	4	4
Risk Based Audits	4	4
Information Technology Audits	1	1
Ad hoc audits	2	2
Follow ups	1	1
TOTAL	**12**	**12**

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

Finance	Core Business
Annual Financial Statements Transfer Payments Subsistence and Travel Claims Finance Lease Commitments	Comprehensive Agricultural Support Programme (CASP) Food Security Crop Prodution Project Management
Administration	**Follow ups**
Performance Information Annual Report Information Technology audit	Disaster Risk Reduction Tracking Tool

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 a lot of valuable experience in Governance matters. 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.

Investigations/ Fraud management

Efforts were noted by the Audit Committee to deal with fraud and corruption reported allegations / cases, that were investigated. These cases have been presented both to the Accounting Officer and the Audit Committee in-comitee sessions.

However, the Committee was concerned with regards to the delays on the implementations of the recommendations emanating from the finalised investigations reports which undermined the Department's efforts. Recommendatins made are being considered by the Department in this regard.

The none reporting of cases via the National Anti-corruption Hotline (NACH) has been observed and the department was advised to look into it, to establish if employees and external stakeholders are aware of the hotline and also to review their reporting channels if they are adequate or not. The committee was advised that DPSA is looking at enhancing the National Anti-corruption Hotline to be effective and more responsive to the needs of the public.

ICT Governance

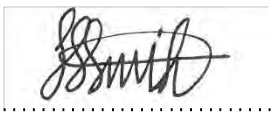
Although most components of the Corporate Governance of the ICT Policy Framework (CGICT) have been addressed, the Audit Committee highlighted the risks of not having a departmental Business Continuity Management Plan in place and a tested Disaster Recovery Plan. The Committee commends the department on migration to the cloud platform of almost all critical business applications as this minimised business disruptions due to downtime that was previously a challenge. 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 Report

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

Appreciation

The Committee would like to take this opportunity to express its sincere appreciation to the Member of Executive Council, Head of Department, the management of the Department, the Internal Audit, the Provincial Treasury, and the Auditor General for their support and cooperation during the year under review.



……………………………………………

Ms L. Smith
Audit Committee Chairperson
Eastern Cape Department of Rural Development and Agrarian Reform
30 August 2024

13. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

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

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	**Response Yes / No**	**Discussion (include a discussion on your response and indicate what measures have been taken to comply)**
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	The department'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 utilises 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 BBBEE levels as part of the process.

PART D

HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

The fundamental role of the departmental Human Resource Chief Directorate is to develop and deliver People Management strategies that support the overall strategic aims and objectives of DRDAR, promoting a positive work culture. The HR function is carried out at a strategic and operational level, recommending appropriate human resources management solutions and providing customer-centric HR services to the department's most valuable assets, the workforce. The unit plays a key role in ensuring compliance with employment laws and regulations. Officials trusted with this function mirror differentiation internally as trusted advisors, leading and exposing the department to the HR trends, and best practices, ensuring that day-to-day HR operations are effected with excellence.

2. OVERVIEW OF HUMAN RESOURCES

DRDAR's Human Resource Planning undertakes 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, ensuring proper linkages between the Departmental goals and HR business processes such as talent acquisition and retention, training and development. Further ensuring the application of the performance management and development system by enhancing high-performance culture, providing expert guidance, coaching and support in all employee relations and legal compliance matters including conditions of employment, and absence management.

The HR section supports employees by providing continuous education, training, and support for health and wellbeing. Adequate human resources are key to maintaining employee satisfaction and morale.

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:

s	HR Priority	Impact
1.	To design an organisational structure that is aligned to the service delivery model that provides framework, which 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 improve productivity and improve collective participation in delivering services, an organisational structure provides a framework within which people can work together most effectively. It also affects organisational action and provides the foundation on which standard operating procedures and routines rest. Furthermore, it can also be considered as the viewing glass or perspective through which individuals see their organization and its environment.
2.	To build an appropriately sized, adequately competent, and sufficiently skilled human capital that will enhance service delivery.	Departmental performance is strengthened by a skilled workforce, who possess advanced theoretical and practical knowledge. The value derived is shown by maximised productivity, problem-solving abilities, cost savings, and positive work relations. This includes the ability to overcome issues and identify inconsistencies within the departmental business practices. Investing in a skilled workforce through training, professional development, and continuous learning opportunities does pay off. The focus is on tasks and harmonious collaborations.
3.	Institutionalisation of Batho Pele and a culture of high performance.	The department prioritises creating a culture of high performance that empowers employees to be effective in their roles. This is built on

s	HR Priority	Impact
		norms and behaviours that serve to assist employees in setting, working toward, and achieving challenging goals. In addition, this is assisted by the implementation of the PMDS which is inclusive of mechanisms for linking departmental plans to provincial strategic goals and individual performance plans to departmental plans.
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.	Developing internal talent to close skills gaps brings long-term benefits. The development of critical skills empowers departmental employees to obtain aspired roles, leading to a more engaged and productive culture and levels of attrition. The department is committed to availing developmental opportunities through the provision of financial assistance to previously designated students in the form of bursaries for identified scarce skills.
5.	Implement systems that will ensure the preservation of institutional memory through knowledge management processes.	Preserving institutional memory is crucial for the department in maintaining its knowledge, practices, and expertise over time. The department implements employee development practices such as job shadowing, and mentioning younger employees among others to encounter loss of institutional memory due to staff turnover. In addition tactics such as the creation of a conducive environment for information sharing through research lectures and making organisational knowledge a standard.
6.	To design and implement Diversity Management strategies to address gaps identified in the following areas: - gender, -racial demographics; and -people with disabilities.	Effective diversity management fosters an environment where employees feel included and have the resources to advocate for themselves. This, in turn, improves overall job satisfaction and well-being. The Department incorporates Diversity Management in its HR Strategic Plan wherein accommodation of people living with disabilities, gender equality, and youth inclusion are catered for. This complies with Section 6 of the Employment Equity Act, 1998.
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.	The impact of a cultivated wellness culture is shown in decreased healthcare costs well managed leave patterns especially sick leave. Well-cared-for employees meet with fewer road accidents as they don't suffer from being stressed, sleep-deprived, or burnt out. Talent acquisition and retention remain strong when employees are happy to work at an institution. The Department invests in the right healthcare policies that encompass wider aspects of physical and mental health. On occasion, professionals are sourced to opine on wellness programs that require one-on-one sessions with employees.
8.	Implementation of Health and Safety policies and processes to promote the safety of employees in the department.	The Occupational Safety and Health (OSH) programs play an essential role in ensuring the well-being of employees in the workplace. The benefits are immense when safety and health are prioritized, hence the department implements appropriate measures, provides necessary training and resources, and regularly monitors and assesses risks. All of this is aimed at safeguarding the well-being of the departmental workforce.
9.	Implementation of processes to ensure efficient and effective management of Labour Relations matters to reduce litigations and foster healthy employee/employer relations.	The Labour Relations legislation establishes a framework that endorses fair treatment and protects workers' rights, promoting economic development and social justice through the regulation of employee relations. What is also vital is the nurturing of an equilibrium between the rights of employees and employers. The department continuously trains staff on applicable policies and procedures, which translates to industrial harmony.
10.	To automate business processes through leveraging ICT innovation.	Business Process Automation makes it easy for the HR department to participate in the departmental goals and assign tasks to staff. The department has partly automated recruitment and leave management,

s	HR Priority	Impact
		implementing the provincially developed e-recruitment and e-leave. These systems have reduced manual errors, and increased efficiency and control, leading to increased productivity and compliance. Another benefit is better customer experience and performance through shortened time frames in the processes.
11.	To implement HR Analytics for effective decision-making processes.	HR analytics tools play a fundamental role in enhancing workforce outcomes by providing data-driven insights and enabling better decision-making. These tools are utilised in optimising hiring practices, employee experience and performance, and attrition rate reduction. The latter assists the department in budgeting for the compensation of employees throughout the recruitment and selection process.

Challenges faced by the Department.

a) The delay in finalising the organisational structure which impacts on the implementation of the departmental strategy remains a challenge.
b) There is a significant shortage of critical skills in disciplines such as Veterinary Science, Agricultural Engineering, and Specialised Agricultural Sciences. As a result, the department is competing with the Private Sector in attracting critical skills especially in the most rural part of the Province.
c) The department is also challenged to adhere to the set recruitment standard of filling the post/s within six (06) months after becoming vacant.
d) The Department has made strides to meeting the set national threshold for people living with disabilities. Human resources management interventions have been identified to advance equity targets from 0.4% of people living with disabilities to 2%.
e) Some of the State-owned buildings occupied by the department are not compliant with Occupational Health and Safety Act (OHSA) standards and not suitable 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 as the 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) I mplementing Health and Safety policies and processes to prioritise 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 2023 and 31 March 2024

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	475,058	333,471	1,825	1,500	70.2	515.41
Sustainable resource manage	132,878	97,111	274	82	73.1	665.14
Farmer support & development	804,884	417,654	4,527	-	51.9	630.90
Veterinary services	343,989	284,766	-	-	82.8	512.17
Research & techno development services	138,586	111,892	57	-	80.7	423.83
Agricultural economics services	38,739	35,829	-	-	92.5	814.30
Structured agriculture education & train	188,834	85,960	8,259	-	45.5	293.38
Rural development coordination	212,116	17,332	-	-	8.2	666.62
TOTAL	**2,335,084**	**1,384,015**	**14,942**	**1,582.00**	**59.3**	**524.65**

Table 3.1.2 Personnel costs by salary band for the period 1 April 2023 and 31 March 2024

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)	45,543	3.3	198	230
Skilled (level 3-5)	151,608	11	556	273
Highly skilled production (levels 6-8)	576,468	41	1,094	527
Highly skilled supervision (levels 9-12)	532,879	38	622	857
Senior and Top management (levels 13-16)	69,381	5	49	1,416
Abnormal Appointments	8,136	1	119	68
TOTAL	**1,384,015**	**100**	**2,638**	**524**

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2023 and 31 March 2024

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	236,344	70,9	445	0,1	13,143	3,9	19,439	5,8
Sustainable resource management	68,514	70,6	66	0,1	2,574	2,7	3,493	3,6
Farmer support & development	298,051	71,4	-	-	11,227	2,7	19,824	4,7
Veterinary services	201,35	70,7	262	0,1	10,364	3,6	15,943	5,6
Technology research & development services	74,454	66,5	3,017	2,7	5,984	5,3	7,219	6,5
Agricultural economics	25,621	71,5	-	-	888	2,5	1,474	4,1
Structured agricultural training	61,38	71,4	1,167	1,4	3,337	3,9	4,789	5,6
Rural development coordination	11,909	68,7	-	-	500	2,9	777	4,5
TOTAL	**977,623**	**70,6**	**4,957**	**0,4**	**48,017**	**3,5**	**72,958**	**5,3**

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2023 and 31 March 2024

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)	26,479	58,1	915	2	4,122	9,1	6,016	13,2
Skilled (level 3-5)	93,141	61,4	3,274	2,2	10,234	6,8	14,717	9,7
Highly skilled production (levels 6-8)	415,990	72,2	262	0	20,577	3,6	36,078	6,3
Highly skilled supervision (levels 9-12	382,981	71,9	505	0,1	10,736	2	15,546	2,9
Senior management (level 13-16)	51,979	74,9	-	-	2,348	3,4	600	0,9
Abnormal Appointment	7,052	86,7	-	-	-	-	-	-
Total	**977,623**	**70,6**	**4,957**	**0,4**	**48,017**	**3,5**	**72,958**	**5,3**

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 2024

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Programme 1	657	645	2	2
Programme 2	150	141	6	5
Programme 3	582	575	1	87
Programme 4	560	556	1	-
Programme 5	267	264	1	-
Programme 6	44	44	-	-
Programme 7	182	176	3	117
Programme 8	26	26	-	-
TOTAL	**2,468**	**2,427**	**2%**	**211**

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2024

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Interns	-	-	-	119
Lower skilled (1-2)	198	198	-	-
Skilled (3-5)	557	556	-	-
Highly skilled production (6-8)	1,046	1,030	2	64
Highly skilled supervision (9-12)	613	594	3	28
Senior management (13-16)	54	49	9	-
TOTAL	**2,468**	**2,427**	**2%**	**211**

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2024

Critical Occupations	Number of Post as at 1 April 2023	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Artisans	30	26	26	-	-
Agriculture advisors	578	472	471	0,36	87
Animal Health Technicians	320	312	308	1,3	-
Engineering Technicians	14	33	32	3,0	-
Engineers	5	9	5	40	5
Community Animal Health Workers	183	155	154	0,6	-
Vet Public Health Officers	-	22	22	-	-
Scientist	29	71	70	1,4	-
Scientific Technicians	30	29	29	-	-
State Veterinarian Technologist	17	9	9	-	-
State Veterinarians	27	24	24	-	-
TOTAL	**1,233**	**1,162**	**1,150**	**1%**	**92**

3.3 Filling of SMS Posts

Table 3.3.1 SMS post information as on 31 March 2024

SMS Level	Total number of funded SMS Posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Executing Authority	1	1	100	-	-
Head of Department	1	1	100	-	-
Salary Level 15	2	1	50	1	50
Salary Level 14	10	8	80	2	20
Salary Level 13	40	38	95	2	5
TOTAL	**54**	**49**	**91**	**5**	**9%**

Table 3.3.2 SMS post information as on 30 September 2024

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	1	1	100	-	-
Salary Level 15	3	2	67	1	33
Salary Level 14	11	9	82	2	18
Salary Level 13	40	39	98	1	3
TOTAL	**56**	**52**	**93**	**4**	**7**

Table 3.3.3: Advertising and filling of SMS posts for the period 1 April 2023 and 31 March 2024

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	1	-	-
Salary Level 13	-	-	-
TOTAL	**1**	**-**	**-**

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 2023 and 31 March 2024

Reasons for vacancies not advertised within six months
The Department is in the process of reviewing its organogram.

Reasons for vacancies not filled within twelve months
None.

Table 3.3.5: Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2023 and 31 March 2024

Reasons for vacancies not advertised within six months
None.

Reasons for vacancies not filled within six months
None.

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 2023 and 31 March 2024

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)	198	-	-	-	-	-	-
Skilled (3-5)	557	-	-	-	-	-	-
Highly skilled production (6-8)	1,046	-	-	-	-	-	-
Highly skilled supervision (9-12)	613	-	-	-	-	-	-
Senior management (13-16)	54	-	-	-	-	-	-
TOTAL	**2,468**	**-**	**-**	**-**	**-**	**-**	**-**

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 2023 and 31 March 2024

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

Employees with a disability	-

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 2023 and 31 March 2024

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 that those determined by job evaluation for the period 1 April 2023 and 31 March 2024

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

Employees with a disability	-	-	-	-	-

Total number of Employees whose salaries exceeded the grades determine 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 2023 and 31 March 2024

Salary Band	Number of employees at beginning of period (1 April 2023)	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Lower skilled (Levels 1-2)	247	25	7	3
Skilled (Levels 3-5)	545	47	53	10
Highly skilled production (Levels 6-8)	1,092	111	86	8
Highly skilled supervision (Levels 9-12)	606	67	63	10
Senior Management Service Band (Levels 13-16)	45	5	3	7
Abnormal appointments	1	129	-	-
TOTAL	**2,536**	**384**	**212**	**8%**

Table 3.5.2: Annual turnover rates by critical occupation for the period 1 April 2023 and 31 March 2024

Critical Occupation	Number of employees at beginning of period (1 April 2023)	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Artisans	30	-	5	14
Agriculture advisors	578	81	22	4
Animal Health Technicians	320	5	3	1
Engineering Technicians	14	5	2	11
Engineers	5	1	1	8
Vet Public Health Officers	-	1	1	4
Community Animal Health Workers	183	7	6	3
Scientist	29	4	5	15
Scientific Technicians	30	2	3	9
State Veterinarian Technologist	17	2	-	-
State Veterinarians	27	2	3	10
TOTAL	**1,233**	**110**	**51**	**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 2023 and 31 March 2024

Termination Type	Number	% of Total Terminations
Death	22	10
Resignation	75	35
Expiry of contract	3	1
Dismissal – operational changes	-	-
Dismissal – misconduct	-	-
Dismissal – inefficiency	-	-
Discharged due to ill health	2	1
Retirement	96	45
Transfers to other Public Service Departments	14	7
TOTAL	**212**	**100**
Total number of employees who left as a % of total employment	**8%**	

Table 3.5.4: Promotions by critical occupation for the period 1 April 2023 and 31 March 2024

Occupation	Employees (1 April 2023)	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Artisans	30	-	-	14	47
Agriculture advisors	578	81	14,1	132	23
Animal Health Technicians	320	5	1,5	40	13
Engineering Technicians	14	4	28,5	17	121
Engineers	5	1	20	6	120
Vet Public Health Officers	-	1	-	9	-
Scientist	183	31	16,9	25	14
Community Animal Health Workers	29	7	24,1	53	183
Scientific Technicians	30	2	6,6	1	3
State Veterinarian Technologist	17	2	11,7	4	24
State Veterinarians	27	2	7,4	16	59
TOTAL	**1,233**	**136**	**11**	**317**	**26**

3.5.5: Table Promotions by salary band for the period 1 April 2023 and 31 March 2024

Salary Band	Employees (1 April 2023)	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary band
Lower skilled (Levels 1-2)	207	37	18	116	56
Skilled (Levels 3-5)	545	41	8	240	44
Highly skilled production (Levels 6-8)	1,132	111	10	362	32
Highly skilled supervision (Levels 9-12)	606	139	23	300	50
Senior management (Levels 13-16)	45	4	9	1	2
Abnormal appointments	1	129	12,900	-	-
TOTAL	**2,536**	**461**	**18**	**1,019**	**40**

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 2024

Occupational Category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Political Office Bearers	-	-	-	-	1	-	-	-	1
Professionals	331	2	-	7	341	2	1	11	695
Technicians & Associate Professionals	504	6	-	13	427	5	1	9	965
Labourers & Related Workers	225	4	-	-	221	4	-	-	454
Plant & Machine Operators & Assemblers	29	-	-	-	2	-	-	-	31
Service & Sales Workers	14	2	-	-	6	-	-	-	22
Clerks	82	2	-	1	294	7	1	11	398
Senior Managers	21	1	-	-	24	-	1	1	48
Craft, Related Trade Workers	22	1	-	-	1	-	-	-	24
TOTAL	**1,228**	**18**	**-**	**21**	**1,317**	**18**	**4**	**32**	**2,638**
Employees with disabilities	**14**	**1**	**-**	**1**	**28**	**-**	**-**	**-**	**44**

Table 3.6.2: Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2024

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Political Office Bearers	-	-	-	-	1	-	-	-	1
Top Management	4	-	-	-	6	-	-	-	10
Senior Management	17	1	-	-	18	-	1	1	38
Professionally qualified and experienced specialists and mid-management	332	3	-	18	250	3	2	14	622
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	470	6	-	3	591	7	1	16	1,094
Semi-skilled and discretionary decision making	324	8	-	-	335	7	-	1	675
Unskilled and defined decision making	81	-	-	-	115	2	-	-	198
TOTAL	**1,228**	**18**	**-**	**21**	**1,316**	**19**	**4**	**32**	**2,638**

Table 3.6.3: Recruitment for the period 1 April 2023 to 31 March 2024

Occupational Band	Male				Female				TotalTotal
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management	5	-	-	-	-	-	-	-	5
Professionally qualified , experienced specialists & mid-management	31	-	-	-	36	-	-	-	67
Skilled technical, academically qualified workers, junior management, supervisors, foremen	46	-	-	-	65	-	-	-	111
Semi-skilled and discretionary decision making	16	-	-	-	31	-	-	-	47
Unskilled and defined decision making	16	-	-	-	9	-	-	-	25
Abnormal appointments	39	-	-	-	89	1	-	-	129
TOTAL	**153**	**-**	**-**	**-**	**230**	**1**	**-**	**-**	**384**
Employees with disabilities	**4**	-	-	-	**6**	-	-	-	**10**

Table 3.6.4: Promotions for the period 1 April 2023 and 31 March 2024

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	-	-	-	-	-	-	-	-	-
Senior Management	-	-	-	-	-	-	-	-	-
Professionally qualified, experienced specialists & mid-management	62	-	-	-	21	-	-	-	83
Skilled technical & academically qualified workers, junior management, supervisors, foremen	9	1	-	-	16	1	-	-	27
Semi-skilled and discretionary decision making	2	1	-	-	6	-	-	-	9
Unskilled and defined decision making	6	-	-	-	10	-	-	-	16
TOTAL	**79**	**2**	**-**	**-**	**53**	**1**	**-**	**-**	**135**
Employees with disabilities	-	-	-	-	**1**	-	-	-	**1**

Table 3.6.5: Terminations for the period 1 April 2023 and 31 March 2024

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management	1	-	-	-	-	-	-	-	1
Professionally qualified and experienced specialists and mid-management	38	-	-	3	18	-	-	1	60
Skilled technical, academically qualified workers, junior management, supervisors, foremen	34	-	-	-	42	2	-	2	80
Semi-skilled & discretionary decision making	28	2	-	-	20	-	-	-	50
Unskilled & defined decision making	1	-	-	-	6	-	-	-	7
TOTAL	**102**	**2**	**-**	**3**	**86**	**2**	**-**	**3**	**198**
Employees with disabilities	**4**	-	-	-	**2**	-	-	-	**6**

Table 3.6.6: Disciplinary action for the period 1 April 2024 and 31 March 2024

Disciplinary Action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	-	-	-	-	-	-	-	-	-
Senior Management	-	-	-	-	-	-	-	-	-
Professionally qualified and experienced specialists and mid-management	2	-	-	-	3	-	-	-	5
Skilled technical and academically qualified workers, junior management, supervisors, foremen	4	-	-	-	3	-	-	-	7
Semi-skilled and discretionary decision making, Permanent	1	-	-	-	-	-	-	-	1
Unskilled and defined decision making	4	-	-	-	4	-	-	-	8
TOTAL	**11**	**-**	**-**	**-**	**10**	**-**	**-**	**-**	**21**
Employees with disabilities	-	-	-	-	-	-	-	-	-

Table 3.6.7: Skills development for the period 1 April 2023 and 31 March 2024

Occupational Categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	5	-	-	-	3	-	-	-	8
Professionals	92	-	-	3	78	-	-	1	174
Technicians and associate professionals	45	-	-		91	-	-	-	136
Clerks	101	4	-	-	171	7	-	1	284
Service and sales workers	-	-	-	-	-	-	-	-	-
Craft and related trades workers	-	-	-	-	-	-	-	-	-
Plant and machine operators and assemblers	-	-	-	-	-	-	-	-	-
Elementary occupations	44	-	-	-	58		-	-	102
TOTAL	**287**	**4**	**-**	**3**	**401**	**7**	**-**	**2**	**704**
Employees with disabilities	**3**	-	-	-	**7**	-	-	-	**10**

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 2024

SMS Level	Total number of funded SMS posts	Total number of SMS members	Signed agreements	Signed performance agreements as a %
Political Office Bearer	1	1	1	100
Head of Department	1	1	1	100
Salary level 15	3	2	1	50
Salary level 14	11	8	7	88
Salary level 13	40	38	37	97
Total	**56**	**50**	**47**	**94**

Table 3.7.2: Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2024

Reasons
Two (2) incumbents were handed a letter of non-compliance, and one (1) and has since absconded from the public service. One (1) was on long incapacity leave and was recommended for ill-health retirement.

Table 3.7.3: Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2024

Reasons
None.

3.8 Performance Rewards

Table 3.8.1: Performance Rewards by race, gender and disability for the period 1 April 2023 and 31 March 2024

Race and Gender	Beneficiary Profile			Cost	
	Number of Beneficiaries	Number of employees	% of the total within groups	Cost (R'000)	Average Cost per employee
African, Female	477	1,317	36,2	R 2,401,335	R 5,034
African, Male	395	1,228	32,2	R 2,189,145	R 5,542
Asian, Female	3	4	75	R 31,641	R10,547
Asian, Male	-	-	-	R -	R -
Coloured, Female	12	18	66,7	R 67,884	R 5,657
Coloured, Male	6	18	33	R 30,381	R 5,063
White, Female	16	32	50	R111,324	R 6,957
White, Male	12	21	57	R156,261	R13,022
Employees with a disability	15	44	34,1	R 58,539	R 3,903
TOTAL	**921**	**2638**	**34,30%**	**R4,987,971**	**R 5,416**

Table 3.8.2: Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2023 and 31 March 2024

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 employees (R)	
Lower Skilled (Levels 1-2)	116	198	58,6	202,938	1,749,47	4
Skilled (Levels 3-5)	230	556	41,4	599,903	2,608,27	12
Highly Skilled Production (Levels 6-8)	352	1094	32,2	1,776,121	5,045,80	36
Highly Skilled Supervision (Levels 9-12)	223	622	35,9	2,409,009	10,802,23	48
Abnormal Appointments	-	119	-	-	-	-
TOTAL	**921**	**2,589**	**36**	**4,987,971**	**5 415,82**	**100**

Table 3.8.3: Performance Rewards by critical occupation for the period 1 April 2023 and 31 March 2024.

Critical Occupations	Beneficiary Profile			Cost	
	Number of Beneficiaries	Number of employees	% of Total within occupation	Total Cost (R'000)	Average Cost per employee
Artisans	18	26	69	100,188,00	5,566.00
Agriculture advisors	130	471	28	747,945,18	5,753,42
Animal Health Technicians	64	308	21	350,637,62	5,478,71
Engineering Technicians	22	32	69	185,899,19	8,449,96
Engineers	5	5	100	88,019,37	17,603,87
Community Animal Health Workers	45	154	29	100,581,00	2,235,13
Vet Public Health Workers	14	22	64	94,690,04	6,763,57
Scientist	31	70	44	407,879,27	13,157,40
Scientific Technicians	1	29	3	14,215,59	14,215,59
State Veterinarian Technologist	4	9	44	22,864,59	5,716,15
State Veterinarians	19	24	79	246,710,21	2,596,95
TOTAL	**353**	**1,150**	**31%**	**2 359 630,06**	**6,684,50**

Table 3.8.4: Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2023 and 31 March 2024

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 2023 and 31 March 2024

Salary Band	1 April 2023		31 March 24		Change	
	Number	% of total	Number	% of total	Number	% Change
Highly skilled production (Levels 6-8)	-	-	-	-	-	
Highly skilled supervision (Levels 9-12)	12	92	10	91	2	100
Senior management (Levels 13-16)	1	8	1	9	0	0
TOTAL	**13**	**100%**	**11**	**100**	**2**	**100**

Table 3.9.2: Foreign workers by major occupation for the period 1 April 2023 and 31 March 2024

Major Occupation	01 April 2023		31 March 2024		Change	
	Number	% of total	Number	% of total	Number	% Change
Professionals and managers	12	100	1	9	3	23
Technicians and associated professionals	-	-	10	91	10	77
TOTAL	**13**	**100**	**11**	**100**	**13**	**100**

3.10 Leave utilisation

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

Table 3.10.1: Sick leave for the period 1 January 2023 to 31 December 2023

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)	1068	83	129	11.56	8.28	R724,004.90
Skilled (Levels 3-5)	2109	88	257	23.03	8.21	R1,975,666.93
Highly skilled production (Levels 6-8)	3344	89	436	39.07	7.67	R6,382,473.68
Highly skilled supervision (Levels 9-12)	1890	87	278	24.91	6.80	R5,810,407.36
Top and Senior management (Levels 13-16)	84	100	16	1.43	5.25	R414,376.98
TOTAL	**8,495**	**88**	**1116**	**100**	**7.61**	**15,306,929.85**

Table 3.10.2: Disability leave (temporary and permanent) for the period 1 January 2023 to 31 December 2023

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)	277	100	3	7.32	92	185,975.14
Skilled (Levels 3-5)	155	100	5	12.20	31	138,103.95
Highly skilled production (Levels 6-8)	455	100	15	36.59	30	859,690.98
Highly skilled supervision (Levels 9-12)	890	100	16	39.02	56	2,901,633.25
Senior management (Levels 13-16)	238	100	2	4.88	119	1,593,621.47
TOTAL	**2,015**	**100**	**41**	**100**	**60**	**5,679,025**

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 2023 to 31 December 2023

Salary Band	Total days taken	No of Employees using annual leave	Average per employee
Lower Skilled (Levels 1-2)	3,881	203	19.12
Skilled (levels 3- 5)	10,634	556	19.13
Highly skilled production(levels 6-8)	23,704	1,136	20.87
Highly skilled (Levels 9-12)	13,019	679	19.17
Senior management (Levels 13-16)	848	48	17.67
Interns (Abnormal)	46	9	5.11
Total	**52,132**	**2,631**	**19.81**

Table 3.10.4: Capped leave for the period 1 January 2023 to 31 December 2023

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 2023)
Lower Skilled (Levels 1-2)	-	-	-	0
Skilled (Levels 3-5)	23	4	6	65
Highly skilled production (Levels 6-8)	44	4	11	93
Highly skilled supervision (Levels 9-12)	-	-	-	101
Senior Management (Level 13-16)	7	1	7	112
TOTAL	**74**	**9**	**8**	**90**

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 2023 and 31 March 2024

Reason	Total Amount (R'000)	Number of Employees	Average per Employee (R'000)
Annual Discounting with resignation (workdays)	594	12	50
Annual - Discounting: unused vacation credits (work days)	446	1	446
Gratuity: Death/Retirements/Medical Retirements (Work days)	36,291	124	292
Capped - Gratuity: Death/Retirement/Medical Retirement (Work days)	2,015	17	119
TOTAL	**39,346**	**154**	**255**

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.	The education of employees is implemented through campaigns, awareness sessions, and distribution of information and education material. Significant calendar events are also observed like the Human Rights Day, TB month and World AIDS Day. Provision of condoms and masks as a preventative measure is in place. Health screenings are also conducted for employees 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 VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	✓		Mr. Sicelo Tshabalala Director: Corporate Advisory Services
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 x Deputy Director 1x Assistant Director 7 x Wellness Practitioners 1 x Admin Clerk Budget: R246 227.00
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 campaigns on Gender Based Violence. Awareness on Multiple and Concurrent.
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: SCM b. Chief Director: Research c. Chief Director: Institution Capacitation d. Chief Director: Corporate Services e. Chief Director: Vet Services f. Chief Director: Extension Services g. Director: Budget Planning & Reporting h. Director: Corporate Advisory Services

Question	Yes	No	Details, if yes
			i. Director: Human Resource Administration j. District Directors x (6) k. Principal: TARDI l. Deputy Director: Internal Audit m. Deputy Director: Risk Management n. Deputy Director: Labour Relations o. Deputy Director: Mpofu Training p. Deputy Director: EHW q. SHE REPS presented by 6 x EHW District Coordinators r. Employee Representative: PSA s. Employee Representative: NEHAWU t. Employee Representative: SASAWU u. 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 STIs Policy. Wellness Management Policy.
6. Has the Department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	✓		HIV, TB and STI Policy promotes respect for human rights and protects employees from discrimination in the workplace. The department conducts workshops on human rights quarterly and encourages employees to report discrimination.
7. Does the Department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	✓		Employees are encouraged to undergo VCT and supported by the Department of Health, NGOs and Pharmaceutical Companies. 97 employees. 197 employees participated in screenings.
8. Has the Department developed measures/indicators to monitor & evaluate the impact of your health promotion programme? If so.	✓		GEMS report reflects progress of employees registered in disease management program.

3.12 Labour Relations

Table 3.12.1: Collective agreements for the period 1 April 2023 and 31 March 2024

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 2023 and 31 March 2024

Outcomes of disciplinary hearings	Number	Percentage % of Total
Correctional counselling	-	-
Verbal warning	-	-
Written warning	-	-
Final written warning	4	40
Suspended without pay	3	30
Fine	-	-
Demotion	-	-
Dismissal	2	20
Not guilty	-	-
Case withdrawn	1	10
Total	**10**	**100**

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

Total number of disciplinary hearing finalised	10

Table 3.12.3: Types of misconduct addressed at disciplinary hearings for the period 1 April 2023 and 31 March 2024

Type of misconduct	Number	Percentage % of Total
Alleged Fraud	5	24
Absence Without Authority	8	38
Alleged poor work performance	-	-
Misuse of Govt. vehicles	1	5
Wilful damage or negligence of government property	-	-
Alleged Financial Mismanagement	-	-
Alleged Assault	3	14
Theft	1	5
Alleged Insubordination	1	5
Alleged under influence of alcohol	1	5
Irregular Appointment	1	5
TOTAL	**21**	**100**

Table 3.12.4: Grievances logged for the period 1 April 2023 and 31 March 2024

Grievances	Number	% of Total
Number of grievances resolved	23	70
Number of grievances not resolved	10	30
Total number of grievances lodged	**33**	**100**

Table 3.12.5: Disputes logged with Councils for the period 1 April 2023 and 31 March 2024

Disputes	Number	% of total
Number of disputes upheld	2	10
Number of disputes dismissed	4	20
Number of disputes in progress	14	70
Total number of disputes lodged	**20**	**100**

Table 3.12.6: Strike actions for the period 1 April 2023 and 31 March 2024

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 2023 and 31 March 2024

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

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 2023 and 31 March 2024

Occupational Categories	Gender	Number of employees as at 1 April 2023	Training needs identified at the start of the reporting period			Total
			Learnerships	Skills Programmes & other short courses	Other forms of training	
Legislators, senior officials and managers	Female	21	-	23	0	23
	Male	13	-	195	0	195
Professionals	Female	299	-	281	7	288
	Male	299	-	7	6	13
Technicians and associate professionals	Female	460	-	8	0	8
	Male	592	-	315	0	315
Clerks	Female	262	-	311	4	315
	Male	80	-	-	-	-
Service and sales workers	Female	9	-	-	-	-
	Male	18	-	-	-	-
Craft and related trades workers	Female	1	-	-	-	-
	Male	28	-	-	-	-
Plant and machine operators and assemblers	Female	2	-	-	-	-
	Male	30	-	-	-	-
Elementary occupations	Female	215	-	200	-	200
	Male	207	-	145	-	145
Sub totals	Female	1,269	-	823	11	834
	Male	1,267	-	662	6	668
Total		**2,536**	**-**	**1,485**	**17**	**1,502**

Table 3.13.2: Training provided for the period 1 April 2023 and 31 March 2024

Occupational Categories	Gender	Number of employees as at 1 April 2023	Training provided within the reporting period			Total
			Learnerships	Skills Programmes & other short courses	Other forms of training	
Legislators, senior officials and managers	Female	21	-	3	-	3
	Male	13	-	5	-	5
Professionals	Female	299	-	78	1	79
	Male	299	-	95	-	95
Technicians and associate professionals	Female	460	-	90	1	91
	Male	592	-	45	-	45
Clerks	Female	262	-	173	6	179
	Male	80	-	104	1	105
Service and sales workers	Female	9	-	-	-	-
	Male	18	-	-	-	-
Craft and related trades workers	Female	1	-	-	-	-
	Male	28	-	-	-	-
Plant and machine operators and assemblers	Female	2	-	-	-	-
	Male	30	-	-	-	-
Elementary occupations	Female	215	-	58	-	58
	Male	207	-	44	-	44
Sub Gender Totals	Female	1,269	-	402	8	410
	Male	1,267	-	293	1	294
Total		**2,536**	**-**	**695**	**9**	**704**

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 2023 and 31 March 2024

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

3.15 Utilisation of Consultants

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

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

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

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2022 and 31 March 2023

Project tittle	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 2023 and 31 March 2024

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 2023 and 31 March 2024

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 2024

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 2024

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

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

1.1 Irregular Expenditure

a) Reconciliation of irregular expenditure

Description	2023/24	2022/2023
	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	2023/24	2022/2023
	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	2023/24	2022/2023
	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	2023/24	2022/2023
	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	2023/24	2022/2023
	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	2023/24	2022/2023
	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	2023/24	2022/2023
	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	2023/24	2022/2023
	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.

1.2 Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

Description	2023/24	2022/2023
	R'000	R'000
Opening balance	21	-
Add: Fruitless and wasteful expenditure confirmed	244	26
Less: Fruitless and wasteful expenditure written off	(247)	-
Less: Fruitless and wasteful expenditure recoverable		(5)
Closing balance	**18**	**21**

As of March 31, 2024, the department has incurred fruitless and wasteful expenditures totaling R 243 984,09. The department has condone five transactions amounting to R238 604,09 which was relating to interest charged. An amount of R5 380 relates to charges incurred for accommodation services rendered on behalf of the department. In the prior year, the closing balance amounted includes transactions amounting to R7,643 which were condoned in the current year.

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	2023/24	2022/2023
	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	2023/24	2022/2023
	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 fruitless and wasteful expenditure recoverable

Description	2023/24	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure recovered	-	-
Total	-	-

-

d) Details of fruitless and wasteful expenditure not recoverable and written off

Description	2023/24	2022/2023
	R'000	R'000
Fruitless and wasteful expenditure written off	-	-
Total	-	-

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.

e) Details of disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure

Disciplinary steps taken
None.

None.

1.3 Unauthorised expenditure

a) Reconciliation of unauthorised expenditure

Description	2023/24	2022/2023
	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	2023/24	2022/2023
	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]	2023/24	2022/2023
	R'000	R'000
Unauthorised expenditure under assessment	-	-
Unauthorised expenditure under determination	-	-
Unauthorised expenditure under investigation	-	-
Total[3]	-	-

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

[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)

1.4 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	2023/24	2022/2023
	R'000	R'000
Theft	163	-
Other material losses	-	-
Less: Recovered	-	-
Less: Not recovered and written off	-	-
Total	163	-

None.

b) Details of other material losses

Nature of other material losses	2023/24	2022/2023
	R'000	R'000
None	-	-

None.

c) Other material losses recovered

Nature of losses	2023/24	2022/2023
	R'000	R'000
None	-	-

None.

d) Other material losses written off

Nature of losses	2023/24	2022/2023
	R'000	R'000
None	-	-

None.

2. LATE AND/OR NON-PAYMENT OF SUPPLIER

Description	Number of invoices	Consolidated Value
		R'000
Valid invoices received	7 753	912,171,092
Invoices paid within 30 days or agreed period	7302	740,197,463
Invoices paid after 30 days or agreed period	299	160,445,518
Invoices older than 30 days or agreed period (*unpaid and without dispute*)	151	11,322,542
Invoices older than 30 days or agreed period (*unpaid and in dispute*)	1	205,569
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
Single Source approach to use National School of Government and Pre-Payment for Compulsory Induction programme CIP for Salary levels 1-12	National School of Government	-	SCMU8-23/24-0048	R1 163 100,00
Single Source Selection to appoint ESRI (Sole Supplier) for a periond of Three (3) years	ESRI South Africa (PTY) LTD	-	SCMU8-23/24-0046	R3 059 839,18
Single Source Selection to appoint Fort Cox Agriculture and Forestry Training Institute (FCAFT) for Training of Extention Officers	Fort Cox Agriculture and Forestry Training Institute (FCAFT) for Training of Extention Officers	-	SCMU8-23/24-0082	R2 821 500,00
Single Source for Public Education Programme to focus on work done by the Department to Develop Youth	SABC and Algoa FM	-	HO-23/24-0021	R205 257,75
Sole Service Provider of SA STUD Book Dohne Merino Breed Society and Nguni Cattle Breeders Society for the servicec rendered to Nguni Stud and Dohne Merino Stud	SA Stud	-	HO-23/24-0061	R45 000,00
Single Source to apploint farm watch services for Stutt Farm Watch	Stutt Farm Watch	-	DO-23/24-0062	R414 400,00

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Request to use South African Veterinary Council as a Sole provider for inspection ofs Veterinary Facilities	Eskom	-	AD-23/24-107	R15 051,00
Request to use Eskom as a Sole Service Provider for the payment of Installation of a Three Phase 25kva Transformer at Ulutsha LendaloProject in Mnquma	Eskom	-	AD-23/24-0120	R543 753,95
Sole Supplier to pay outstanding invoices for TV Licences	SABC	-		R6 912,50
Total				**R8 274 814,38**

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
Supply, Delivery and Construction of a Shearing Shed at Kwebulana Village in Intsika Yethu Local Municipality of the Chris Hani District	Mlonyeni Builders (Pty) Ltd	Contract Variation	SCMU8-23/24-0036	R1 332 377.23	N/A	R81 486.42
Professional Services for 300 Seater Exam Hall at TARDI	Intsika Architects (Pty) Ltd	Contract Variation	SCMU8-21/22-0108	R2 454 200.28	N/A	R184 923.10
Supply, Delivery and Installation of 12Ha Dragline Irrigation System in Orange Grove Farm in KSD LM-OR Tambo	Beevanda Civil (Pty) Ltd	Contract Variation	SCMU8-23/24-0022	R1 493 670.20	N/A	R79 400.00
Supply, Delivery and Installation of 12Ha Dragline Irrigation System in Orange Grove Farm in KSD LM-OR Tambo	Beevanda Civil (Pty) Ltd	Contract Variation	SCMU8-23/24-0022	R1 493 670.20	R79 400.00	R160 809.10
Supply, Delivery and Installation of 12Ha Dragline Irrigation System in Orange Grove Farm in KSD LM-OR Tambo	Beevanda Civil (Pty) Ltd	Contract Variation	SCMU8-23/24-0022	R1 493 670.20	R160 809.10	R17 519.10

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
Provision of office accommodation for Stuutterheim office for a period of one (1) month	Andringa Commercial Property Trust	Contract Extension	SCMU8-20/21-0175	R2 005 860.00	N/A	R61 105.00
Provision of Security Services for District office and Saterlite offices, Komani office Park	Likunga Protection and Security Services	Contract Extension	SCMU8-21/22-0096	R1 387 377.61	N/A	R56 936.34
Provision of Security Services for District office and Saterlite offices, Queenstown Vet Lab	Likunga Protection and Security Services	Contract Extension	SCMU8-21/22-0097	R1 049 163.69	N/A	R43 133.55
Provision of Security Services for District office and Saterlite offices,Ntabethemba Office	Axton Security System	Contract Extension	SCMU8-21/22-0098	R716 736.96	N/A	R29 864.04
Provision of Security Services for District office and Saterlite offices, Whitllesea office	Axton Security System	Contract Extension	SCMU8-21/22-0099	R716 736.96	N/A	R29 864.04
Provision of Security Services for District office and Saterlite offices, Cofimvaba office	World Focus 1818 CC t/a SOV Security Services	Contract Extension	SCMU8-21/22-0100	R819 107.28	N/A	R34 774.62
Provision of Security Services for District office and Saterlite offices, Qamata office	World Focus 1818 CC t/a SOV Security Services	Contract Extension	SCMU8-21/22-0101	R712 694.10	N/A	R30 340.68
Provision of Security Services for District office and Saterlite offices, Qamata workshop	Xhobani Cleaning and Security	Contract Extension	SCMU8-21/22-0102	R957 110.46	N/A	R40 863.82
Provision of Security Services for District office and Saterlite offices, Ncora office	Axton Security System	Contract Extension	SCMU8-21/22-0103	R716 736.96	N/A	R29 864.04
Provision of Security Services for District	Axton Security System	Contract Extension	SCMU8-21/22-0126	R244 462.20	N/A	R34 923.20

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
office and Saterlite offices, Cradock office						
Supply, Delivery and Refurbishment of Plunge Dipping Tank at Upper Gwadu Village in Mbhashe Municipality	Inkuluyazo Building and Civils	Contract Extension	AD-23/24-0009	R396 239.92	N/A	R78 977.17
Supply, Delivery and Refurbishment of Mxumbu dipping tank in Raymond Mhlaba Local Municipality in Amathole District	Ntololo Trading (Pty) Ltd	Contract Extension	AD-23/24-0013	R494 760.00	N/A	R39 631.30
Office Accommodation for Contract at Mqanduli Local office	Nasiwe (Pty) Ltd	Contract Extension	OR-21/22-028	R552 000.00	N/A	R46 000.00
Office Accommodation for Contract at Qumbu Local office	PASZM Family Trust	Contract Extension	OR-21/22-107A	R807 593.76	N/A	R71 337.34
Total						**R1 151752,86**

PART F

FINANCIAL INFORMATION

1. REPORT OF THE AUDITOR GENERAL

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

Report on the audit of the financial statements

OPINION

1. I have audited the financial statements of the Eastern Cape Department of Rural Development and Agrarian Reform set out on pages 205 to 258, which comprise the appropriation statement, statement of financial position as at 31 March 2024, 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 2024 and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standards (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 2023 (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 259 to 274 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 on them.

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. This description, which is located at page 7, forms part of our 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 the 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 2024 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.

Programme	Page numbers	Purpose
Agricultural producer support and development	58 - 65	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
Veterinary services	67 - 76	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 useful and reliable information and insights to users 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
    - all the indicators relevant for measuring the department's performance against its primary mandated and prioritised functions and planned objectives are included
    - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so 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 those 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 and is comparable and understandable
    - 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 opinion or conclusion.
17. I did not identify any material findings on the reported performance information for a Programme 3: Agricultural Producer Support and Development, and Programme 4:Veterinary Services.

Other matter

18. I draw attention to the matter below.

Achievement of planned targets

19. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or underachievements.
20. The tables that follow provide information on the achievement of planned targets and lists the key indicators that were not achieved, as reported in the annual performance report. The reasons for any underachievement of targets / measures taken to improve performance are included in the annual performance report on pages 37 to 104

Agricultural producer support and development

Targets achieved: 92% *Budget spent: 100%*		
Key indicator not achieved	**Planned target**	**Reported achievement**
Number of agricultural infrastructures completed	134	123

Veterinary services

Targets achieved: 80% *Budget spent: 100%*		
Key indicator not achieved	**Planned target**	**Reported achievement**
Number of animals vaccinated against controlled animal diseases according to the Animal Disease Act 35 of 1984	1 396 713	1 315 202
Number of treatments applied to animals for external parasites control	4 091 622	3 049 027
Number of compliant abattoirs registered and monitored (to support livestock value chain)	95	89

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 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. If, based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact.

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.

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

Auditor- General.

East London
31 July 2024

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

- 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	Sec 40(1)(a) Sec 40(1)(b) Sec 40(1)(c)(i)
Treasury Regulations	TR 17.1.1 TR 18.2 TR 19.8.4
Supply chain management	
Public Finance Management Act 1 of 1999	PFMA 38(1)(b) PFMA 44 (1) PFMA 44 (2) PFMA 45 (b) TR 16A 3.2 TR 16A 3.2(a) TR 16A 6.1 TR 16A6.2(a) TR 16A9.2(a)(ii) TR 16A6.2(b) TR 16A 6.3(a) TR 16A 6.3(b) TR 16A 6.3(c) TR 16A 6.3(e) TR 16A 6.4 TR 16A 6.5 TR 16A 6.6 TR 16A 8.3 TR 16A 8.4 TR 16A 9.1(d) TR 16A 9.2 TR 16A 9.2(a)(ii) TR 8.2.1 TR 8.2.2
Construction Industry Development Board Act 38 of 2000	CIDB Act 18(1)
Construction Industry Development Board Regulations, 2004	CIDB Regulation 17 CIDB Regulation 25(7A)
Second amendment National Treasury Instruction No. 5 of 2020/21	Second amendment NTI 5 of 202/21 Par 1 Erratum NTI 5 of 202/21 Par 2
National Treasury Instruction No 5 of 2020/21	TI 05 of 2020/21 par. 4.8 NTI 05 of 2020/21 par. 4.9 NTI 05 of 2020/21 par. 5.3

Legislation	Sections or regulations
National Treasury Instruction No. 1 of 2021/22	NT instruction note 1 of 2021/22 Par 4.1
National Treasury Instruction No. 4 of 2015/16	
	NT Instruction note 4 of 2015/16 Par 3.4
National Treasury SCM Instruction No. 4A of 2016/17	
National Treasury SCM Instruction No. 03 of 2021/22	NT SCM Instruction 4A of 2016/17 Par 6
	NTI 03 2021/22 Par 4.1
	NTI 03 2021/22 Par 4.2 (b)
	NTI 03 2021/22 Par. 4.3
	NTI 03 2021/22 Par 4.4(a)
National Treasury SCM Instruction No. 11 of 2020/21	NTI 03 2021/22 Par 7.2
	NTI 03 2021/22 Par 7.6
	NTI 03 2021/22 Par 4.17
National Treasury SCM Instruction No. 2 of 2021/22	NTI 11 2020/21 Par 3.4(a)
	NTI 11 2020/21 Par 3.4(b)
	NTI 11 2020/21 Par 3.9
	SCM NTI 02 2021/22 Par 3.2.1
Practice Note 11 of 2008/9	SCM NTI 02 2021/22 Par 3.2.4
	SCM NTI 02 2021/22 Par 3.2.4(a)
Practice Note 5 of 2009/10	SCM NTI 02 2021/22 Par 3.3.1
Practice Note 7 of 2009/10	Practice note 11 of 2008/9 Par 2.1
	Practice note 11 of 2008/9 Par 3.1 (b)
Preferential Procurement Policy Framework Act 5 of 2000	Practice Note 5 of 2009/10 par. 3.3
	Practice Note 7 of 2009/10 Par 4.1.2
	PPPFA 1
Preferential Procurement Regulation, 2022	PPPFA 2.1(a)
	PPPFA 2.1(f)
	PPR 2022 Reg. 4.1
	PPR 2022 Reg. 4.2
	PPR 2022 Reg. 4.3
	PPR 2022 Reg. 4.4
	PPR 2022 Reg. 5.1
Preferential Procurement Regulation, 2017	PPR 2022 Reg . 5.2
	PPR 2022 Reg. 5.3
	PPR 2022 Reg. 5.4
	PPR 2017 Reg.4.1
	PPR 2017 Reg.4.2
	PPR 2017 Reg.5.1
	PPR 2017 Reg.5.3
	PPR 2017 Reg.5.6
	PPR 2017 Reg.5.7
	PPR 2017 Reg.6.1

Legislation	Sections or regulations
	PPR 2017 Reg.6.2 PPR 2017 Reg.6.3 PPR 2017 Reg.6.5 PPR 2017 Reg.6.6 PPR 2017 Reg.6.8 PPR 2017 Reg.7.1 PPR 2017 Reg.7.2 PPR 2017 Reg.7.3 PPR 2017 Reg.7.5 PPR 2017 Reg.7.6 PPR 2017 Par.7.8 PPR 2017 Par.8.2 PPR 2017 Par.8.5 PPR 2017 Par.9.1 PPR 2017 Par.10.1 PPR 2017 Par.10.2 PPR 2017 Par.11.1 PPR 2017 Par 11.2
State Information Technology Agency Act 88 of 1998	Sita Act section 7(3
Expenditure management	
Public Finance Management Act 1 of 1999	Sec 38(1)(b) Sec 38(1)(c)(ii) Sec 39(1)(a) Sec 39(2)(a) Sec 43(1) Sec 43(4) Sec 45(b)
Treasury Regulations, 2005	Reg 6.3.1(a) Reg 6.3.1(b) Reg 6.3.1(c) Reg 6.3.1(d) Reg 6.4.1(b) Reg 8.1.1 Reg 8.2.1 Reg 8.2.3 Reg 9.1.1 Reg 15.10.1.2(c))
Transfer of funds	
Public Finance Management Act 1 of 1999	Sec 38(1)(j)
Treasury Regulations, 2005	Reg 8.4.1
Revenue management	Sec 38(1)(d)
Public Finance Management Act 1 of 1999	
Treasury Regulations, 2005	Reg 7.2.1 Reg 11.4.1 Reg 11.4.2 Reg 11.5.1

Legislation	Sections or regulations
Asset management	
Public Finance Management Act 1 of 1999	PFMA 38(1)(d)
Treasury Regulation 2005	Reg 10.1.1(a) Reg 10.1.2 Reg 16A7.1 Reg 16A7.3 Reg 16A7.6 Reg 16A7.7
Consequence management	
Public Finance Management Act 1 of 1999	Sec 38(1)(h)(iii)
Treasury Regulation 2005	Reg 4.1.1 Reg 4.1.3 Reg 9.1.4 Reg 12.5.1 Reg 16A9.1(b)(ii) Reg 16A9.1(e) Reg 16A9.1(f)
Prevention and Combating of Corrupt Activities Act 12 of 2004	Sec 34(1)
Strategic planning and performance management	
Treasury Regulation 2005	TR 5.1.1 TR 5.2.1 TR 5.2.3(a) TR 5.2.3(d) TR 5.3.1
Utilisation of conditional grants	
Public Finance Management Act 1 of 1999	Sec 1
Division of Revenue Act 5 of 2023	Sec 11(6)(a) Sec 12(5) Sec 16(1) Sec 16(3) Sec 16(3)(a)(i) Sec 16(3)(a)(ii)(bb)

2. ANNUAL FINANCIAL STATEMENTS

APPROPRIATION STATEMENTS
for the year ended 31 March 2024

Appropriation per programme									
	2023/24							2022/23	
	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	460,622	-	12,797	473,419	472,899	520	99.9%	472,300	472,028
2. Sustainable Resource Management	131,802	-	1,164	132,966	132,878	88	99.9%	136,406	131,532
3. Agricultural Producer Support and Development	812,794	-	(7,724)	805,070	804,884	186	100,0%	835,775	821,864
4. Veterinary Services	345,489	-	(1,501)	343,988	343,989	(1)	100.0%	338,319	337,845
5. Research and Technology Development Services	139,959	-	(1,372)	138,587	138,586	1	100.0%	132,599	131,706
6. Agricultural Economics Services	38,612	-	125	38,737	38,739	(2)	100.0%	35,087	34,519
7. Structured Agriculture Education and Training	191,836	-	(2,684)	189,152	188,834	318	99.8%	192,590	180,815
8. Rural Development Coordination	212,922	-	(805)	212,117	212,116	1	100,0%	210,160	206,678
Subtotal	**2,334,036**	-	-	**2,334,036**	**2,332,925**	**1,111**	100,0%	**2,353,236**	**2,316,987**
Statutory Appropriation	2,205	-	-	2,205	2,159	46	97.9%	2,277	2,096
Members' remuneration	2,205	-	-	2,205	2,159	46	97.9%	2,277	2,096
TOTAL	**2,336,241**	-	-	**2,336,241**		**1,157**	100,0 %	**2,355,513**	

APPROPRIATION STATEMENTS
for the year ended 31 March 2024

	2023/24				2022/23	
	Final Budget	Actual Expenditure			Final Budget	Actual Expenditure
	R'000	R'000			R'000	R'000
TOTAL (brought forward)	2,336,241				2,355,513	
Reconciliation with statement of financial performance						
ADD						
Departmental receipts					8,528	
Actual amounts per statement of financial performance (Total revenue)	2,336,241				2,364,041	
ADD						
Prior year unauthorised expenditure approved without funding						
Actual amounts per statement of financial performance (Total expenditure)		2,335,084				2,319,083

APPROPRIATION STATEMENTS
for the year ended 31 March 2024

Appropriation per economic classification									
	2023/24							2022/23	
	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	**1,848,149**	-	**(15,027)**	**1,833,122**	**1,832,899**	**223**	**100.0%**	**1,862,461**	**1,835,927**
Compensation of employees	1,399,156	-	(14,326)	1,384,830	1,384,015	815	99.9%	1,308,784	1,300,892
Goods and services	448,993	-	(701)	448,292	448,648	(356)	100,1%	553,677	535,035
Interest and rent on land	-	-	-	-	236	(236)	-	-	-
Transfers and subsidies	**322,617**	-	**6,489**	**329,106**	**329,106**	-	**100,0%**	**304,391**	**304,370**
Departmental agencies and accounts	235,088	-	-	235,088	235,088	-	100,0%	224,095	224,074
Higher education institutions	66,035	-	-	66,035	66,035	-	100.0%	59,051	59,051
Households	21,494	-	6,489	27,983	27,983	-	100.0%	21,245	21,245
Payments for capital assets	**165,475**		**8,522**	**173,997**	**173,063**	**934**	**99.5%**	**184,007**	**174,132**
Buildings and other fixed structures	100,820	483	(3,463)	97,840	97,491	349	99.5%	104,023	97,168
Machinery and equipment	55,580	(413)	8,604	63,771	63,771	-	100.0%	73,866	70,846
Biological assets	9,075	(70)	3,381	12,386	11,801	585	95.3%	6,118	6,118
Payments for financial assets	-	-	**16**	**16**	**16**	-	**100.0%**	**4,654**	**4,654**
Total	2,336,241	-	-	2,336,241	2,335,084	1,157	100,0%	2,355,513	2,319,083

APPROPRIATION STATEMENTS
for the year ended 31 March 2024

Statutory appropriation per economic classification

	2023/24							2022/23	
	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	2,205	-	-	2,205	2,159	46	97.9%	2,277	2,096
Compensation of employees	2,205	-	-	2,205	2,159	46	97.9%	2,277	2,096
Total	2,205	-	-	2,205	2,159	46	97.9%	2,277	2,096

APPROPRIATION STATEMENTS
for the year ended 31 March 2024

Programme 1: Administration

	2023/24							2022/23	
	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	9,984	-	174	10,158	10,158	-	100.0%	9,953	9,931
2. SENIOR MANAGEMENT	54,201	-	(128)	54,073	54,075	(2)	100.0%	48,965	48,813
3. CORPORATE SERVICES	214,019	-	12,825	226,844	226,382	462	99.8%	229,610	229,504
4. FINANCIAL MANAGEMENT	172,508	-	731	173,239	173,179	60	100.0%	173,891	174,032
5. COMMUNICATION SERVICES	9,910	-	(805)	9,105	9,105	-	100.0%	9,881	9,748
Total for sub programmes	**460,622**	-	**12,797**	**473,419**	**472,899**	**520**	**99.9%**	**472,300**	**472,028**
Economic classification									
Current payments	**416,285**	-	**6,602**	**422,887**	**422,366**	**521**	**99.9%**	**437,714**	**437,899**
Compensation of employees	331,886	-	90	331,976	331,312	664	99.8%	312,214	312,396
Goods and services	84,399	-	6,512	90,911	90,818	93	99.9%	125,500	125,503
Interest and rent on land	-	-	-	-	236	(236)	-	-	-
Transfers and subsidies	**21,252**	-	**6,489**	**27,741**	**27,741**	-	**100.0%**	**21,245**	**21,245**
Households	21,252	-	6,489	27,741	27,741	-	100.0%	21,245	21,245
Payments for capital assets	**23,085**	-	**(310)**	**22,775**	**22,776**	**(1)**	**100.0%**	**8,687**	**8,230**
Machinery and equipment	23,085	-	(310)	22,775	22,776	(1)	100.0%	8,687	8,230
Payments for financial assets	-	-	**16**	**16**	**16**	-	**100.0%**	**4,654**	**4,654**
Total	**460,622**	-	**12,797**	**473,419**	**472,899**	**520**	**99.9%**	**472,300**	**472,028**

APPROPRIATION STATEMENTS
for the year ended 31 March 2024

Programme 2: SUSTAINABLE RESOURCE MANAGEMENT

	2023/24							2022/23	
	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	54,469	-	535	55,004	55,005	(1)	100.0%	61,419	57,211
2. LAND CARE	17,126	-	79	17,205	17,117	88	99.5%	19,478	16,992
3. LAND USE MANAGEMENT	56,524	-	972	57,496	57,495	1	100.0%	52,208	53,940
4. DISASTER RISK MANAGEMENT	3,683	-	(422)	3,261	3,261	-	100.0%	3,301	3,389
Total for sub programmes	**131,802**	-	**1,164**	**132,966**	**132,878**	**88**	**99.9%**	**136,406**	**131,532**
Economic classification									
Current payments	**127,684**	-	**(681)**	**127,003**	**126,915**	**88**	**99.9%**	**121,621**	**117,238**
Compensation of employees	96,769	-	342	97,111	97,111	-	100.0%	93,734	92,221
Goods and services	30,915	-	(1,023)	29,892	29,804	88	99.7%	27,887	25,017
Transfers and subsidies	**120**	-	-	**120**	**120**	-	**100.0%**	**3,676**	**3,676**
Departmental agencies and accounts								3,676	3,676
Households	120	-	-	120	120	-	100.0%	-	-
Payments for capital assets	**3,998**	-	**1,845**	**5,843**	**5,843**	-	**100.0%**	**11,109**	**10,618**
Buildings and other fixed structures								440	439
Machinery and equipment	3,998	-	1,845	5,843	5,843	-	100.0%	10,669	10,179
Total	**131,802**	-	**1,164**	**132,966**	**132,878**	**88**	**99.9%**	**136,406**	**131,532**

APPROPRIATION STATEMENTS
for the year ended 31 March 2024

Programme 3: AGRICULTURAL PRODUCER SUPPORT AND DEVELOPMENT

	2023/24							2022/23	
	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	116,179	-	(250)	115,929	115,972	(44)	100.0%	140,720	138,523
2. EXTENSION AND ADVISORY SERVICES	461,781	-	(4,195)	457,586	457,573	13	100.0%	438,505	432,658
3. FOOD SECURITY	234,834	-	(3,279)	231,555	231,523	216	100,0%	256,550	250,683
Total for sub programmes	**812,794**	-	**(7,724)**	**805,070**	**804,884**	**186**	**100,0%**	**835,775**	**821,864**
Economic classification									
Current payments	**652,163**	-	**(12,544)**	**639,619**	**640,225**	**(606)**	**100.1%**	**662,575**	**649,708**
Compensation of employees	425,010	-	(7,356)	417,654	417,654	-	100.0%	378,051	373,341
Goods and services	227,153	-	(5,188)	221,965	222,571	(606)	100.3%	284,524	276,367
Transfers and subsidies	**53,905**	-	-	**53,905**	**53,905**	-	**100,0%**	**43,971**	**43,951**
Departmental agencies and accounts	53,905	-	-	53,905	53,905	-	100,0%	43,971	43,951
Payments for capital assets	**106,726**	-	**4,820**	**111,546**	**110,754**	**792**	**99.3%**	**129,229**	**128,205**
Buildings and other fixed structures	80,865	463	(3,465)	77,863	77,657	206	99,7%	82,080	81,604
Machinery and equipment	17,565	(463)	4,836	21,938	21,937	1	100.0%	41,358	40,810
Biological assets	8,296	-	3,449	11,745	11,160	585	95.0%	5,791	5,791
Total	812,794	-	(7,724)	805,070	804,884	186	100,0%	835,775	821,864

APPROPRIATION STATEMENTS
for the year ended 31 March 2024

Programme 4: VETERINARY SERVICES

	2023/24							2022/23	
	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. ANIMAL HEALTH	297,225	-	(308)	296,917	296,918	(1)	100.0%	293,469	293,368
2. VETERINARY INTERNATIONAL TRADE FACILITATION	9,784	-	(203)	9,581	9,580	1	100.0%	9,692	9,591
3. VETERINARY PUBLIC HEALTH	17,565	-	(200)	17,365	17,366	(1)	100.0%	16,117	16,031
4. VETERINARY DIAGNOSITC SERVICES	20,915	-	(790)	20,125	20,125	-	100.0%	19,041	18,855
Total for sub programmes	**345,489**	-	**(1,501)**	**343,988**	**343,989**	**(1)**	100.0%	**338,319**	**337,845**
Economic classification									
Current payments	**339,975**	-	**(3,670)**	**336,305**	**336,306**	**(1)**	**100.0%**	**333,966**	**333,874**
Compensation of employees	289,038	-	(4,273)	284,765	284,766	(1)	100.0%	278,770	278,770
Goods and services	50,937	-	603	51, 540	51,540	-	100.0%	55,196	55,104
Payments for capital assets	**5,514**	-	**2,169**	**7,683**	**7,683**	-	**100.0%**	**4,353**	**3,971**
Buildings and other fixed structures	1,000	-	(207)	793	793	-	100.0%	-	-
Machinery and equipment	4,514	-	2,376	6,890	6,890	-	100.0%	4,353	3,971
Total	**345,489**	-	**(1,501)**	**343,988**	**343,989**	**(1)**	**100.0%**	**338,319**	**337,845**

APPROPRIATION STATEMENTS
for the year ended 31 March 2024

Programme 5: RESEARCH AND TECHNOLOGY DEVELOPMENT

	2023/24							2022/23	
	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. AGRICULTURAL RESEARCH	133,675	-	(479)	133,196	133,197	(1)	100.0%	126,970	126,245
2. TECHNOLOGY TRANSFER SERVICES	4,439	-	(226)	4,213	4,213	-	100.0%	4,280	4,243
3. RESEARCH INFRASTRUCTURE SUPPORT SERVICES	1,845	-	(667)	1,178	1,176	2	99.8%	1,349	1,218
Total for sub programmes	**139,959**	-	**(1,372)**	**138,587**	**138,586**	**1**	**100.0%**	**132,599**	**131,706**
Economic classification									
Current payments	**133,794**	-	**(1,043)**	**132,751**	**132,750**	**1**	**100.0%**	**124,333**	**124,045**
Compensation of employees	112,787	-	(895)	111,892	111,892	-	100.0%	108,850	108,850
Goods and services	21,007	-	(148)	20,859	20,858	1	100.0%	15,483	15,195
Transfers and subsidies								**300**	**300**
Departmental agencies and accounts	-	-	-	-	-	-	-	300	300
Payments for capital assets	**6,165**	-	**(329)**	**5,836**	**5,836**	-	**100.0%**	**7,966**	**7,361**
Buildings and other fixed structures	270	-	(261)	9	9	-	100.0%	187	178
Machinery and equipment	5,116	70	-	5,186	5,186	-	100.0%	7,452	6,856
Biological assets	779	(70)	(68)	641	641	-	100.0%	327	327
Total	**139,959**	-	**(1,372)**	**138,587**	**138,586**	**1**	**100.0%**	**132,599**	**131,706**

APPROPRIATION STATEMENTS
for the year ended 31 March 2024

Programme 6: AGRICULTURAL ECONOMICS SERVICES

	2023/24							2022/23	
	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 AND MARKETING SUPPORT	28,310	-	3,112	31,422	31,424	(2)	100.0%	30,816	18,953
2. MACRO ECONOMICS SUPPORT	10,302	-	(2,987)	7,315	7,315	-	100.0%	4,271	15,566
Total for sub programmes	**38,612**	-	**125**	**38,737**	**38,739**	**(2)**	**100.0%**	**35,087**	**34,519**
Economic classification									
Current payments	**38,444**	-	**141**	**38,585**	**38,587**	**(2)**	**100.0%**	**34,930**	**34,362**
Compensation of employees	35,782	-	47	35,829	35,829	-	100.0%	31,976	32,131
Goods and services	2,662	-	94	2,756	2,758	(2)	100.1%	2,954	2,231
Payments for capital assets	**168**	-	**(16)**	**152**	**152**	-	**100.0%**	**157**	**157**
Machinery and equipment	168	-	(16)	152	152	-	100.0%	157	157
Total	**38,612**	-	**125**	**38,737**	**38,739**	**(2)**	**100.0%**	**35,087**	**34,519**

APPROPRIATION STATEMENTS
for the year ended 31 March 2024

Programme 7: AGRICULTURAL EDUCATION AND TRAINING

	2023/24							2022/23	
	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	61,708	-	-	61,708	61,708	-	100.0%	59,051	59,051
2. AGRICULTURAL SKILLS DEVELOPMENT	130,128	-	(2,684)	127,444	127,126	318	99.8%	133,539	121,764
Total for sub programmes	**191,836**	-	**(2,684)**	**189,152**	**188,834**	**318**	**99.8%**	**192,590**	**180,815**
Economic classification									
Current payments	107,925	-	(2,565)	105,360	105,185	175	99.8%	114,257	108,099
Compensation of employees	88,418	-	(2,352)	86,066	85,960	106	99.9%	84,994	83,217
Goods and services	19,507	-	(213)	19,294	19,225	69	99.6%	29,263	24,882
Transfers and subsidies	**66,157**	-	-	**66,157**	**66,157**	-	**100.0%**	**59,051**	**59,051**
Higher education institutions	66,035	-	-	66,035	66,035	-	100.0	59,051	59,051
Households	122	-	-	122	122	-	100.%	-	-
Payments for capital assets	**17,754**	-	**(119)**	**17,635**	**17,492**	**143**	**99.2%**	**19,282**	**13,665**
Buildings and other fixed structures	16,861	-	-	16,861	16,718	143	99.2%	18,270	13,238
Machinery and equipment	893		(119)	774	774	-	100.0%	1,012	427
Total	**191,836**	-	**(2,684)**	**189,152**	**188,834**	**318**	**99.8%**	**192,590**	**180,815**

APPROPRIATION STATEMENTS
for the year ended 31 March 2024

Programme 8: RURAL DEVELOPMENT

	2023/24							2022/23	
	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	193,411	-	(927)	192,484	192,483	1	100,0%	187,434	188,006
2. SOCIAL FACILITATION	19,511	-	122	19,633	19,633	-	100.0%	22,726	18,672
Total for sub programmes	**212,922**	-	**(805)**	**212,117**	**212,116**	**1**	**100,0%**	**210,160**	**206,678**
Economic classification									
Current payments	**29,674**	-	**(1,267)**	**28,407**	**28,406**	**1**	**100.0%**	**30,788**	**28,606**
Compensation of employees	17,261	-	71	17,332	17,332	-	100.0%	17,918	17,870
Goods and services	12,413	-	(1,338)	11,075	11,074	1	100.0%	12,870	10,736
Transfers and subsidies	**181,183**	-	-	**181,183**	**181,183**	-	**100,0%**	**176,148**	**176,147**
Departmental agencies and accounts	181,183	-	-	181,183	181,183	-	100,0%	176,148	176,147
Payments for capital assets	**2,065**	-	**462**	**2,527**	**2,527**	-	**100.0%**	**3,224**	**1,925**
Buildings and other fixed structures	1,824	20	470	2,314	2,314	-	100.0%	3,046	1,709
Machinery and equipment	241	(20)	(8)	213	213	-	100.0%	178	216
Total	**212,922**	-	**(805)**	**212,117**	**212,116**	**1**	**100,0%**	**210,160**	**206,678**

NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2024

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 1A-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 R100 000.

4.1 Per programme

Programme	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
	R'000	R'000	R'000	%
ADMINISTRATION	473,419	472,899	520	0.1%

There were delays in receiving PERSAL codes from Provincial Treasury that allows the department to process pay progression for ex-employees.

NOTES TO THE APPROPRIATION STATEMENT

Programme	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
	R'000	R'000	R'000	%
AGRICULTURAL PRODUCER SUPPORT AND DEVELOPMENT	805,070	804,884	186	0.4%

The department had final retentions that were not paid due to finalisation of the project with the contractors.

Programme	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
	R'000	R'000	R'000	%
STRUCTURED AGRICULTURE EDUCATION AND TRAINING	189,152	188,834	318	0.2%

The under expenditure due to the high drop out rate of entrepreneurial graduates. There were savings relating to training programmes provided by the department.

NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2024

4.2 Per economic classification

Economic classification	Final Budget R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Budget %
Current payments	**1,833,122**	**1,832,899**	**223**	**0,01%**
Compensation of employees	1,384,830	1,384,015	815	0,06%
Goods and services	448,292	448,648	(356)	-0,08%
Interest and rent on land	-	236	(236)	-
Transfers and subsidies	**329,106**	**329,106**	-	**0,00%**
Departmental agencies and accounts	235,088	235,088	-	0,00%
Higher education institutions	66,035	66,035	-	0,00%
Households	27,983	27,983	-	0,00%
Payments for capital assets	**173,997**	**173,063**	**934**	**0,54%**
Buildings and other fixed structures	97,840	97,491	349	0,36%
Machinery and equipment	63,771	63,771	-	0,05%
Biological assets	12,386	11,801	585	4,72%
Payments for financial assets	**16**	**16**	-	0,00%
Total	**2,336,241**	**2,335,084**	**1,157**	

4.2 Per conditional grant

Conditional grant	Final Budget R'000	Actual Expenditure R'000	Variance R'000	Variance as a percentage of Final Budget %
CASP	237,612	237,110	502	0.2%
Land Care	13,429	13,342	87	0.6%
Ilima/Letsema	70,483	70,482	1	0.0%
EPWP	2,081	2,081	0	0.0%
Total	**323,605**	**323,015**	**590**	**0.9%**

CASP:
The department had final retentions that were not paid due to finalisation of the project with the contractors.
The under expenditure due to the high dropout rate of entrepreneurial graduates. There were savings relating to training programmes provided by the department.

LAND CARE:
The department could not pay retentions relating to a project that was completed the end of the financial year.

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2024

	Note	2023/24 R'000	2022/23 R'000
REVENUE			
Annual appropriation	1	2,334,036	2,353,236
Statutory appropriation	2	2,205	2,277
Departmental revenue	3	-	8,528
TOTAL REVENUE		**2,336,241**	**2,364,041**
EXPENDITURE			
Current expenditure		1,832,899	1,835,927
Compensation of employees	4	1,384,015	1,300,892
Goods and services	5	448,648	535,035
Interest and rent on land	6	236	-
Transfers and subsidies		329,106	304,370
Transfers and subsidies	8	329,106	304,370
Expenditure for capital assets		173, 063	174,132
Tangible assets	9	173,063	174,132
Payments for financial assets	7	16	4,654
TOTAL EXPENDITURE		**2,335,084**	**2,319,083**
SURPLUS/(DEFICIT) FOR THE YEAR		**1,157**	**44,958**

Reconciliation of Net Surplus/(Deficit) for the year

	2023/24	2022/23
Voted funds	**1,157**	**36, 430**
Annual appropriation	521	15,824
Statutory appropriation	46	-
Conditional grants	590	20,606
Departmental revenue and NRF receipts	-	8,528
SURPLUS/(DEFICIT) FOR THE YEAR	**1,157**	**44,958**

STATEMENT OF FINANCIAL POSITION

as at 31 March 2024

	Note	2023/24 R'000	2022/23 R'000
ASSETS			
Current assets		**7,547**	**38,772**
Cash and cash equivalents	10	4,023	35,046
Prepayments and advances	11	-	-
Receivables	12	3,524	3,726
TOTAL ASSETS		**7,547**	**38,772**
LIABILITIES			
Current liabilities		**6,137**	**37,417**
Voted funds to be surrendered to the Revenue Fund	13	1,111	33, 296
Statutory Appropriation to be surrendered to the Revenue Fund	14	46	181
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	15	552	531
Payables	16	4,428	3,409
TOTAL LIABILITIES		**6,137**	**37,417**
NET ASSETS		**1,410**	**1,355**

	Note	2023/24 R'000	2022/23 R'000
Represented by:			
Recoverable revenue		1,410	1,355
TOTAL		**1,410**	**1,355**

STATEMENT OF CHANGES IN NET ASSETS
as at 31 March 2024

	Note	2023/24 R'000	2022/23 R'000
Recoverable revenue			
Opening balance		1,355	819
Transfers:		55	536
Debts raised		55	536
Closing balance		1,410	1,355
TOTAL		**1,410**	**1,355**

CASH FLOW STATEMENT

for the year ended 31 March 2024

	Note	2023/24 R'000	2022/23 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		2,343,290	2,370,880
Annual appropriation funds received	*1.1*	2,334,036	2,353,236
Statutory appropriation funds received	2	2,205	2,277
Departmental revenue received	3	6,855	15,269
Interest received	3.3	194	98
Net (increase)/decrease in net working capital		1,221	(4,826)
Surrendered to Revenue Fund		(41,485)	(19,846)
Current payments		(1,832,663)	(1,835,927)
Interest paid	6	(236)	-
Payments for financial assets		(16)	(4,654)
Transfers and subsidies paid		(329,106)	(304,370)
Net cash flow available from operating activities	*17*	141,005	201,257
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	9	(173,063)	(174,132)
Proceeds from sale of capital assets	3.4	980	1,123
(Increase)/decrease in non-current receivables		-	4,654
Net cash flow available from investing activities		(172,083)	(168,355)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		55	536
Net cash flows from financing activities		55	536
Net increase/(decrease) in cash and cash equivalents		(31,023)	33,438
Cash and cash equivalents at beginning of period		35 046	1,608
Cash and cash equivalents at end of period	*10*	**4,023**	**35,046**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

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.	
1.	**Basis of preparation** The financial statements have been prepared in accordance with the Modified Cash Standard.
2.	**Going concern** The financial statements have been on a going concern basis.
3.	**Presentation currency** Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department
4.	**Rounding** Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).
5.	**Foreign currency translation** Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

6.	**Comparative information**
6.1	**Prior period comparative information** Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.
6.2	**Current year comparison with budget** A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.
7.	**Revenue**
7.1	**Appropriated funds** Appropriated funds comprise of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation). Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective. Appropriated funds are measured at the amount's 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:

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

	• it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and • the amount of revenue can be measured reliably. The accrued revenue is measured at the fair value of the consideration receivable. Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents. Write-offs are made according to the department's debt write-off policy.
8.	**Expenditure**
8.1	**Compensation of employees**
8.1.1	**Salaries and wages** Salaries and wages are recognised in the statement of financial performance on the date of payment.
8.1.2	**Social contributions** Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment. Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.
8.2	**Other expenditure** Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold. 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.
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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

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 commencement of the lease term are recorded and measured at the lower of: the fair value of the leased asset; or if lower, the present value of the minimum lease payments.
9.	Cash and cash equivalents Cash and cash equivalents are stated at cost in the statement of financial position. Bank overdrafts are shown separately on the face of the statement of financial position as a current liability. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.
10.	Prepayments and advance Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash. Prepayments and advances are initially and subsequently measured at cost.
11.	Loans and receivables Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

12.	Financial assets
12.1	Financial assets (not covered elsewhere) A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.
12.2	Impairment of financial assets Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.
13.	Payables Payables recognised in the statement of financial position are recognised at cost.
14.	Capital assets
14.1	Immovable capital assets Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use. Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.
14.2	Movable capital assets Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition. Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

	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.
14.3	**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.
14.4	**Project costs: Work-in-progress** Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid. Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use, the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register. Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.
15.	**Provisions and contingents**
15.1	**Provisions** Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

	will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.
15.2	**Contingent liabilities** Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.
15.3	**Contingent assets** Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.
15.4	**Capital commitments** Capital commitments are recorded at cost in the notes to the financial statements.
16.	**Fruitless and wasteful expenditure** Fruitless and wasteful expenditure 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.
17.	**Changes in accounting policies, estimates and errors** Changes in accounting policies are applied in accordance with MCS requirements. Changes in accounting estimates are applied prospectively in accordance with MCS requirements.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

	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.
18.	**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.
19.	**Recoverable revenue** Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.
20.	**Related party transactions** Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length. The full compensation of key management personnel is recorded in the notes to the financial statements.
21.	**Inventories** 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.
22.	**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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

	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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

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 Provincial Departments:

	2023/24			2022/23		
	Final Budget	Actual Funds Received	Funds not requested / not received	Final Budget	Appropriation Received	Funds not requested / not received
Programmes	R'000	R'000	R'000	R'000	R'000	R'000
Administration	473,419	473,419	-	-	472,300	472,300
Sustainable Resource Management	132,966	132,966	-	-	136,406	136,406
Agricultural Producer Support and Development	805,070	805,070	-	-	835,775	835,775
Veterinary Services	343,988	343,988	-	-	338,319	338,319
Research and Technology Development	138,587	138,587	-	-	132,599	132,599
Agricultural Economic Services	38,737	38,737	-	-	35,087	35,087
Structured Agriculture Education and Training	189,152	189,152	-	-	192,590	192,590
Rural Development	212,117	212,117	-	-	210,160	210,160
Total	**2,334,036**	**2,334,036**	**-**	**-**	**2,353,236**	**2,353,236**

1.2. Conditional grants

	Note	2023/24	2022/23
		R'000	R'000
Total grants received		323,605	342,250
Provincial grants included in total grants received		-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

2. Statutory Appropriation

	Note	2023/24 R'000	2022/23 R'000
Members' remuneration		2,205	2,277
Total		**2,205**	**2,277**
Actual Statutory Appropriation received		2,205	2,096
Statutory Appropriation not requested / not received		-	-

3. Departmental revenue

	Note	2023/24 R'000	2022/23 R'000
Tax revenue			
Sales of goods and services other than capital assets	*3.1*	5,758	4,585
Fines, penalties and forfeits	*3.2*	3	-
Interest, dividends and rent on land	*3.3*	194	98
Sales of capital assets	*3.4*	980	1,123
Transactions in financial assets and liabilities	*3.5*	1,094	10,684
Total revenue collected		**8,029**	**16,490**
Less: Own revenue included in appropriation	*15*	(8,029)	(7,962)
Total		**-**	**8,528**

The department under collected on revenue during the year due to sale of capital assets.
Transactions in financial assets and liabilities decrease during the year

3.1. Sales of goods and services other than capital assets

	Note	2023/24 R'000	2022/23 R'000
Sales of goods and services produced by the department		4,805	4,203
Sales by market establishment		120	129
Administrative fees		790	410
Other sales		3,895	3,664
Sales of scrap, waste and other used current goods		953	382
Total	*3*	**5,758**	**4,585**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

3.2. Fines, penalties and forfeits

	Note	2023/24 R'000	2023/23 R'000
Fines		3	-
Total	3	**3**	-

In the current year, the department received fines that were due from employees.

3.3. Interest, dividends and rent on land

	Note	2023/24 R'000	2022/23 R'000
Interest		194	98
Total	3	**194**	**98**

3.4. Sales of capital assets

	Note	2023/24 R'000	2022/23 R'000
Tangible capital assets		980	1,123
Biological assets		980	1,123
Total	3	**980**	**1,123**

3.5. Transactions in financial assets and liabilities

	Note	2023/24 R'000	2022/23 R'000
Receivables		1,094	10,684
Total	3	**1,094**	**10,684**

3.5.1. Gifts, donations and sponsorships received in-kind (*not included in the main note or sub note)*

	Note	2023/24 R'000	2022/23 R'000
	Annex 1D		
Donations		6,817	-
Total gifts, donations and sponsorships received in kind		**6,817**	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

4. Compensation of employees

4.1. Analysis of balance

	Note	2023/24 R'000	2022/23 R'000
Basic salary		977,623	886,217
Performance award		-	75
Service based		2,884	1,951
Compensative/circumstantial		7,379	6,015
Other non-pensionable allowances		193,485	217,936
Total		**1,181,371**	**1,112,194**

4.2. Social contributions

Employer contributions	Note	2023/24 R'000	2022/23 R'000
Pension		122,708	113,906
Medical		72,958	67,542
Bargaining council		308	288
Insurance		6,670	6,962
Total		202,644	188,698
Total compensation of employees		**1,384,015**	**1,300,892**
Average number of employees		**2,638**	**2,475**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

5. Goods and services

	Note	2023/24 R'000	2022/23 R'000
Administrative fees		734	1,449
Advertising		587	7,191
Minor assets	*5.1*	812	332
Bursaries (employees)		183	287
Catering		6,182	8,223
Communication		13,271	15,880
Computer services	*5.2*	9,492	21,647
Consultants: Business and advisory services		1,582	3,285
Infrastructure and planning services		5,240	3,140
Laboratory services		850	771
Legal services		919	2,984
Contractors		15,332	9,289
Agency and support / outsourced services		65,200	68,929
Entertainment		54	44
Audit cost - external	*5.3*	7,128	8,638
Fleet services		19,213	29,697
Inventories	*5.4*	152,696	203,900
Consumables	*5.5*	9,824	8,349
Operating leases		15,712	15,940
Property payments	*5.6*	29,412	30,803
Rental and hiring		34	125
Travel and subsistence	*5.7*	72,742	80,743
Venues and facilities		4,636	2,478
Training and development		14,942	9,786
Other operating expenditure	*5.8*	1,871	1,125
Total		**448,648**	**535,035**

VARIANCE EXPLANATION:

1. **Administrative fees**
   The department implemented cost containment measures which reduced the attendance of congresses by Vet services officials.
2. **Computer Services**
   The function for payment of Microsoft was moved to Office of the Premier, therefore, the department no longer pay Microsoft directly.
3. **Consultants: Business and advisory service**
   The department conducted qualification verification in the prior year for new and existing personnel.
4. **Infrastructure and planning services**
   The department had siting, drilling and testing of borehole in the districts in preparation for stock water provision.
5. **Legal services**
   The department received fewer invoices from the State attorney for services rendered on behalf of the department.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

6. **Contractors:**
   In current year, the department incurred costs for maintenance of weather stations and dam scooping project.
7. **Agency and support/ outsourced services**
   The department redirected funds to Women entrepreneurial works and budget cuts for conditional grants.
8. **Fleet services**
   The department implemented cost containment measures that reduced utilisation of vehicles.
9. **Venues and facilities**
   The department hosted more events through the Office of the MEC
10. **Training and developments**
    In the prior year, the department did not have adequate services provided for training.

5.1. Minor assets

	Note	2023/24 R'000	2022/23 R'000
Tangible capital assets		812	332
Biological assets		9	-
Machinery and equipment		803	332
Total	5	**812**	**332**

The department procured equipment for the aquaculture projects.

5.2. Computer services

	Note	2023/24 R'000	2022/23 R'000
SITA computer services		3,647	4,560
External computer service providers		5,845	17,087
Total	5	**9,492**	**21,647**

The function for payment of Microsoft was moved to Office of the Premier, therefore, the department no longer pay Microsoft directly.

5.3. Audit cost – external

	Note	2022/23 R'000	2022/23 R'000
Regularity audits		7,128	8,638
Total	5	**7,128**	**8,638**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

5.4. Inventories

	Note	2023/24 R'000	2022/23 R'000
Farming supplies		99,519	145,786
Food and food supplies		73	30
Fuel, oil and gas		1,123	2,440
Learning, teaching and support material		-	17
Materials and supplies		14,263	12,228
Medical supplies		1,874	846
Medicine		29,649	34,129
Other supplies	*5.4.1*	6,195	8,424
Total	*5*	**152,696**	**203,900**

Farming supplies
There were budget cuts on conditional grants that affected the expenditure.
Medicine:
In the current year, there were no disease outbreaks that affected the provinces.

5.4.1. Other supplies

	Note	2023/24 R'000	2022/23 R'000
Assets for distribution		5,316	7,644
Machinery and equipment		4,947	7,357
Other assets for distribution		369	287
Other		879	780
Total	*5.4*	**6,195**	**8,424**

5.5. Consumables

	Note	2023/24 R'000	2022/23 R'000
Consumable supplies		6,165	4,544
Uniform and clothing		2,617	2,429
Household supplies		1,302	1,805
Communication accessories		-	1
IT consumables		11	11
Other consumables		2,235	298
Stationery, printing, and office supplies		3,659	3,805
Total	*5*	**9,824**	**8,349**

The department procured gifts and awards for the Women entrepreneurial event.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

5.6. Property payments

	Note	2023/24 R'000	2022/23 R'000
Municipal services		7,833	8,293
Property management fees		20,486	21,462
Property maintenance and repairs		1,093	1,048
Total	5	**29,412**	**30,803**

Travel and subsistence

	Note	2023/24 R'000	2022/23 R'000
Local		71,868	80,299
Foreign		874	444
Total	5	**72,742**	**80,743**

The department implemented cost containment measures.

5.7. Other operating expenditure

	Note	2023/24 R'000	2022/23 R'000
Resettlement costs		1,296	781
Other		575	344
Total	5	**1,871**	**1,125**

6. Interest and rent on land

	Note	2023/24 R'000	2022/23 R'000
Interest paid		236	-
Totals		**236**	-

The department incurred interest on outstanding payments due to service providers

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

7. Payments for financial assets

	Note	2023/24 R'000	2022/23 R'000
Debts written off	7	16	4,654
Total		**16**	**4,654**

The department wrote off irrecoverable debts. In the current year, the department had limited funds available to write off irrecoverable debts.

8. Transfers and subsidies

	Note	2023/24 R'000	2022/23 R'000
Departmental agencies and accounts	*Annex 1A*	235,088	224,074
Higher education institutions	*Annex 1B*	66,035	59,051
Households	*Annex 1C*	27,983	21,245
Total		**329,106**	**304,370**

8.1. Gifts, donations, and sponsorships made in kind (*not included in the main note)*

	Note	2023/24 R'000	2022/23 R'000
	Annex 1E		
Donations		83	53
Total		**83**	**53**

9. Expenditure for capital assets

	Note	2023/24 R'000	2022/23 R'000
Tangible capital assets		173, 063	174,132
Buildings and other fixed structures		97,491	97,168
Machinery and equipment		63,771	70,846
Biological assets		11,801	6,118
Total		**173, 063**	**174,132**
The following amounts have been included as project costs in Expenditure for capital assets			
Compensation of employees		5,324	-
Goods and services		1,064	-
Total		**6,388**	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

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

	2023/24		
	Voted funds	Aid assistance	Total
Name of entity	R'000	R'000	R'000
Tangible capital assets	173,063	-	173,063
Buildings and other fixed structures	97,491	-	97,491
Machinery and equipment	63,771	-	63,771
Biological assets	11,801	-	11,801
Total	**173,063**	**-**	**173,063**

9.2. Analysis of funds utilised to acquire capital assets - Prior 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	-	97,168
Machinery and equipment	70,846	-	70,846
Biological assets	6,118	-	6,118
Total	**174,132**	**-**	**174,132**

9.3. Finance lease expenditure included in Expenditure for capital assets

	Note	2023/24 R'000	2022/23 R'000
Tangible capital assets			
Machinery and equipment		36,778	42,035
Total		**36,778**	**42,035**

10. Cash and cash equivalents

	Note	2023/24 R'000	2022/23 R'000
Consolidated Paymaster General Account		4,023	35,046
Total		**4,023**	**35,046**

The decrease is in relation to the funds remaining as at the end of the financial year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

11. Prepayments and advances

	Note	2023/24 R'000	2022/23 R'000
Advances paid (Expensed)	*11.1*	11,486	-
Total		**11,486**	-

Analysis of Total Prepayments and advances		
Current Prepayments and advances	11,486	-
Total	**11,486**	-

The department had an advance payment relating to cannabis project, RED Hub and commodity revolving credit that was unspent by ECRDA at the end of the financial year.

11.1. Advances paid (Expensed)

		2023/24				
	Note	Amount as at 1 April 2023 R'000	Less: Amounts expensed in current year R'000	Add / Less: Other R'000	Add Current year advances R'000	Amount as at 31 March 2024 R'000
Public entities		-	-	-	11,486	11,486
Total	*11*	**-**	**-**	**-**	**11,486**	**11,486**

12. Receivables

		2023/24			2022/23		
	Note	Current R'000	Non-current R'000	Total R'000	Current R'000	Non-current R'000	Total R'000
Claims recoverable	*12.1*	76	-	76	7	-	7
Recoverable expenditure	*12.3*	(417)	-	(417)	84	-	84
Staff debt	*12.4*	3,691	-	3,691	3,461	-	3,461
Other receivables	*12.5*	174	-	174	174	-	174
Total		**3,524**	-	**3,524**	**3,726**	-	**3,726**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

12.1. Claims recoverable

	Note	2023/24 R'000	2022/23 R'000
Provincial departments		76	7
Total	12	**76**	**7**

12.2. Recoverable expenditure

	Note	2023/24 R'000	2022/23 R'000
Salary related		(417)	84
Total	12	**(417)**	**84**

There were transactions that were due to third parties that were unpaid and returned by the bank. There were delays in clearing the transactions due to supporting documentation.

12.3. Staff debt

	Note	2023/24 R'000	2022/23 R'000
Debt account		3,691	3,461
Total	12	**3,691**	**3,461**

12.4. Other receivables

	Note	2023/24 R'000	2022/23 R'000
Fruitless and wasteful expenditure		174	174
Total	12	**174**	**174**

13. Voted funds to be surrendered to the Revenue Fund

	Note	2023/24 R'000	2022/23 R'000
Opening balance		33,296	648
Statutory Appropriation adjustment	13.2		(181)
As restated		33,296	467
Transferred from statement of financial performance (as restated)		1,111	36,430
Paid during the year		(33,296)	(3,601)
Closing balance		**1,111**	**33,296**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

The decrease in the balance is in relation to the unspent funds

13.1. Reconciliation on unspent conditional grants

	Note	2023/24 R'000	2022/23 R'000
Total conditional grants received	*1.2*	323,605	342,250
Total conditional grants spent		(323,015)	(321,644)
Unspent conditional grants to be surrendered		590	20,606
Less: Paid to the Provincial Revenue Fund by Provincial department			-
Approved for rollover			(3,637)
Not approved for rollover			-
Due by the Provincial Revenue Fund		**590**	**16,969**

14. Statutory Appropriation to be surrendered to the Revenue Fund

	Note	2023/24 R'000	2022/23 R'000
Opening balance		181	181
Prior period error	*14.1*		-
As restated		181	-
Transferred from statement of financial performance (as restated)		46	-
Statutory appropriation not requested/not received		-	-
Paid during the year		(181)	-
Closing balance		**46**	**181**

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

	Note	2023/24 R'000	2022/23 R'000
Opening balance		531	286
Prior period error			-
As restated		531	286
Transferred from statement of financial performance (as restated)		-	8,528
Own revenue included in appropriation		8,029	7,962
Paid during the year		(8,008)	(16,245)
Closing balance		**552**	**531**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

16. Payables – current

	Note	2023/24 R'000	2022/23 R'000
Amounts owing to other entities		1,808	199
Clearing accounts	*16.1*	2,620	3,210
Total		**4,428**	**3,409**

The department received an inter-departmental claim towards the end of the financial year

16.1. Clearing accounts

Description	Note	2023/24 R'000	2022/23 R'000
Salary related accounts		2,620	3,210
Total	*16*	**2,620**	**3,210**

17. Net cash flow available from operating activities

	Note	2023/24 R'000	2022/23 R'000
Net surplus/(deficit) as per Statement of Financial Performance		1,157	44,958
Add back non-cash/cash movements not deemed operating activities		139,848	156,299
(Increase)/decrease in receivables		202	(1,269)
(Increase)/decrease in prepayments and advances		-	-
Increase/(decrease) in payables - current		1,019	(3,557)
Proceeds from sale of capital assets		(980)	(1,123)
Expenditure on capital assets		173,063	174,132
Surrenders to Revenue Fund		(41,485)	(19,846)
Own revenue included in appropriation		8,029	7,962
Net cash flow generated by operating activities		**141,005**	**201,257**

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

	Note	2023/24 R'000	2022/23 R'000
Consolidated Paymaster General account		4,023	35,046
Total		**4,023**	**35,046**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

19. Contingent liabilities and contingent assets

19.1. Contingent liabilities

Liable to	Nature	Note	2023/24 R'000	2022/23 R'000
Housing loan guarantees	Employees	*Annex 3A*	-	100
Claims against the department		*Annex 3B*	30,422	30,077
Total			**30,422**	**30,177**

19.2. Contingent assets

Nature of contingent asset	Note	2023/24 R'000	2022/23 R'000
Insurance		989	989
SARS		11,976	11,976
Cotton star		895	895
Total		**13,860**	**13,860**

The claims against the department consist of legal cases lodged against the department. These cases are pending with the court of law, therefore, there is uncertainties regarding the outcome of these cases. The department is represented by the State attorney for the contingent liabilities and assets.
Due to the magnitude of the claims against the department, it is impractical to classify these cases.

20. Capital commitments

	Note	2023/24 R'000	2022/23 R'000
Buildings and other fixed structures		10,186	25,175
Machinery and equipment		133	523
Total		**10,319**	**25,698**

There were budget cuts that related to projects

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

21. Accruals and payables not recognised.

21.1. Accruals

		2023/24			2022/23
		30 Days	30+ Days	Total	Total
Listed by economic classification	Note	R'000	R'000	R'000	R'000
Goods and services		8,829	1,472	10,301	7,351
Capital assets		1,619	444	2,063	1,972
Total		**10,448**	**1,916**	**12,364**	**9,323**

Listed by programme level	Note	2023/24 R'000	2022/23 R'000
Administration		8,912	5,145
Sustainable Resource Management		57	1,518
Agricultural producer support& Development		387	614
Veterinary Services		1,426	29
Technology Research & Dev Services		324	406
Agricultural Economics`		-	12
Structured Agriculture Training		1,258	1,352
Rural Development		-	247
Total		**12,364**	**9,323**

21.2. Payables not recognised.

		2023/24			2022/23
		30 Days	30+ Days	Total	Total
Listed by economic classification	Note	R'000	R'000	R'000	R'000
Goods and services		6,060	5,519	11,579	1,007
Capital assets		7,118	4,631	11,749	2,562
Total		**13,178**	**10,150**	**23,328**	**3,569**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

Listed by programme level	Note	2023/24 R'000	2022/23 R'000
Administration		20,665	580
Sustainable Resource Management		43	111
Farmer support& Development		370	1,137
Veterinary Services		226	78
Technology Research & Dev Services		376	515
Agricultural Economics`		-	-
Structured Agricult Training		1,648	169
Rural Development		-	979
Total		**23,328**	**3,569**

Included in the above totals are the following:	Note	2023/24 R'000	2022/23 R'000
Confirmed balances with other departments	*Annex 5*	-	-
Confirmed balances with other government entities	*Annex 5*	-	199
Total		**-**	**199**

The department received invoices towards the end of the financial year and the department had budget constraints.

22. Employee benefits

	Note	2023/24 R'000	2022/23 R'000
Leave entitlement		90,151	94,799
Service bonus		39,251	36,757
Capped leave		70,888	84,221
Other		8,519	12,771
Total		**208,809**	**228,548**

The leave entitlement includes negative leave balances amounting to R347 339,78

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

23. Lease commitments.

23.1. Operating leases

	2023/24	
	Buildings and other fixed structures	Total
	R'000	R'000
Not later than 1 year	4,848	4,848
Later than 1 year and not later than 5 years	7,599	7,599
Total lease commitments	**12,447**	**12,447**

	2022/23	
	Buildings and other fixed structures	Total
	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**

23.2. Finance leases **

	2023/24	
	Machinery and equipment	Total
	R'000	R'000
Not later than 1 year	30,844	30,844
Later than 1 year and not later than 5 years	24,366	24,366
Total lease commitments	**55,210**	**55,210**

	2022/23	
	Machinery and equipment	Total
	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**

The department had a high number of contracts are nearing the end of the term.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

24. Accrued departmental revenue

	Note	2023/24 R'000	2022/23 R'000
Sales of goods and services other than capital assets		479	387
Fines, penalties and forfeits		2	-
Interest, dividends and rent on land		15	11
Sales of capital assets		2	80
Transactions in financial assets and liabilities		54	53
Total		**552**	**531**

24.1. Analysis of accrued departmental revenue.

	Note	2023/24 R'000	2022/23 R'000
Opening balance		531	286
Add: amounts recorded		552	531
Less: amounts transferred to receivables for recovery		(531)	(286)
Closing balance		**552**	**531**

25. Fruitless and wasteful expenditure

	Note	2023/24 R'000	2022/23 R'000
Fruitless and wasteful expenditure - current year		244	31
Total		**244**	**31**

There department incurred interest expense relating to obligations

26. Related party transactions

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

27. Key management personnel

	2023/24 R'000	2022/23 R'000
Political office bearers		
Officials:	2,098	2,037
Level 15-16	4,957	5,471
Level 14(incl.CFO)	15,201	14,083
Acting Allowance	289	-
Family members of key management personnel	2,976	3,305
Total	**25,521**	**24,896**

28. Provisions

	Note	2023/24 R'000	22022/23 R'000
Retentions		1,517	2,215
Total		**1,517**	**2,215**

28.1. Reconciliation of movement in provisions - Current year

	Provision R'000	Total provisions R'000
Opening balance	2,215	2,215
Settlement of provision	(2,215)	(2,215)
Change in provision due to change in estimation of inputs	1,517	1,517
Closing balance	**1,517**	**1,517**

Reconciliation of movement in provisions - Prior year

	Provision R'000	Total provisions 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**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

29. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024

	2023/24				
	Opening balance	Value adjustments	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	293,245	-	33,716	(37,165)	289,796
Transport assets	21,934		5,966	(270)	27,630
Computer equipment	77,626		17,376	(1,663)	93,339
Furniture and office equipment	21,532		320	(100)	21,752
Other machinery and equipment	172,153		10,054	(35,132)	147,075
BIOLOGICAL ASSETS	7,115	1,931	11,801	(13,273)	7,574
Biological assets	7,115	1,931	11,801	(13,273)	7,574
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	**300,360**	**1,931**	**45,517**	**(50,438)**	**297,370**

Movable Tangible Capital Assets under investigation	Note	Number	Value R'000
Included in the above total of the movable tangible capital assets per the asset register that are under investigation:			
Machinery and equipment		13	264
Biological assets		5	70
Total		**18**	**334**

These assets were reported lost by the officials. The department is undertaking investigation pertaining to these cases.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

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

	2022/23				
	Opening balance	Prior period error	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					
Biological assets	6,751	-	7,415	(7,051)	7,115
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	**274,686**	**-**	**36,729**	**(11,055)**	**300,360**

29.2. Minor assets

MOVEMENT IN MINOR CAPITAL ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024

	Intangible assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000
Opening balance	48	38,291	2,711	41,050
Value adjustments			218	218
Additions	-	1,008	390	1,398
Disposals	-	(945)	(653)	(1,598)
Total Minor assets	**48**	**38,354**	**2,666**	**41,068**

	Intangible assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	8	-	8
Number of minor assets at cost	-	26	2	28
Total number of minor assets	**-**	**34**	**2**	**36**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

Minor capital assets under investigation

	Note	Number	Value R'000
Included in the above total of the minor capital assets per the asset register that are under investigation:			
Machinery and equipment		1	1
Biological assets		33	27
Total		**34**	**28**

These assets were reported lost by the officials. The department is undertaking investigation pertaining to these cases.

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

	Intangible assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	48	38,423	2,618	41,089
Prior period error	-	-	(7)	(7)
Additions	-	339	1,000	1,339
Disposals	-	(471)	(900)	(1,371)
Total Minor assets	**48**	**38,291**	**2,711**	**41,050**

	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**

29.2.1. Prior period error

Nature of prior period error	Note	2022/23 R'000
Relating to 2022/23 *[affecting the opening balance]*		
Biological assets		(7)
Total prior period errors		**(7)**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

30. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024

	2023/24			
	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**

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

	2022/23				
	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**

31. Immovable Tangible Capital Assets

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024

	2023/24			
	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	10,809	83,417	(83,417)	10,809
Non-residential buildings	9,986	51,463	(51,463)	9,986
Other fixed structures	823	31,954	(31,954)	823
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	**10,809**	**83,417**	**(83,417)**	**10,809**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

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

	2022/23				
	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	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**

31.2. Immovable tangible capital assets: Capital Work-in-progress

CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2024

		2023/24			
		Opening balance 1 April 2023	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2024
	Note Annex 7	R'000	R'000	R'000	R'000
Buildings and other fixed structures		22,746	97,491	(83,417)	36,820
Total		**22,746**	**97,491**	**(83,417)**	**36,820**

CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2023

		2022/23				
		Opening balance 1 April 2022	Prior period error	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2023
	Note	R'000	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**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

32. Prior period errors

32.1. Correction of prior period errors

		2022/23		
		Amount bef error correction	Prior period error	Restated
	Note	R'000	R'000	R'000
Assets:				
Animal births relating to 2022/23 but reported in 2023/24		2 618	(7)	2 611
Net effect		**2 618**	**(7)**	**2 611**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

33. Statement of conditional grants received.

	2023/24									2022/23	
	GRANT ALLOCATION					SPENT					
	Division of Revenue Act / Provincial grants	Roll overs	DORA Adjust-ments	Other Adjust-ments	Total Available	Amount received by depart-ment	Amount spent by depart-ment	Under- / (Overspending)	% of available funds spent by depart-ment	Division of Revenue Act / Provincial grants	Amount spent by depart-ment
Name of grant	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
CASP	255,336	2,443	-	(20,167)	237,612	237,612	(237,110)	502	99.8%	251,234	231,964
LAND CARE	12,935	1,194	-	(700)	13,429	13,429	(13,342)	87	99.4%	12,700	11,365
ILIMA/LETSEMA	77,483	-	-	(7,000)	70,483	70,483	(70,482)	1	100.0%	76,210	76,209
EPWP	2,306	-	-	(225)	2,081	2,081	(2,081)	-	100.0%	2,106	2,106
TOTAL	**348,060**	**3,637**	**-**	**(28,092)**	**323,605**	**323,605**	**(323,015)**	**590**	**100,0%**	**342,250**	**321,644**

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.

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

ANNEXURE 1A

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

	2023/24						2022/23	
	TRANSFER ALLOCATION				TRANSFER			
Departmental Agency or Account	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	141,353	-	-	141,353	141,353	100.0%	137,666	137,365
MAGWA	29,380	-	-	29,380	29,380	100.0%	28,115	28,115
CHRISHANI DEV AGENCY	2,209	-	-	2,209	2,209	100.0%	2,209	2,189
Red Hub	11,200	-	(6,500)	4,700	4,700	100,0%	-	-
Casual labours	-	-	-	-	-	-	4,343	4,643
Cannabis	10,450	-	-	10,450	10,450	100,0%	10,000	10,000
Pineapple	-	-	-	-	-	-	1,300	1,300
Blended Finance	25,000	-	-	2,5000	2,5000	100.0%	25,000	25,000
Citrus intervention	8,496	-	-	8,496	8,496	100.0%	12,462	12,462
Macadamia Nuts	4,500	-	4,500	9,000	4,500	50.0%	3,000	3,000
Amadlelo	-	-	7,000	7,000	7,000	100.0%	-	-
Commodity revolving	-	-	2,000	2,000	2,000	100.0%	-	-
TOTAL	**232,588**	**-**	**7,000**	**239,588**	**235,088**	**98,1%**	**224,095**	**224,074**

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

ANNEXURE 1B

STATEMENT OF TRANSFERS TO HIGHER EDUCATION INSTITUTIONS

	2023/24							2022/23	
	TRANSFER ALLOCATION				TRANSFER				
Higher Education Institution	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	61,708	-	4,327	66,035	66,035	-	0%	59,051	59,051
		-							
TOTAL	**61,708**	**-**	**4,327**	**66,035**	**66,035**	**-**	**0%**	**59,051**	**59,051**

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

ANNEXURE 1C

STATEMENT OF TRANSFERS TO HOUSEHOLDS

Household	2023/24						2022/23	
	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								
LEAVE GRATUITY	15,000	-	27,499	42,499	27,741	65.3%	21,066	21,066
ARBITRATION AWARD	-	-	242	242	242	100.0%	179	179
TOTAL	**15,000**	**-**	**27,741**	**42,741**	**27,983**	**65.5%**	**21,245**	**21,245**

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

ANNEXURE 1D

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

Name of organisation	Nature of gift, donation or sponsorship	2023/24	2022/23
		R'000	R'000
Received in kind			
Donations			
DALRAD	Samsung A22 Cellphones	205	-
ECRDA	Hydraulic excavator	1,441	-
ECRDA	Tipper truck, motor grader, tipper double cab	5,171	-
Subtotal – received in kind		6,817	-
TOTAL GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED		**6,817**	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

ANNEXURE 1E

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE

Nature of gift, donation or sponsorship	202324	2022/23
	R'000	R'000
Made in kind		
Donations		
(Livestock) beneficiaries for livestock improvement	83	53
TOTAL GIFTS, DONATIONS AND SPONSORSHIPS MADE IN KIND	**83**	**53**

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

ANNEXURE 2A

STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY PROVINCIAL PUBLIC ENTITIES

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	
		2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23
Controlled entities		-	-			-	-	-	-
Magwa	Harvesting and sale of tea	-	-	138,767	141,974	-	-	-	-
TOTAL		**-**	**-**	**138,767**	**141,974**	**-**	**-**	**-**	**-**

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

ANNEXURE 3A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2024 - LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2023	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced during the year	Revaluation due to foreign currency movements	Closing balance 31 March 2024	Revaluations due to inflation rate movements	Accrued guaranteed interest for year ended 31 March 2024
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Standard bank			100	-	(100)	-	-		
TOTAL			**100**	**-**	**(100)**	**-**	**-**		

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

ANNEXURE 3B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2024

NATURE OF LIABILITY	Opening balance 1 April 2023	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2024
	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/Director & MEC for DRDAR	116				116
Davies Jongikhaya Dondolo & 2 others / MEC for DRDAR	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
Sbongile Zazini & 2 Other/MEC & HOD Drdar		100			100
P Mvalo/Drdar & Another		271			271

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

NATURE OF LIABILITY	Opening balance 1 April 2023	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2024
	R'000	R'000	R'000	R'000	R'000
Nondumiso Nditha/ MEC Drdar		4 400			4 400
EAST LONDON					
Eagles Multi-purpose Primary Co-operative	4 983				4 983
Nonceba Princess Goniwe	50		(50)		-
Zanele Mpondlwana	50		(50)		-
Mfusi Maria Mapekula/ Director & MEC for DRDAR	100		(100)		-
Tulile Ntombozuko Gege/ MEC for DRDAR	850				850
Konwaba Trading Solution cc/MEC FOR DRDAR	463				463
Emthonjeni Agricultural irrigation systems	100				100
DRDAR/Cotton Star	100				100
Mavuvela Trading	248				248
MEC Public Works/Balasi Traditional Council, DRDAR	100				100
Ntombozuko Linoria Mafu and 2 Others/ MEC & HOD for DRDAR	896				896
Mbulelo Msuli Poswa / MEC for DRDAR & MEC for Public Works	7 600				7 600
Nomadina M Zuthule	-	288			288
Adhip Singh/DRDAR		100			100
Babalwa E Makatisa/MEC & HOD Drdar		288			288
PORT ELIZABETH					
Azile Ndaba	200		(200)		-
Sizwe Mayekiso	100				100
TO Molefe	100				100

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

NATURE OF LIABILITY	Opening balance 1 April 2023	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2024
	R'000	R'000	R'000	R'000	R'000
Beta Advussory	3 953		(3 953)		-
Sandisiwe Matola & 15 Others	100				100
NCSPCA/Al Mawashi& 9 Others	100				100
Qwathi-Tolo Property Farm Holdings/DRDAR	5 067				5 067
CK Mafu	100		(100)		-
Jongikhaya Davies Dondolo & 577 Others		200			200
Tsokolo Walter Shasha/Drdar		100			100
William Frans/ DRDAR		100			100
Zisiwe Jezile & Others/ MEC DRDAR		100			100
PRETORIA					
SM KOTO	200				200
Subtotal	**30 077**	**5 947**	**(5 602)**	**-**	**30 422**

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

ANNEXURE 4

CLAIMS RECOVERABLE

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 2023/24 *	
	31/03/2024	31/03/2023	31/03/2024	31/03/2023	31/03/2024	31/03/2023	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Department								
Dep of correctional services	1	1	-	-	1	1		
Gauteng Dep of Health	6	6	-	-	6	6		
KZN Department of Agriculture	-	-	69	-	69			
Subtotal	7	7	69	-	76	7		
TOTAL	**7**	**7**	**69**	**-**	**76**	**7**		

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2024

ANNEXURE 5

INTERGOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 2023/24 *	
	31/03/2024	31/03/2023	31/03/2024	31/03/2023	31/03/2024	31/03/2023	Payment date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
DEPARTMENTS								
Current								
EC OTP	1,315				1,315	-	-	-
Total Departments	1,315				1,315			
OTHER GOVERNMENT ENTITIES								
AGRISETA	153	16	-	-	153	16		
HWSETA	649	114	-	-	649	114		
DALRRD	753	-	-	-	753	-		
FOOD & AGRIC	253	-	-	-	253	-		
O. R Tambo	-	69	-	-	-	69		
Total Other Government Entities	**1,808**	**199**	**-**	**-**	**1,808**	**199**		
TOTAL INTERGOVERNMENT PAYABLES	**3,123**	**199**	**-**	**-**	**3,123**	**199**		

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

ANNEXURE 6

INVENTORIES

Inventories for the year ended 31 March 2024	Farming Supplies	Food & grocery supplies	Fuel, Oil & Gas	Materials & supplies	Medical supplies	Medicine	Asset distribution	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	99,519	73	1,123	14,263	1,874	29,649	879	5,316	**152,696**
(Less): Issues	(99,519)	(73)	(1,123)	(14,263)	(1,874)	(29,649)	(879)	(5,316)	**(152,696)**
Closing balance	-	-	-	-	-	-	-	-	-

	Farming supplies	Food &food supplies	Fuel, oil &Gas	Learning material	Material & supplies	Medical Supplies	Medicine	Other suppliers	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	8,424	**203,900**
(Less): Issues	(145,786)	(30)	(2,440)	(17)	(12,228)	(846)	(34,129)	(8,424)	**(203,900)**
Closing balance	-	-	-	-	-	-	-	-	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

ANNEXURE 7

MOVEMENT IN CAPITAL WORK IN PROGRESS

Movement in capital work in progress for the year ended 31 March 2024

	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	22,746	97,491	(83,417)	36,820
Non-residential buildings	13,177	70,921	(51,462)	32,636
Other fixed structures	9,569	26,570	(31,955)	4,184
TOTAL	**22,746**	**97,491**	**(83,417)**	**36,820**

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

	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	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

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

TOTAL	**84,240**		**97,168**	**(158,662)**	**22,746**

ANNEXURE 8

INTERENTITY ADVANCES PAID (Note 13)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/3/2024	31/03/2023	31/3/2024	31/03/2023	31/3/2024	31/03/2023
	R'000	R'000	R'000	R'000	R'000	R'000
PUBLIC ENTITIES						
ECRDA	11,486	-	-	-	11,486	-
Subtotal	**11,486**	**-**	**-**	**-**	**11,486**	**-**

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2024

ANNEXURE 8

ANALYSIS OF PREPAYMENTS AND ADVANCES

Name of Entity	Sector of the entity	Description of the item paid for	Classification category	Total Contract Value	Balance outstanding as at 31 March 2023	Total amount prepaid /advanced in the current year	Less: goods, services or capital assets received in the current year	Add/Less: Other	Balance outstanding as at 31 March 2024
				R'000	R'000	R'000	R'000	R'000	R'000
Advances							s		
ECRDA	Agricultural	Cannabis Development Project	Public entities	10,450	-	10,450	(1,725)	-	8,725
ECRDA	Agricultural	RED Hubs	Public entities	4,700	-	4,700	(3,939)	-	761
ECRDA	Agricultural	Commodity Revolving Credit	Public entities	2,000	-	2,000	-	-	2,000
Total advances	**s**			**17,150**	**-**	**17,150**	**(5,664)**	**-**	**11,486**
TOTAL ADVANCES				**17,150**	**-**	**17,150**	**(5,664)**	**-**	**11,486**