

ANNUAL REPORT

2022

2023

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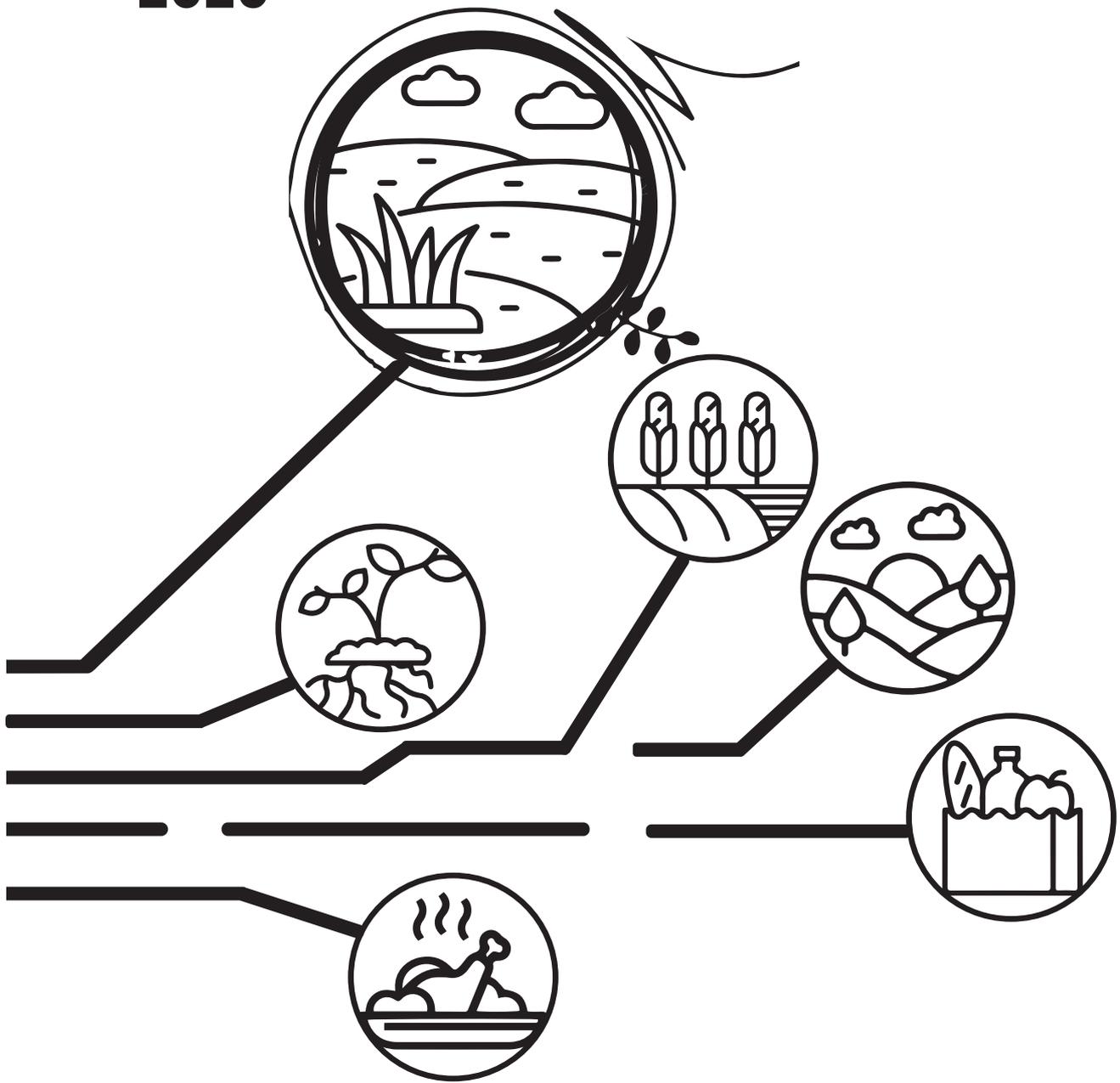
agriculture, land reform
& rural development

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



**ANNUAL
REPORT
2022

2023**



Contents

PART A: GENERAL INFORMATION

1. General information.....	2
2. Acronyms.....	3
3. Foreword by the minister.....	5
4. Report by the Accounting Officer.....	7
5. Statement of responsibility and confirmation of accuracy of the Annual Report	13
6. Strategic Overview	13
7. Legislative and other Mandates.....	13
8. Organisational Structure.....	16
9. Entities reporting to the minister.....	17

PART B: PERFORMANCE INFORMATION

1. Auditor-General's report: Predetermined Objectives	20
2. Overview of departmental performance	20
3. Progress towards achievement of institutional impacts and outcomes	23
4. Institutional programme performance information.....	25
5. Transfer payments.....	43
6. Capital investment.....	46
7. Conditional grants.....	48

PART C: GOVERNANCE

1. Introduction	67
2. Risk management.....	67
3. Fraud and corruption	67
4. Minimising of conflict of interest.....	68
5. Code of Conduct.....	68
6. Health, safety and environmental issues.....	68
7. Portfolio committees	76
8. SCOPA resolutions	80
9. Prior modifications to audit reports	80
10. Internal Control Unit.....	82
11. Internal Audit and Audit Committees	82
12. Audit Committee Report	83
13. B-BBEE compliance performance information	86

PART D: HUMAN RESOURCE MANAGEMENT

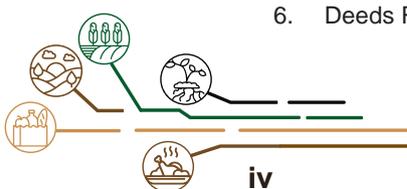
1. Legislation that governs human resource management.....	89
2. Introduction.....	89
3. Human Resource Oversight Statistics.....	94

PART E: PFMA COMPLIANCE REPORT

1. Department of Agriculture, Land Reform and Rural Development	134
2. Agricultural Land Holdings Account.....	141
3. Deeds Registration Trading Entity	149

PART F: FINANCIAL INFORMATION

1. Report of the Auditor-General on the Department of Agriculture, Land Reform and Rural Development	158
2. Annual Financial Statement of the Department of Agriculture, Land Reform and Rural Development	167
3. Report of the Auditor-General to Parliament on the Agricultural Land Holdings Account.....	334
4. Agricultural Land Holdings Account: Annual Financial Statements	342
5. Report of the Auditor-General on the Deeds Registration Trading Entity.....	381
6. Deeds Registration Trading Entity: Audited Annual Financial Statements	383





PART A

General information

1. General information

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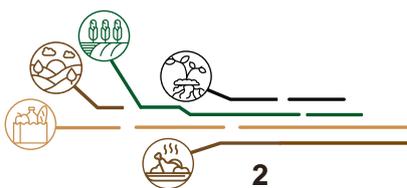
Evictions toll-free number: 0800 007 095

Telephone number: 012 312 8911

Website: www.dalrrd.gov.za

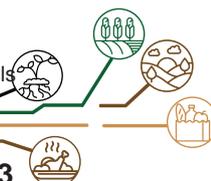
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2. Acronyms

AAMP	Agriculture and Agro-Processing Master Plan	DR	Disaster Recovery
AfCFTA	African Continental Free Trade Agreement	DRDLR	Department of Rural Development and Land Reform
ADEP	Aquaculture Development and Enhancement Programme	EC	Eastern Cape
AFF	Agriculture, Forestry and Fisheries	E-Cert	Electronic Certificate
AGSA	Auditor-General of South Africa	EDRS	Electronic Deeds Registration System
AgriBEE	Agriculture Black Economic Empowerment	EDTM	Economic Development, Trade and Marketing
AFS	Annual Financial Statement	EE	Employment Equity
ALHA	Agricultural Land Holding Account	ESTA	Extension of Security of Tenure Act
AO	Accounting Officer	EXCO	Executive Committee
APHFS	Agriculture Production, Health and Food Safety	FFP	Fit-For-Purpose
APP	Annual Performance Plan	FID	Forensic Investigation Directorate
APS	Agricultural Products Standards	FM	Fisheries Management
ARC	Agricultural Research Council	FMD	Foot-and-Mouth Disease
AU	African Union	FSAR	Food Security and Agrarian Reform
AVMP	Animal and Veld Management Programme	FNRM	Forestry and Natural Resources Management
BAS	Basic Accounting System	FPSU	Farmer Production Support Unit
BBTV	Banana Bunchy Top Virus	FS	Free State
BEE	Black Economic Empowerment	GADI	Grootfontein Agricultural Development Institute
BMA	Border Management Authority	GAP	Good Agricultural Practices
BRRR	Budgetary Review and Recommendation Report	GCF	Gross Capital Formation
CAPEX	Capital Expenditure	GNSS	Global Navigation Satellite System
CASP	Comprehensive Agricultural Support Programme	GMO	Genetically Modified Organisms
CCAMP	Climate Change Adaptation and Mitigation Plan	GPSSBC	General Public Service Sector Bargaining Council
CCS	Compulsory Community Service	GRAP	Generally Recognised Accounting Practice
CFP	Customer Feeding Programme	EPWP	Expanded Public Works Programme
CFO	Chief Financial Officer	ha	Hectares
CPA	Communal Property Association	HOA	Home Owners Allowance
CLCC	Chief Land Claims Commissioner	HOD	Head of Department
CPI	Consumer Price Index	HR	Human Resources
CSD	Central Supplier Database	HRD	Human Resource Development
CORS	Continuously Operating Reference Stations	HRPIR	Human Resource Planning Implementation Report
CS	Corporate Services	HRMD	Human Resource Management and Development
CSA	Climate Smart Agriculture	HSRC	Human Sciences Research Council
CSG	Chief Surveyor-General	HS	Harmonised System
CSD	Central Supplier Database	ICAS	Independent Counselling and Advisory Services
CSS	Corporate Support Services	ICM	Internal Communication Messenger
CRG	Chief Registrar of Deeds	ICT	Information and Communication Technology
DAFF	Department of Agriculture, Forestry and Fisheries	ICT/DRP	Information and Communication Technology/ Disaster Recovery Plan
DALRRD	Department of Agriculture, Land Reform and Rural Development	IDMS	Infrastructure Delivery Management System
DBC	Departmental Bargaining Chamber	IPCC	Integrated Rural Development Sector Strategy
DBSA	Development Bank of South Africa	IRDSS	Integrated Rural Development Sector Strategy
DDF	Departmental Disability Forum	ISA	International Standards on Auditing
DFEE	Department of Forestry, Fisheries and the Environment	ITB	Ingonyama Trust Board
DEXCO	Departmental Executive Committee	KyD	Kaonafatso ya Dikgomo
DG	Director-General	KZN	KwaZulu-Natal
DITC	Departmental Information Technology Committee	JE	Job Evaluation
DNS	Domain Name System	LDS	Land Development Support
DORA	Division of Revenue Act	LP	Limpopo
DPME	Department of Planning, Monitoring and Evaluation	LRTA	Land Reform Tenure Administration
DPWI	Department of Public Works and Infrastructure	M&E	Monitoring and Evaluation
DSBD	Department of Small Business and Development	MAFISA	Micro Agricultural Financial Institutions of South Africa
DTA	Department of Traditional Affairs	MEC	Member of Executive Committee
		MINMEC	Ministers and Members of Executive Councils
		MINTECH	Ministerial Technical Committee



MP	Mpumalanga	REID	Rural Enterprise and Industrial Development
MOA	Memorandum of Agreement	RDS	Rural Development Strategy
MPSA	Minister of Public Service and Administration	RHD	Rabbit Haemorrhagic Disease
MTEF	Medium Term Expenditure Framework	RID	Rural Infrastructure Development
MTSF	Medium Term Strategic Framework	RLCC	Regional Land Claims Commissioner
NAMC	National Agricultural Management Council	RSSC	Regional Shared Services Centres
NARYSEC	National Rural Youth Service Corps	RMC	Risk Management Committee
NC	Northern Cape	RMP	Risk Management Policy
NCOP	National Council of Provinces	RVCP	River Valley Catalytic Programme
NDMC	National Disaster Management Centre	SA	South Africa
NEDLAC	National Economic Development and Labour Council	SACU	Southern African Customs Union
NERPO	National Emerging Red Meat Producers Organisation	SACU/EFTA	Southern African Customs Union/European Free Trade Agreement
NFNSSC	National Food and Nutritional Security Coordinating Committee	SACU/MERCUSOR	Southern African Customs Union/Southern African Market
NGI	National Geospatial Information	SADC	Southern African Development Community
NGMS	National Geospatial Management Services	SADC/EU-EPA	Southern African Development Community European Union - Economic Partnership Agreement
NSDF	National Spatial Development Framework	SA-GAP	South African Good Agricultural Practices
NMOG	National Macro Organisation of Government	SAFCOL	South African Forestry Company
NO	National Office	SAVC	South African Veterinary Council
NT	National Treasury	SCRL	South Coast Rock Lobster
NSAA	National Spatial Action Areas	SCM	Supply Chain Management
NW	North West	SDIA	Spatial Data Infrastructure Act
OBP	Onderstepoort Biological Products	SDIP	Service Delivery Improvement Plan
ODG	Office of the Director-General	SEDA	Small Enterprise Development Agency
OHS	Occupational Health and Safety	SEIAS	Socio Economic Impact Assessment System
OSCA	Owen Sitole College of Agriculture	SES	Stakeholder Engagement Strategy
OSD	Occupation Specific Dispensation	SETA	Sector Education and Training Authority
OVG	Office of the Valuer-General	SHEP	Smallholder Horticultural Empowerment and Promotion
PAA	Protected Agricultural Area	SIU	Special Investigating Unit
PAPA	Performing Animals Protection Act	SLA	Service Level Agreement
PDA	Provincial Department of Agriculture	SMS	Senior Management Services
PE	Public Entity	SOE	State-Owned Enterprises
PERSAL	Personal and Salary System	SONA	State of the Nation Address
PES	Presidential Employment Stimulus	SOP	Standard Operating Procedure
PFMA	Public Management Finance Act	SSR	Strengthening of Relative Rights
PLAS	Proactive Land Acquisition Strategy	SPLUM	Spatial Planning and Land Use Management
PMDS	Performance Management and Development System	TARDI	Tsolo Agriculture and Rural Development Institute
PPME	Policy, Planning and Monitoring and Evaluation	TFTA	Tripartite Free Trade Area
PPE	Personal Protective Equipment	the dtic	Department of Trade, Industry and Competition
PPECB	Perishable Products Export Control Board	TOR	Terms of Reference
PPR	Peste des Petites Ruminants	TRANCRAA	Transformation of Certain Rural Areas Act
PPR	Preferential Procurement Regulation	TUP	Temporary unplanted area
PRECA	Prevention and Combating of Corrupt Activities Act	UAT	User Acceptance Testing
PSCBC	Public Service Coordinating Bargaining Council	WC	Western Cape
PSETA	Public Service Education and Training Authority	WCRL	West Coast Rock Lobster
PSSC	Provincial Shared Services Centre	WSP	Workplace Skills Plan
Q1	Quarter 1	WTO	World Trade Organization
Q2	Quarter 2	WWTG	World Wine Trade Group
Q3	Quarter 3	YES	Youth Empowerment Strategy
Q4	Quarter 4	YLDP	Youth Leadership Development Programme
RAC	Risk and Compliance		
RADP	Recapitalisation and Development Programme		

3. Foreword by the minister



MRS AT DIDIZA, MP

Our legislation and policies have over time enabled farmers and agribusinesses to build a resilient, competitive, and inclusive agriculture and food system in the country. South Africa's agriculture and food strategy has been premised on three areas:

- Bringing new aspirant Black farmers to create an inclusive and stable sector;
- Securing new trade agreements to expand production and generate foreign earnings; and
- Balancing the introduction of technologies with job creation to safeguard employment.

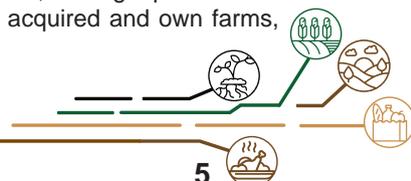
Due to these strategic interventions in agriculture and markets, the value of South African agricultural output has more than doubled between 1994 and 2023. The country now exports over US\$12,8 billion of agricultural products a year, which is roughly half of the production each year to more than 181 countries across the world. New and better opportunities have been created for our farmers to export to many parts of the world and grow our agricultural sector.

Despite adopting technologies and machinery to improve productivity and efficiency in the past 30 years, agricultural employment has remained stable at around 845 000 people. Between 2019 and 2023, the sector created 113 000 new jobs. At the end of the reporting period, employment within the sector stood at 888 000, a bullish upward trajectory for sector employment. Agriculture therefore presents an opportunity to address unemployment, contributing to economic growth and ensuring food security. The Agriculture and Agro-Processing Master Plan – a co-created plan crafted by Government, industry, labour, and communities will ensure that post-COVID-19 this sector can build back better through attracting new investments beyond the commercial farming areas to new growth frontiers that include the rural and tribal areas.

Rural areas have been confirmed to possess high potential areas for the expansion of agriculture and enhancing the role of Traditional Leaders in agricultural development. The Presidential Employment Stimulus Initiative (PES), championed by President Ramaphosa during COVID-19, targeted and reached over 100 000 subsistence and small-scale farmers between 2020 and 2022, consequently revitalising about 320 000 ha of tribal land into production.

Today, the contribution of Black farmers has improved to almost 11% share of total output in agriculture from a close to zero base in 1994. Some of this produce is marketed on the global markets, ensuring even village farmers are known and respected on the world stage. However, this is far from this sector reflecting an inclusive and prosperous sector. Through the AAMP, the sector intends to continue to grow participation of Black farmers in the industry through targeted farmer support programmes such as the Comprehensive Agricultural Support Programme (CASP), Land Development Support, Ilima/Letsema and the use of Agricultural Trusts and industry levies.

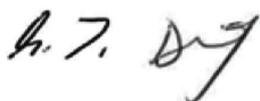
Our broad land reform policy framework is premised on redressing the injustices of the past and through its implementation from 1994 to date, private citizens have accessed land, either farm, residential or industrial, through private and governmental mechanisms. Additionally, Black people in this dispensation can say they have acquired and own farms,



malls, industrial parks and houses; a democratic dividend made possible by changes in the land policies and legislations. Almost 94% of land claims lodged in 1998 have been successfully settled, benefiting 2,3 million people who now own 4 million ha. An additional R22,5 billion has been spent on financial compensation for those beneficiaries who opted for financial compensation. Furthermore, 5,2 million ha was acquired to strengthen the tenure security of vulnerable persons and promote the asset accumulation of women and youth and their participation in production. However, there are areas of land reform where acceleration is needed, including finalising the old order claims, concluding on labour tenants, claims and addressing the governance in the administration of land under landholding of Community Property Associations.

One of the central tenets of our focus is to bolster rural development in South Africa. In 2022, the Integrated Rural Development Sector Strategy (IRDSS) was revised to bring sharper focus into coordination of the revitalisation of rural economies through the District Development Model (DDM). Through the IRDSS and its predecessor policies, the government has invested more than R1,76 billion in implementing 680 infrastructure projects. These projects and programmes contributed to improving agricultural production, agro-processing, and the quality of life of rural communities. Youth have been assisted through the NARYSEC Programme so that they can become economically active and contribute towards the upliftment of their rural communities. Partnerships have been established through NARYSEC with public and private sector partners such as BIDVEST, Protea Coin, Clicks Company, the motor industry, Ampath Laboratories and pharmaceutical companies to create economic opportunities for the youth. To date in this sixth administration, 9,907 youth have been certified through NARYSEC.

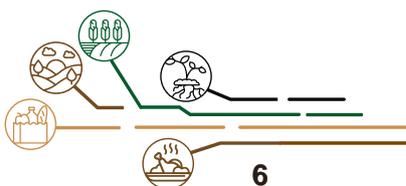
The Administration of the merged department is stabilising, and most top management positions have been filled except those with recent attrition. The audit opinion on the department has improved, and the level of performance has significantly improved in the reporting period, however, there remains historic qualification of ALHA that will remain until full accounting for the fund has been concluded. The department is finalising this process. To enhance Performance Management and Development System, the department is developing an e-Performance Management System. This digital transformation will improve compliance and monitoring within the department.



MRS AT DIDIZA, MP

MINISTER OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT

DATE: 13 JANUARY 2024



4. Report by the Accounting Officer



MR M RAMASODI

This 2022/23 Annual Report is delivered as the penultimate report of the 6th Administration. This report takes a new form of reporting, which places a sharper focus on accountability and detail on governance. Both financial and non-financial performance have improved during this reporting period, with financial performance pegged at 98% and non-financial performance at just over the 80% mark. The audit opinion for the Department of Agriculture, Land Reform and Rural Development (DALRRD) is unqualified. However, these areas of improvement call for greater effort in addressing matters of audit emphasis, better delivery of services and compliance to the Public Finance Management through implementation of sound risk management measures. This report is divided into the following sections:

Part A: General Information;

Part B: Performance Information;

Part C: Governance;

Part D: Human Resource Management;

Part E: PFMA Compliance; and

Part F: Financial Information.

Over the medium-term, agriculture, land reform and rural development have faced a plethora of challenges. These included COVID-19, inclement weather, outbreak of pests and diseases, trade disputes, and geopolitical tensions. The Report of the Intergovernmental Panel on Climate Change (IPCC, 2022) indicates that increased heatwaves, droughts and floods are already exceeding plants' and animals' tolerance thresholds, driving mass mortalities in species such as trees and corals. Such weather extremes are occurring simultaneously, causing cascading impacts that are increasingly difficult to manage. These also have an impact on the outbreak, establishment and spread of pests and diseases in new geographic zones. It is therefore important in our development initiatives to implement multi-variate models that would ensure faster recovery and sustainability of our sectors.

The agricultural sector in South Africa consists of three (3) main sub-sectors being livestock, horticulture, and field crops. The livestock industry is the biggest in terms of value, while the fruit industry is the main foreign exchange earner. Interestingly, a significant portion of livestock herds are on the balance sheet of poor households in provinces such as Eastern Cape and KwaZulu-Natal. Consistent with the value chain approach by the Agriculture and Agro-Processing Master Plan,



the total land planted for maize was 2,3 million ha while soya bean plantings were recorded at 1,48 million ha. The agricultural sector recorded employment of 888 000 people during peak production season. Furthermore, agriculture contributed roughly 2% to the GDP, juxtaposing the contribution of the agro-processing industry at almost 4%. Cumulatively, the agriculture and agro-processing sectors contributed more than 6% to the GDP. The Gross Capital Formation (GCF) in agriculture increased to R24,5 billion from R20,6 billion. The GCF is an indicator of investment in machinery and equipment. The sector therefore remains fertile for growth and the AAMP remains a plan that can assist us to address the impediments identified in the sector.

In the reporting period, agricultural exports were the mainstay, reaching \$12,8 billion. The major and leading export crops were fruit and wine. In contrast, imports amounted to \$7 billion. The top imported products were rice, palm oil, wheat and poultry. The African Continental Free Trade Agreement (AfCFTA) provides the basis for increasing intra-Africa trade. The AfCFTA market accounts for 37% of agricultural exports while Asia is the second-largest export destination at 27% of the total share. BRICS also provides an opportunity for growth in agriculture, and exports of its commodities as BRICS member countries represent about 42% of the global population and 30% of the world's territory. In the reporting period, the DALRRD facilitated market access for wool, avocado and beef to China. In line with the aspirations of the AAMP, concerted efforts by DALRRD are underway to access markets in India, Japan, South Korea, Saudi Arabia, Mexico, the Philippines and the United States of America (US) for a variety of commodities. With the African Growth and Opportunity Act (AGO) due for renewal, work on areas in agriculture is unfolding.

Land is the central productive asset for farming and a foundational asset upon which economies are built. It is therefore crucial to ensure land tenure security for empowerment of Black farmers, especially women, youth and persons with disabilities. This security has to be at micro-level as agricultural producers in a household, and at a macro-level, for unlocking transformative social and economic benefits. The DALRRD is diligently implementing the 2020 Beneficiary Selection and Land Allocation Policy in order to overcome gender biases in property rights systems. Land reform programmes are fundamental to ameliorate the triple challenges of inequality, poverty and unemployment.

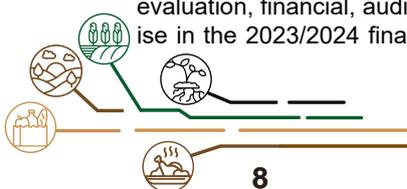
A total of 355 land claims were settled. Moreover, a total of 50 700 ha of strategically located land was acquired. A total of 5 270 ha of land was acquired for farm dwellers. The Special Master of Labour Tenants has, in his oversight, supervision and monitoring of labour tenants' issues, guided the department on claims that are to be settled using new criteria. In this adaptive phase settling the labour tenants' claims has been slower, but with new measures in place, it is expected that this work will significantly improve in the 2023/2024 financial year. In the land administration space, the electronic land registration system has been delayed due to issues relating to procurement which are being given attention within Deeds Registry. The National Spatial Development Framework is being implemented and substantial progress has been registered. There is likely to be a function shift of this area to the Department of Performance, Monitoring and Evaluation.

Despite several legislative frameworks introduced in the land sector, the State continues to hold in trust no less than 17 million ha of communal land on behalf of rural communities. In addressing this crucial aspect of land reform, provincial stakeholder meetings were held in preparation for the Summit on Land Administration and Land Tenure Reform. This Summit was held in May 2022 and its proceedings and recommendations are under consideration by the relevant oversight institutions. It is expected that once approved, these will shape the Communal Land Tenure Policy and Communal Land Tenure Bill to provide policy certainty. Disputes relating to Communal Property Associations (CPAs) remain topical in several areas of our country. While there are flourishing CPAs, there are also a high number of CPAs that are not compliant with the Communal Property Associations Act of 1998. A concerted effort towards training these CPAs' executives on governance has begun and during this reporting period, a total of 3 064 members of executive committees of various CPAs have been trained.

The 2022 approved Integrated Rural Development Sector Strategy and operationalisation of the Rural Development Standardised Indicators provided an opportunity to achieve increased skills and capacity development in rural areas, improving government rural infrastructure governance and providing clarity on duties and responsibilities across the various spheres of government functionaries. Consultation with various stakeholders has yielded positive results and reports on rural development will be coordinated through the DALRRD, enabling better implementation within the District Development Model (DDM). During this reporting period, coordination of the DDM in our sectors will assist in providing better infrastructure for the operationalisation of Farmer Production Support Units (FPSU) and better coordination of the National Rural Youth Service Corps (NARYSEC).

The DALRRD has in the reporting period worked on five Bills that are aimed at introducing improved provisions for sector role players. These Bills are in Parliament for consideration. These are the Agriculture Produce Agents Amendment Bill, the Agricultural Product Standards Amendment Bill, Deeds Registries Amendment Bill, Plant Health Bill and the Preservation of Agricultural Land Bill. The DALRRD has also worked on policies advancing agrarian reform and biosecurity measures. In recognising that the policy space remains ineffective and inert in the absence of evidence-based research, the DALRRD is working with the Agricultural Research Council and the National Agricultural Marketing Council to ensure sound scientific and economic research to guide policy formulation.

The DALRRD is forming into improved organisational performance through various interventions in planning, monitoring, evaluation, financial, audit and risk management. However, the delayed fit-for-purpose structure, which we intend to finalise in the 2023/2024 financial year, is causing operational flux, especially through duplication of certain functions in the



start-up structure. This duplication of functions also finds expression in the national provincial department interface. To address these inefficiencies, the department is working through MINMEC to better position Government to deliver services in the sector. Proposals on better structuring are at an advanced stage and these are expected to bring better alignment and optimise efficient resource management.

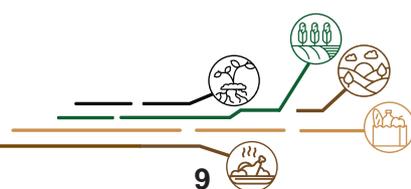


MR M RAMASODI

ACCOUNTING OFFICER

DEPARTMENT OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT

DATE: 13 JANUARY 2024



Overview of the financial results of the department

Departmental receipts

Departmental receipts	2022/2023			2021/2022		
	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	255 481	300 001	(44 520)	241 899	277 520	-35 621
Transfers received	1 262	145	1 117	1 200	944	256
Fines, penalties and forfeits	0	0	0	0	0	0
Interest, dividends and rent on land	17 555	43 251	(25 696)	16 688	18 854	-2 166
Sale of capital assets	0	1 175	(1 175)	0	0	804
Financial transactions in assets and liabilities	7 237	19 559	(12 322)	6 879	14 634	-6 951
Total	281 535	364 131	(82 596)	266 666	311 952	-45 286

The department's revenue increased from R311,952 million in 2021/22 to R364,131 million in 2022/23. This is mainly owing to an increase in economic activities for services such as inspection fees: statutory services. Furthermore, following due processes, land to the value of R1,175 million was sold. An interest was also received from dedicated bank account memorandums of understanding (MoUs)/service level agreements (SLAs).

Programme expenditure

The department's expenditure increased from R16,760 billion in 2021/22 to R17,106 billion in 2022/23, mainly due to the control of the Foot-and-mouth disease and increased support to industrial and enterprise development projects. In terms of the budget allocated for 2022/23, the department spent R17,106 billion or 98% of the final appropriation of R17,534 billion, leaving a total of R427,9 million in unspent funds. These funds were not spent due to delays in the recruitment process owing to a lack of capacity involved in the process, technical issues such as long turn-around times in receiving quotations for the procurement of ICT services and failure to receive products ordered from overseas timeously. In addition to this, funds were also not spent due to delays in the finalisation and submission of the inspection report for the construction of the new Head Office premises and non-payment of stipends for National Rural Youth Service Corps (NARYSEC) students who attended the Youth Leadership Development Programme (YLDP) as per the new policy, which prohibits payment for attending the YLDP, as well as outstanding invoices regarding membership subscription fees to international organisations.

Subprogrammes	2022/23			2021/22		
	Final Appropriation	Actual Expenditure	Variance	Final Appropriation	Actual Expenditure	Variance
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	3 358 572	3 211 804	146 768	3 303 858	3 303 826	32
Agricultural Production, Biosecurity And Natural Resources Management	3 143 110	3 123 101	20 009	2 507 679	2 471 198	36 481
Food Security, Land Reform And Restitution	8 930 817	8 709 812	221 005	9 483 432	8 609 861	873 571
Rural Development	613 625	579 514	34 111	993 285	919 552	73 733
Economic Development, Trade And Marketing	839 263	833 982	5 281	994 394	804 453	189 941
Land Administration	648 256	647 547	709	740 612	651 040	89 572
Total	17 533 643	17 105 760	427 883	18 023 260	16 759 930	1 263 330

Virement

Programmes	Adjusted appropriation	Virement	Final appropriation
	R'000	R'000	R'000
Administration	3 427 228	(68 656)	3 358 572
Agricultural Production, Biodiversity and Resource Management	3 247 144	(104 034)	3 143 110
Food Security, Land Reform and Restitution	8 881 304	49 513	8 930 817

Rural Development	632 656	(19 031)	613 625
Economic Development, Trade and Marketing	678 726	160 537	839 263
Land Administration	666 585	(18 329)	648 256
Grand total	17 533 643	-	17 533 643

Unspent funds were shifted from the following programmes: Programme 1: Administration (R68,7 million); Programme 2: Agricultural Production, Biosecurity, Natural Resources and Disaster Management (R104,0 million); Programme 4: Rural Development (R19,0 million); and Programme 6: Land Administration (R18,3 million).

The unspent funds were shifted to Programme 3: Food Security, Land Reform and Restitution to cater for a shortfall regarding the acquisition of land amounting to R26,0 million, administration fees for agricultural projects, including the Presidential Employment Stimulus (PES) initiative, and transport costs for the delivery of agricultural inputs to farmers amounting to R45,2 million. Unspent funds were also shifted to Programme 5: Economic Development Trade and Marketing to cater for the R160,5 million shortfall regarding support to industrial and enterprise development projects.

Rollover

The department requested the National Treasury to approve a rollover of unspent funds amounting to R374,299 million from 2022/23 to 2023/24 from various economic classifications, of which R220,541 million is from the compensation of employees, R87,319 million from goods and services, R52,403 million from households and R14,036 million from machinery and equipment.

These funds are to accommodate the employment and payment of 10 000 extension officers, as was pronounced by the Minister of Finance in the Budget Speech; upgrading of information technology processes; and settlement of labour tenants' legal matters. The aforementioned are crucial existing commitments that could not be provided for from the 2022/23 budget allocation.

Irregular expenditure

The department registered an increase in irregular expenditure from R5,519 million in 2021/2022 to R15,369 million in 2022/2023. The new cases are made of the following:

- A spending of R15,031 million as a result of the department failing to get approval from National Treasury for deviation as required in terms of supply chain processes;
- An amount of R308 thousand because of the department advertising a bid for 19 days instead of 21 days; and
- An amount of R25 thousand spent as a result of the department obtaining less than three quotations.

Fruitless and wasteful expenditure

The department recorded an increase in fruitless and wasteful expenditure from R33 thousand in the 2021/2022 financial year to R30,055 million in 2022/2023.

The new cases consisted of the following:

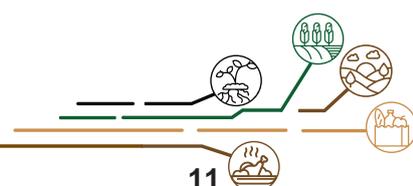
- R31 thousand was for interest charged by a service provider on invoices that the department failed to pay within the required timeframe; and
- R30,024 million was identified by a forensic investigation.

Mitigation plan

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

Public-private partnerships

The department finalised the construction of the new Head Office premises through a public-private partnership (PPP). The practical completion was achieved at the end of February 2023, and the occupation certificate was issued on 16 March 2023. The building has 82 447,7 square metres of floor space and 1 042 parking bays. The department is in the process of relocating to the new PPP building and it is planned that the process will be finalised at the end of August 2023.



New or proposed key activities

Percentage of deeds made available within seven days of lodgment.	95%
Percentage of registered deeds delivered within 10 days from the date of registration.	95%
Hemp Seed Certification Scheme developed.	Hemp Seed Certification Scheme submitted to the minister for approval.

Supply Chain Management

Subsequent to the Preferential Procurement Regulations of 2022 issued by the National Treasury, the department revised the Demand and Acquisition Management Policy to align it with the new regulations. This was approved on 16 January 2023. The policy has been rolled out to the Head Office branches and Provincial Shared Service Centres (PSSCs).

Gifts and donations

Refer to Part F—annual financial statements, Annexure 1H.

Exemptions and deviations from the National Treasury.

Deviations approved: 2022/2023 financial year

No.	Description	Supplier/service provider	Amount (R)	Approval date
1	Request for approval for the procurement of 38 000 litres of liquid insecticide (Sumi Alpha) for the control of the huge brown locust outbreak under emergency cases.	Philagro South Africa	2 403 500,00	2022/04/19
2	Request for approval for the procurement of 200 000 litres of liquid insecticide (Sumi Alpha) for the control of the huge brown locust outbreak under emergency cases.	Philagro South Africa	13 800 000,00	2022/05/05
3	Procurement of Esoft Electronic Document Management System (EDMS) software licenses and customisation from a sole supplier.	Edge Consulting	9 798 345,00	2022/11/29
4	Procurement of avicide (Falcolan) for the control of quelea birds.	Philagro South Africa	8 000 000,00	2022/11/10
5	Request to obtain approval to deviate from the prescribed supply chain management process for bids and quotations to procure bacterial larvicide for the control of blackfly outbreaks.	Philagro South Africa	4 816 890,00	2022/11/10
6	Request for approval for deviation from the normal bidding process to procure an insecticide for the control of the locust outbreak through limited bidding.	Avima	219 000 000,00	2022/12/07
7	Request for approval for deviation from prescribed supply chain management processes for bids and quotations to procure larvicide (Vectobac) for the control of blackfly larvae outbreaks from a sole supplier.	Philagro South Africa	11 902 500,00	2023/03/31
8	Request for approval for deviation from prescribed supply chain management processes for bids and quotations to procure avicide for the control of quelea birds from a sole supplier.	Philagro South Africa	8 786 000,00	2023/03/31

Events after the reporting date

Minister Thoko Didiza hosted the 13th Meeting of BRICS Ministers of Agriculture from 8 to 12 August 2023 at Mookgophong in the Waterberg District of Limpopo. BRICS is the grouping of the world's leading emerging market economies, namely Brazil, Russia, India, China and South Africa. The aim of the meeting was to increase cooperation among member countries to promote sustainable and fair growth. The theme of the meeting was "Strengthening collaborations towards sustainable agricultural production and increasing productivity". The meeting focused on pursuing issues of common interest relating to food security, climate change, rural development, economic challenges, poverty and population growth.

5. Statement of responsibility and confirmation of accuracy of the Annual Report

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

All information and amounts disclosed throughout the Annual Report are consistent.

The Annual Report is complete, accurate and is free from any omissions.

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

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

The Accounting Officer is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resource information and the Annual Financial Statements.

The external auditors are engaged to express an independent opinion on the Annual Financial Statements.

In my opinion, the Annual Report fairly reflects the operations, performance information, human resource information and the financial affairs of the department for the financial year ended 31 March 2023.

Yours faithfully



Mr M. Ramasodi
Accounting Officer
Department of Agriculture, Land Reform and Rural Development
Date: 14/ 12/ 2023

6. Strategic overview

Vision

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

Mission

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

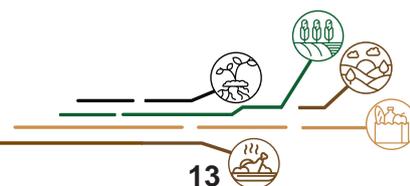
- transformed land ownership patterns
- agrarian reform
- implementation of an effective land administration system
- sustainable livelihoods
- innovative sustainable agriculture
- promotion of access to opportunities for youth, women, and other vulnerable groups
- integrated rural development

Values

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

7. Legislative and other mandates

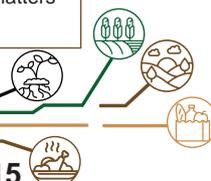
The department's legislative and policy mandates are informed by national, provincial and local legislation, and policies. The legislation and policies can be concurrent or applied to one level.



Legislation and purpose

Act, number and year	Purpose
Agricultural Debt Management Act, 2001 (Act No. 45 of 2001)	Provides for the establishment of the Agricultural Debt Account and the use of the account as a mechanism to manage agricultural debt repayment.
Agriculture Laws Extension Act, 1996 (Act No. 87 of 1996)	Provides for the extension of the application of certain laws relating to agricultural matters to certain territories, which form part of the national territory of the Republic of South Africa; the repeal of certain laws which apply in those territories; and for matters connected therewith.
Agricultural Law Rationalisation Act, 1998 (Act No. 72 of 1998)	Provides for the rationalisation of certain laws relating to agricultural affairs that remained in force in various areas of the national territory of the Republic prior to the commencement of the Constitution of the Republic of South Africa.
Agricultural Pests Act, 1983 (Act No. 36 of 1983)	Provides for measures by which agricultural pests may be prevented and combated.
Agricultural Produce Agents Act, 1992 (Act No. 12 of 1992)	Provides for the establishment of an Agricultural Produce Agents Council and fidelity funds in respect of agricultural produce agents and for the control of certain activities of agricultural produce agents.
Agricultural Product Standards Act, 1990 (Act No. 119 of 1990)	Provides for the control over the sale and export of certain agricultural products; control over the sale of certain imported agricultural products; and control over other related products.
Agricultural Research Act, 1990 (Act No. 86 of 1990)	Provides for the establishment of a juristic person to deal with agricultural research; and the determination of its objects, functions, powers and duties.
Animal Diseases Act, 1991 (Act No. 35 of 1984)	Provides for the control of animal diseases and parasites, and for measures to promote animal health.
Animal Identification Act, 2002 (Act No. 6 of 2002)	Provide the consolidation of the law relating to the identification of animals and incidental matters.
Animal Improvement Act, 1998 (Act No. 62 of 1998)	Provides for the breeding, identification and utilisation of genetically superior animals to improve the production and performance of animals.
Animals Protection Act, 1962 (Act No. 71 of 1962)	Provides the consolidation and amendment of the law relating to the prevention of cruelty to animals.
Communal Property Associations Act, 1996 (Act No. 28 of 1996)	Makes provision for communities to form juristic persons, to be known as communal property associations, to acquire, hold and manage property on a basis agreed to by members of a community. This must be done in terms of a written constitution.
Conservation of Agricultural Resources, 1983 (Act No. 43 of 1983)	Provides for control over the utilisation of the natural agricultural resources of the Republic to promote the conservation of the soil, water sources and vegetation; and the combating of weeds and invader plants.
Deeds Registries Act, 1937 (Act No. 47 of 1937)	Provides for provision for the administration of the land registration system and the registration of rights in land. Through the Office of the Chief Registrar of Deeds, the department is mandated to register title.
Extension of Security of Tenure Act, 1997 (Act No. 62 of 1997)	Makes provision for the facilitation of long-term security of land tenure, to regulate the conditions of residence on certain land and to regulate the conditions on and circumstances under which the right of persons to reside on land may be terminated.
Fencing Act, 1963 (Act No. 31 of 1963)	Provides for the consolidation of laws relating to fences and the fencing of farms and other holdings and matters incidental thereto.
Fertilizers, Farm Feeds Agricultural Remedies and Stock Remedies, 1947 (Act No. 36 of 1947)	Provides for the appointment of a Registrar of Fertilisers, Farm Feeds, Agricultural Remedies and Stock Remedies; the registration of fertilisers, farm feeds, agricultural remedies, stock remedies, sterilising plants, and pest control operators; the regulation or prohibition of the importation, sale, acquisition, disposal or use of fertilisers, farm feeds, agricultural remedies, and stock remedies; and the designation of technical advisers and analysts.
Genetically Modified Organisms, 1997 (Act No. 15 of 1997)	Provides for measures to promote the responsible development, production, use, and application of genetically modified organisms, to provide for an adequate level of protection during all activities involving genetically modified organisms that may have an adverse impact on the conservation and sustainable use of biological diversity, human and animal health.

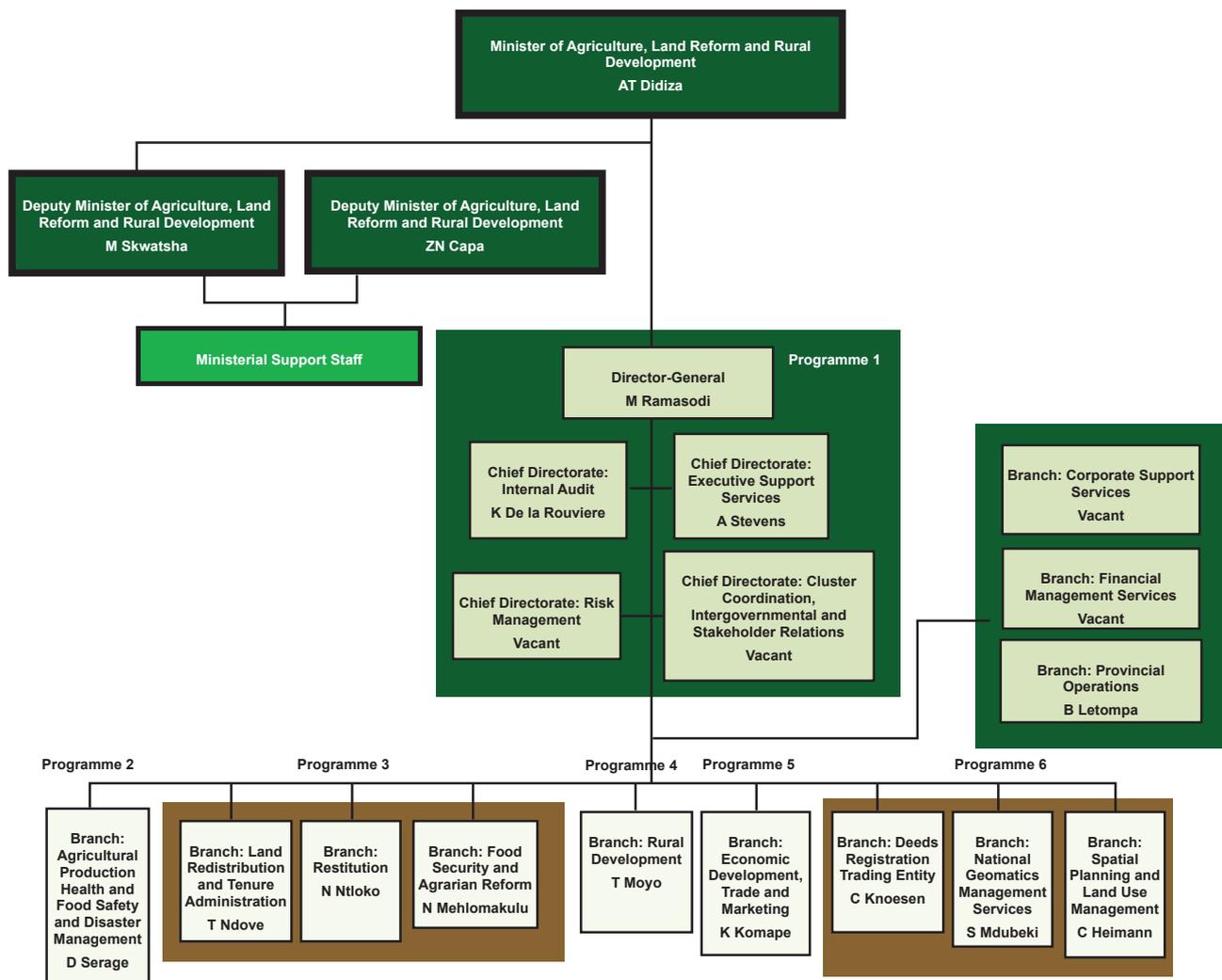
Act, number and year	Purpose
Groot Constantia Trust Act, 1993 (Act No. 58 of 1993)	Provides for the provision of the incorporation of the Groot Constantia Control Board as an association not for gain; for the transfer of the Groot Constantia Estate to the said association; and for matters connected therewith.
Interim Protection of Informal Land Rights Act, 1996 (Act No. 31 of 1996)	The Act makes provision for temporary protection of certain rights to and interests in land which are not otherwise adequately protected by law.
KwaZulu Cane Growers' Association Repeal Act, 2002 (Act No. 24 of 2002)	Provides for the repealing of the KwaZulu Cane Growers' Association Act, 1981 (Act No. 24 of 2002) and matters connected therewith.
KwaZulu-Natal Ingonyama Trust Act, 1994 (Act No. 3 of 1994)	Makes provision for the establishment of the Ingonyama Trust and for certain land to be held in trust.
Land Reform: Provision of Land and Assistance Act, 1993 (Act No. 126 of 1993)	Provides for the designation of certain land, the regulation of the subdivision of such land, and the settlement of persons on it. In addition, it provides for the acquisition, maintenance, planning, development, improvement, and disposal of property and the provision of financial assistance for land reform purposes.
Land Reform (Labour Tenants) Act, 1996 (Act No. 3 of 1996)	Provides for the provision of security of tenure for labour tenants and those persons occupying or using land because of their association with labour tenants. It also makes provision for the acquisition of land and rights in land by labour tenants.
Land Survey Act, 1997 (Act No. 8 of 1997)	Provides for the regulation of the surveying of land in South Africa.
Liquor Products Act, 1989 (Act No. 60 of 1989)	Provides for control over the sale and production for sale of certain alcoholic products, the composition and properties of such products and the use of certain particulars in connection with the sale of such products; for the establishment of schemes; and for control over the import and export of certain alcoholic products.
Marketing of Agricultural Products Act, 1996 (Act No. 47 of 1996)	Provides for the authorisation of the establishment and enforcement of regulatory measures to intervene in the marketing of agricultural products, including the introduction of levies on agricultural products; and to establish a National Agricultural Marketing Council (NAMC).
Meat Safety Act, 2000 (Act No. 40 of 2000)	Provides for measures promoting meat safety and the safety of animal products; establishes and maintains essential national standards in respect of abattoirs; regulates the importation and exportation of meat; establishes meat safety schemes; and provides for matters connected therewith.
Onderstepoort Biological Products Incorporation Act, 1999 (Act No. 19 of 1999)	Provides for the establishment of a company to manage the institution known as Onderstepoort Biological Products.
Performing Animals Protection Act, 1935 (Act No. 24 of 1935)	Provides for the regulation of the exhibition and training of performing animals and the use of dogs for safeguarding.
Perishable Products Export Control Act, 1983 (Act No. 9 of 1983)	Provides the control of perishable products intended for export from the Republic of South Africa.
Planning Profession Act, 2002 (Act No. 36 of 2002)	Provides for the establishment of the South African Council for Planners as a juristic person; provides for different categories of planners and the registration of planners; authorises the identification of areas of work for planners; recognises certain voluntary associations; protects the public from unethical planning practices; maintains a high standard of professional conduct and integrity; establishes disciplinary mechanisms and an appeal board; and provides for incidental matters.
Plant Breeders' Rights Act, 1976 (Act No. 15 of 1976)	Provides for a system under which plant breeders' rights relating to varieties of certain kinds of plants may be granted and registered; for the requirements which must be complied with for the granting of such rights; for the protection of such rights; and the granting of licenses in respect of the exercise thereof.
Plant Improvement Act, 1976 (Act No. 53 of 1976)	Provides for the registration of premises from which the sale of certain plants or the cleansing, packing and sale of certain propagating material may be undertaken; prescribes the conditions subject to which such plants or propagating material may be sold for the purposes of cultivation.
Restitution of Land Rights Act, 1994 (Act No. 22 of 1994)	Provides for the provisioning of restitution of rights in land to persons or communities dispossessed of such rights after 19 June 1913 because of past racially discriminatory laws or practices. To administer this task, the Act provides for the establishment of a Commission on Restitution of Land Rights and a Land Claims Court, and for matters connected with land restitution.
Societies for the Prevention of Cruelty to Animals Act, 1993 (Act No. 169 of 1993)	Provides for control of societies for the prevention of cruelty to animals and for matters connected therewith.



Act, number and year	Purpose
State Land Disposal Act, 1961 (Act No. 48 of 1961)	Makes provision for the disposal of certain State land and to prohibit the acquisition of State land by prescription.
Subdivision of Agricultural Land Act, 1970 (Act No. 70 of 1970)	Provides for the subdivision and, in connection therewith, the use of agricultural land.
Spatial Planning and Land Use Management Act (SPLUMA), 2013 (Act No. 16 of 2013)	Provides for the bridging of the racial divide in spatial terms and enables the transformation of the settlement patterns of this country in a manner that gives effect to key constitutional provisions, by the introduction of a new approach to spatial planning and land use management, based on the following instruments: <ul style="list-style-type: none"> Development principles, norms and standards that must guide spatial planning, land use management and land development throughout the country by every sphere of government; Spatial development frameworks, to be prepared by national, provincial and local government; Municipal wall-to-wall land use schemes to manage and facilitate land use and land development; and Land development management procedures and structures.
Transformation of Certain Rural Areas Act, 1998 (Act No. 94 of 1998)	The Act provides for the transfer of certain land to municipalities and certain other legal entities and for the removal of restrictions on the alienation of land.
Veterinary and Para-Veterinary Professions Act, 1982 (Act No. 19 of 1982)	Provides for the establishment, powers and functions of the South African Veterinary Council.

8. Organisational structure

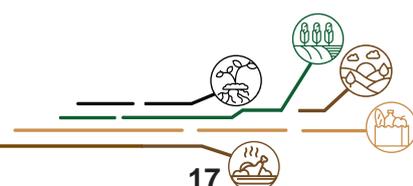
APPROVED MACRO LEVEL ORGANISATIONAL STRUCTURE



9. Entities reporting to the minister

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

Name of entity	Legislative mandate	Financial relationship	Nature of operations
Agricultural Research Council (ARC)	Agricultural Research Act, 1990 (Act No. 86 of 1990)	Transfer payment	Conducts fundamental and applied research with partners to generate knowledge, develop human capital, and foster innovation in agriculture through the development and transfer of technology; and the dissemination and commercialisation of research results.
National Agricultural Marketing Council (NAMC)	Marketing of Agricultural Products Act, 1996 (Act No. 47 of 1996)	Transfer payment	Provides strategic advice to the minister on all agricultural marketing issues; improves market efficiency and market access by all participants; optimises export earnings; and improves the viability of the agricultural sector.
Onderstepoort Biological Products (OBP)	Onderstepoort Biological Products Incorporation Act, 1999 (Act No. 19 of 1999)	None	Prevents and controls animal diseases that impact food security, human health and livelihoods. It aims to ensure financial viability to sustain the strategic capabilities in manufacturing veterinary vaccines.
Perishable Products Export Control Board (PPECB)	Perishable Products Export Control Act, 1993 (Act No. 9 of 1983) Agricultural Product Standards Act, 1990 (Act No. 119 of 1990)	Transfer payment	Food safety services; transformation; and development.
KwaZulu-Natal Ingonyama Trust Board (ITB)	Established in 1994 by the erstwhile KwaZulu Government in terms of the KwaZulu Ingonyama Trust Act, 1994 (Act No. 3KZ of 1994) to hold all the land that was owned or belonged to the KwaZulu Government.	–	Land and tenure management
Registration of Deeds Trading Account	Established as a trading entity in terms of the Public Finance Management Act, 1999 (Act No. 1 of 1999). It generates revenue by selling information and levying fees per the schedule of fees prescribed by Regulation 84 of the Act. Registers rights in land and thus provides security of title and maintains a public register.	Augmentation of the entity's budget	The core operations in terms of the Deeds Registries Act, 1937 (Act No. 47 of 1937) are as follows: Register land and real rights in land; Maintain a public land register; Provide registration information; and Maintain an archive of registered deeds and documents.
Office of the Valuer-General (OVG)	Statutory office and a Schedule 3 public entity established in terms of the Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999).	–	Property valuations



Name of entity	Legislative mandate	Financial relationship	Nature of operations
Commission on Restitution of Land Rights (CRLR)	Restitution of Land Rights Act, 1994 (Act No. 22 of 1984) emerging from Section 25(7) of the Constitution, the Restitution of Land Rights Act, as amended ("the Restitution Act") was promulgated. The long title of the Restitution Act is to "provide for the restitution of rights in land to persons or communities dispossessed of such rights after 13 June 1913 as result of past racially discriminatory laws or practices, to establish a CRLC and a Land Claims Court (LCC); and to provide for matters connected therewith". The Act also empowers the Minister of Agriculture, Land Reform and Rural Development and the LCC to make awards to restitution claimants where he or she is satisfied that there is a valid restitution claim by rewarding to the claimant, land, a portion of land or any other right in land, the payment of financial compensation, or an award or both land and financial compensation.	The CRLR still relies on the Department of Agriculture, Land Reform and Rural Development "DALRRD" in terms of the budget as part of programme 3.	Solicits, investigates and attempts to resolve land claims through negotiation and or mediation or otherwise refer the claim for adjudication to the LCC.
Wine and Spirit Board (WSB)	Liquor Products Act, 1989 (Act No. 60 of 1989) and the Wine of Origin Scheme and Scheme for Integrated Production of Wine. The board is a juristic person and is established by Section 2 of the Liquor Products Act. Members of the Board are appointed by the Minister of Agriculture, Land Reform and Rural Development as contemplated in Section 2 of the Act.	None (Activities of the board are funded by participants in the schemes). Sections 2(11) and 12 of the Liquor Products Act regulate the funding of the board. The board shall utilise its funds for the defrayal of expenses it incurred in the performance of its functions.	The board is technical and deals with the administration of the Wine of Origin Scheme and the Scheme for Integrated Production of Wine. The objectives of the scheme are to: serve as a basis for the development of the distinctiveness and quality of wines; confirm the correctness of certain indicators in connection with the origin of the wine; to create confidence in such indications.
Agricultural Produce Agents Council (APAC)	Section 2 of the Agricultural Produce Agents Act, 1992 (Act No. 12 of 1992)	None	Regulates the occupations of fresh produce, export, and livestock agents and maintains and enhances the status and dignity of those occupations and the integrity of persons practicing those occupations.
South African Veterinary Council (SAVC)	Veterinary and Para-Veterinary Professions Act, 1982 (Act No. 19 of 1982)	No, funded by registers	a) Regulates the registration of persons practicing veterinary professions and para-veterinary professions. b) Controls the practicing of veterinary professions and para-veterinary professions and for matters connected therewith.
National Council of Society for the Prevention of Cruelty to Animals (NSPCA)	Societies for the Prevention of Cruelty to Animals Act, 1993 (Act No. 169 of 1993)	No, funded from donations	Provides for the control of societies for the prevention of cruelty to animals. Promotes animal welfare and enforces the Animal Protection Act, 1962 (Act No. 71 of 1962).

PART B

Performance information



1. Auditor-General's report: predetermined objectives

The audit conclusion on the performance against predetermined objectives has been included in the report to management, with no material findings identified on the usefulness and reliability of the reported performance information for the selected programme. Please refer to page 158 of the Report of the Auditor-General, published in Part F: Financial Information.

2. Overview of departmental performance

Service delivery environment

In the 2022/23 financial year, South Africa experienced a brown locust outbreak in the Eastern Cape (EC), Northern Cape (NC), and Western Cape (WC). The locust outbreak was reported in 18 districts in EC, 15 locust districts in NC, and five locust districts in WC. Altogether 1 341 adult locust swarms, 1 928 mixed swarms and 7 431 hopper bands were controlled in the EC, NC and WC.

The department controlled quelea birds that eat grains and impact negatively on food security. A total 96 quelea bird colony outbreaks were reported in Free State (FS), Limpopo (LP), Mpumalanga (MP) and North West (NW) during the 2022/23 financial year. Based on the inspections conducted, 79 quelea control operations were executed by means of aerial spraying and fuel explosion methods. A total of R35,289 million was spent on the payment of locust outbreak control contractors, R135,707 million on the procurement of pesticides and personal protective equipment for the control of blackfly, locust and quelea outbreaks and R15,326 million on the payment of aerial spraying and fuel explosion contractors for the control of blackfly, locust and quelea outbreaks.

The sector was affected by several disasters during the financial year, resulting in losses of millions of rands in production costs. The 2022 floods affected KwaZulu-Natal (KZN) severely and this affected the socio-economic wellbeing of not only the province, but the country at large. The sector lost almost R1 billion owing to floods that affected KZN, MP, NW, Gauteng (GP) and EC during 2022. The department supported KZN with R30 million to support farmers with repairs of damaged infrastructure, fertilisers and seeds following the flood disaster. Furthermore, the department issued early-warning information and advisories, as well as awareness to assist farmers with their preparedness plans.

In line with government's commitment of ensuring that vulnerable groups become the biggest beneficiaries of land redistribution, over 30 000 ha were allocated to women and over 32 000 ha to youth.

The process of expediting the transfer of the 23 rural areas (so called TRANCRAA areas) has commenced with a total of 106 000 ha being transferred to the communities.

To promote and protect the rights of farm dwellers and provide them with permanent and secure land tenure/legally secure tenure, the department developed a farm dweller programme.

The department working with the Special Master on Labour Tenants, developed a Labour Tenant Implementation Plan intended to expedite the settlement of outstanding labour tenants' claims, which was approved by the Land Claims Court.

Service Delivery Improvement Plan

DALRRD did not have a Service Delivery Improvement Plan (SDIP) for the period under review. The primary reason for the absence of an SDIP is that the Department of Public Service and Administration (DPSA), through Circular Number 14 of 2022, gave the department an extension to only develop an SDIP for the 2023–2025 period.

Organisational environment

To ensure the alignment of the organisational structure to the strategic mandates of DALRRD, a service provider was appointed to design a fit-for-purpose organisational structure over a period of 12 months. However, the project was suspended during the phase owing to further consultations between the department and organised labour. It will resume in the next financial year.

There were 460 senior management positions on the start-up macro structure. Of this number, a total of 373 positions were filled and 87 were vacant. The majority of these positions are in the provinces. During the period under review, the executive leadership echelon of the department was strengthened through the appointment of the Deputy Director General: Economic Development Trade and Marketing and Deputy Director-General: National Geomatics Management Services (Chief Surveyor-General). In addition, the filling of the following remaining two vacant deputy director-general positions commenced:

- Deputy Director-General: Agricultural Production, Health and Food Safety, Natural Resources and Disaster Management
- Deputy Director-General: Corporate Support Services, which was vacated at the end of the 2022/23 financial year.

To improve the administration efficiency of the Performance Management and Development System, the department embarked on the development of an e-Performance Management System. The business case and process have been developed and approved by the delegated authority. This intervention will enhance the compliance and monitoring of performance management culture in the department.

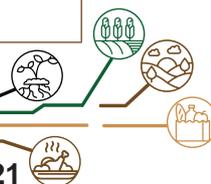
The department appointed over 500 interns, inclusive of national and provincial offices for a period of 24 months. A total of 70 interns resigned owing to permanent job offers they accepted in both public and private sectors. Altogether 372 DALRRD officials were transferred to the Border Management Authority (BMA) which is coordinated by the Department of Home Affairs after the president, through Section 97 of the Constitution ceded the functions that DALRRD was performing at ports of entry to the BMA. With BMA focusing on border law enforcement, we are hopeful that our country will be more secure.

The department is legislatively required to provide leadership and oversight for the implementation of its mandate in the country, it is against this background that the Provincial Operations Forum held three meetings and the Planning, Monitoring and Evaluation Working Committee held four meetings during the period under review. The main purpose of these structures is to ensure integration and alignment in planning and monitoring strategies and functions between DALRRD national office, provincial shared service centres (PSSCs), provincial departments of agriculture (PDAs) and public entities (PEs).

Four MinMec, three MinTech and two special MinTech meetings were held during the period under review.

Key policy developments and legislative changes

Name	Aim/purpose	Key impact	Progress on the policy	Responsibility
Agricultural Insurance Policy Framework	To facilitate the development of an innovative, demand-orientated, and economically sustainable insurance against systemic climate perils for producers in the sector.	Building resilience and sustainability of the agricultural sector for disaster management.	The policy framework was endorsed by the National Policy Review Committee on 22 April 2022 for EXCO's approval pending finalisation of the SEIAS certification.	Branch: Economic Development, Trade and Marketing (EDTM)
National Integrated Rural Development Sector Strategy	<ol style="list-style-type: none"> To provide a national definition for rural development; To coordinate, fund and implement rural initiatives, including catalytic programmes and projects; To provide a well-coordinated and efficient national monitoring, evaluation, and oversight system to drive and assess the impact of the various rural development initiatives against government's outcomes and overall strategic direction. 	Developing a well-coordinated and efficient oversight system to drive and assess the impact of the various rural development initiatives against government's outcomes and overall strategic direction.	The National Integrated Rural Development Sector Strategy was endorsed by the National Policy Review Committee on 15 July 2022 for EXCO's approval.	Branch: Rural Development
Draft Norms and Standard for designated groups	To provide the basis to measure the progress and impact of departmental programmes on designated groups, i.e., access to land, finance/credit, infrastructure, equipment, production inputs, information, training and capacity development.	Designated/vulnerable groups benefiting from DALRRD implemented programmes.	The draft Norms and Standards for designated groups was approved/endorsed on 15 July 2022.	Branch: Corporate Support Services
Agricultural Land Holding Account (ALHA)	The trading entity account is established to manage assets acquired through the Proactive Land Acquisition Strategy (PLAS).	Guide DALRRD in acquiring strategically located land, enable development of such land, its management and later its disposal.	ALHA Policy was endorsed by the National Policy Review Committee on 15 July 2022 and subsequently approved by EXCO.	Branch: Financial Services
Reviewed Norms and Standards for Extension and Advisory Services in Agriculture	To guide DALRRD sectors in the provision of extension and advisory services based on broad government policies and goals.	Provide guidelines for the provision of technical, extension and advisory services in addressing the different needs of stakeholders in the agricultural, land reform and rural development sectors.	The reviewed Norms and Standards for Extension and Advisory Services in Agriculture were endorsed by the National Policy Review Committee 21 October 2022 and subsequently approved by EXCO.	Branch: Food Security and Agrarian Reform



Name	Aim/purpose	Key impact	Progress on the policy	Responsibility
Policy on Transformation of Deeds Registration Legislation	To repeal the Deeds Registries Act, 1937 (Act No. 47 of 1937) and the Electronic Deeds Registration System Act, 2019 (Act No. 19 of 2019) and the replacement thereof with new legislation.	Establishing an electronic Deeds Registration System for South Africa.	Policy on Transformation of Deeds Registration Legislation was endorsed by the National Policy Review Committee on 9 December 2022. The policy was presented at EXCO which recommended that the policy be returned to the branch for further research and rework on before it grants approval.	Chief Registrar of Deeds
Communal Land Tenure Bill	Provide a framework for the State to divest itself of communal land ownership to its rightful owners, i.e., tribes, communities and families.	To establish a framework to institutionalise communal land administration as guided by the Constitution and the White Paper on Land Reform.	The Bill was presented to the National Policy Review Committee on 30 March 2023 and was referred for further consultations with various branches.	Branch: Land Redistribution and Tenure Reform
Land Redistribution Bill	To provide a framework for land acquisition and redistribution; To provide for land acquisition and redistribution principles; To provide for the development of land acquisition and development plans.	Realising equitable access to land through a land reform programme that addresses the varying land needs for the South Africa population.	The Bill was presented to the National Policy Review Committee 30 March 2023 and was referred for further consultations with various branches.	Branch: Land Redistribution and Tenure Reform
Draft Youth Empowerment Strategy (YES)	The goal of the strategy is to create an enabling environment within which youth are optimally empowered and can effectively participate in agriculture, land reform and rural development.	The strategy will intentionally and radically maximise opportunities for youth in an effort to alleviate poverty, unemployment, inequality and reduce the ageing producer phenomenon in the sector.	The YES was presented to the National Policy Review Committee 9 December 2022 and was referred for further consultation with the Branch: Rural Development.	Branch: Food Security and Agrarian Reform

Bills already introduced to Parliament

Name of bill	Strategic focus
1. Agriculture Produce Agents Amendment Bill	<ul style="list-style-type: none"> The Bill seeks to: amend the Agriculture Produce Agents Act so as to alter certain definitions and to insert others; change the constitution of the council; apply certain provisions to fresh produce agents only; make certain textual alteration; provide for the extension of the jurisdiction of the council, to enhance the regulating powers of the council; provide for transitional matters; provide for matters connected therewith. <p>The Bill was withdrawn and is being re-worked, with more extensive consultations.</p>
2. Preservation and Development of Agricultural Land Bill	<ul style="list-style-type: none"> The Bill seeks to provide for: that the Act applies to all agricultural land within the Republic; principles for the management of agricultural land; agricultural land evaluation and classification; the preparation, purpose and content of provincial agricultural sector plans; the declaration of protected agricultural areas; the general objectives of agro-ecosystem management, agro-ecosystem authorisations, the listing and delisting of activities or areas within the agro-ecosystems and the identification of competent authorities; the establishment of committees and the appointment of technical and other advisors to advise the minister, MECs and competent authorities; the establishment and management of the national agro-eco information system; appeal procedures; the appointment and functions of inspectors; the contravention directives and the investigation and gathering of data on property; the delegation of powers; the minister to make regulations and determine norms and standards; offences and penalties; the amendment of the Subdivision of Agricultural Land Repeal Act, 1998; matters connected therewith. <p>The Bill is before the Portfolio Committee.</p>

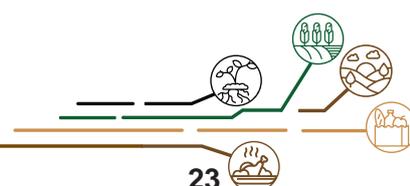
Name of bill	Strategic focus
3. Plant Health (Phytosanitary) Bill	<ul style="list-style-type: none"> The Bill seeks to: provide for phytosanitary measures to prevent the introduction, establishment and spread of regulated pests in the Republic; provide for the control of regulated pests; provide for regulation of the movement of plants, plant products and other regulated articles into, within and out of the Republic; provide for matters connected therewith. <p>The Bill is before the Portfolio Committee.</p>
4. Agricultural Products Standards Amendment Bill	<ul style="list-style-type: none"> The Bill seeks to: amend the Agricultural Product Standards Act, 1990 so as to insert definitions and substitute others; provide for auditing of a product for management control systems; make provision for the setting of tariffs by assignees on cost-recovery basis; make further provisions for the minister to make regulations pertaining to audit and management control systems; and to provide for matters connected therewith. <p>The Bill was passed by the National Assembly and is now before the Select Committee.</p>
5. Deeds Registries Amendment Bill	<p>The Bill seeks to:</p> <ul style="list-style-type: none"> enhance registration processes and procedures; provide procedures for the recordal, in compliance with the requirements of any law, of land tenure rights lawfully issued by Government or any other competent authority; provide for the making of regulations in respect of the collection of personal information relating to race, gender, citizenship and nationality for statistical and land audit purposes; and provide for an attorney, conveyancer and notary in the employ of the Department of Agricultural, Land Reform and Rural Development to perform the duties of an attorney, conveyancer and notary in respect of transactions relating to State Land. <p>The Bill has been introduced to Parliament and is before the Portfolio Committee.</p>

3. Progress towards achievement of institutional impacts and outcomes

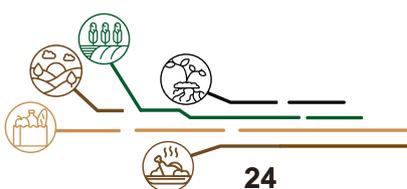
The department has an Evaluation Unit, which facilitates evaluation studies to be undertaken both internally and externally. In the period under review, two evaluation studies were undertaken: an economic evaluation study of the Custom Feeding Programme (CFP) and implementation evaluation of departmental Presidential Employment Stimulus initiative (PES). The purpose of the CFP evaluation was to assess the cost, viability, sustainability and document implementation of the programme; highlight challenges and lessons learnt; and put forward recommendations to improve performance based on the findings. With the PES implementation evaluation, the study aimed to document the implementation of the first phase of PES and highlight bottlenecks and opportunities for improvement going forward.

The following table reflects performance status against some MTSF impact indicators from January 2022 until end of March 2023:

Indicator	2019 baseline	2024 targets	Cumulative progress period 1 January 2020 to 31 March 2023	Source of data
Increased volume of productive land	New	200 000 ha	271 345 ha of land is under cultivation.	DALRRD Department of Traditional Affairs (DTA)
Reviewed regulatory framework for agricultural produce and export: Agency, Standards and National Fresh Produce markets practices	New indicator	Four reviews to the agricultural produce management practices	DALRRD is in the process of reviewing the following: Draft Agriculture Produce Bill; and Draft Marketing of Agricultural Products Amendment Bill	DALRRD Department of Trade, Industry and Competition (DTIC) Department of Small Business and Development (DSBD) NAMC
Number of hectares of land acquired for redistribution, restitution, and tenure reform	5 million ha	1,5 million ha	227 428 ha of land were acquired; 22 833 ha were acquired for farm dwellers and/or labour tenants; 58 419 ha were allocated to women; 57 384 ha were allocated to youth farmers; 1 582 land claims were finalised and 1 102 land claims were settled.	DALRRD Department of Public Works and Infrastructure (DPWI)



Indicator	2019 baseline	2024 targets	Cumulative progress period 1 January 2020 to 31 March 2023	Source of data
% of approved land reform projects provided with post settlement support	New indicator	100%	The process of developing the Strategy on Comprehensive Producer Support and Development is in progress; 380 715 smallholder producers were supported with various initiatives; 339 farmers were supported through the Land Development Support Programme.	DALRRD
Number of agri-hubs established	3 agri-hubs	5 agri-hubs	4 agri-hubs are partially operational (Nchora in EC; Springbokpan in NW; Witzenberg in WC and Mkhondo Agri-Hub. 822 agricultural infrastructure projects were implemented, e.g., supported with infrastructure, boreholes, fencing, etc.	DALRRD Department of Traditional Affairs (DTA)
Agro-processing facilities established	New indicator	25 agro-processing facilities established	8 agro-processing infrastructures were supported; 2 631 agri-businesses were supported with agro-processing initiatives, including technical and financial support, equipment, and market access.	DALRRD
Farmer Production Support Units (FPSUs) established	25 FPSUs	71 FPSUs	No new FPSU is fully functional. However, 377 infrastructure projects were completed to support FPSU. This includes the construction of a packhouse, supply and installation of production tunnels with irrigation and electrification. 249 projects were completed through the Animal and Veld Management Programme and River Catalytic Valley Programmes in supporting farmers.	DALRRD



4. Institutional programme performance information

Programme 1: Administration

Purpose

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

The programme comprises the following subprogrammes:

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

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

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

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

Corporate Support Services: Provides corporate support services.

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

Office Administration: Provides office accommodation.

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

Outcome 1: Improved governance and service excellence.

Outcomes, outputs, output indicators, targets and actual achievements

Table 4.2:

Programme: Administration								
Outcome	Output	Output indicator	Audited actual performance 2020/2021	Audited actual performance 2021/2022	Planned annual target 2022/23	Actual achievement 2022/2023	Deviation from planned target to actual achievement 2022/2023	Reasons for deviation
Outcome 1: Improved governance and service excellence	1.1 Improved audit outcomes	1.1.1 Unqualified audit opinion	Unqualified audit opinion	DAFF obtained a qualified and DRDLR unqualified audit opinion for 2019/20	Unqualified audit opinion on 2021/22 annual financial statements	Qualified audit opinion on 2021/2022 annual financial statements was obtained	Unqualified audit opinion	The qualified audit opinion was because of inadequate audit evidence as proof of delivery of the goods to the intended beneficiaries of the PES initiative
Outcome 1: Improved governance and service excellence	1.2 Compliance with government legislation and prescripts	1.2.1 Percentage of valid invoices paid within 30 days upon receipt by the department	86%	95%	100%	97%	-3%	Errors in invoices delayed payments

Strategy to overcome areas of underperformance

Regular programme meetings at various levels of management are held, with focus strictly on assessing the state of performance. Performance against operational plans is assessed monthly and key issues escalated to EXCO. Dedicated support from the monitoring, strategic planning and risk management units, which all have a very strong working relationship with Internal Audit Unit, provide strategic support which assists with identifying areas of challenge in time to allow the development of improvement plans.

Linking performance with budgets

Subprogrammes	2022/23			2021/22		
	Final appropriation	Actual expenditure	Variance	Final appropriation	Actual expenditure	Variance
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	R'000	R'000	R'000	R'000	R'000	R'000
Ministry	42 952	42 945	7	37 781	37 781	–
Department Management	96 001	95 985	16	113 732	113 731	1
Internal Audit	53 614	53 608	6	35 773	35 773	–
Financial Management Services	281 245	281 226	19	304 272	304 263	9
Corporate Support Services	823 175	770 829	52 346	797 726	797 710	16
Provincial Operations	1 401 617	1 401 617	28	892 357	892 351	6
Office Accommodation	659 940	565 594	94 346	1 122 217	1 122 217	–
Total	3 358 572	3 211 804	146 768	3 303 858	3 303 826	32

The programme spent R3,211 billion or 95,6% of the allocated funds. Of the total expenditure, an amount of R1,958 billion was spent on compensation of employees, R1,216 billion was spent on goods and services, R175,5 million was spent on payment for capital assets, while R6,8 million was spent on transfers and subsidies classification.

Programme 2: Agricultural Production, Biosecurity and Natural Resources Management

Purpose

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

The programme comprises the following subprogrammes:

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

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

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

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

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

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

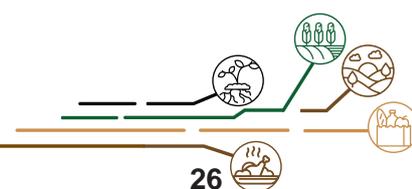
Onderstepoort Biological Products: Prevents and controls animal diseases that affect food security, human health, and livelihoods through continued development and efficient manufacturing of innovative animal related pharmaceuticals (including vaccines) and related products.

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

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

Outcome 4: Increased production in the agricultural sector.

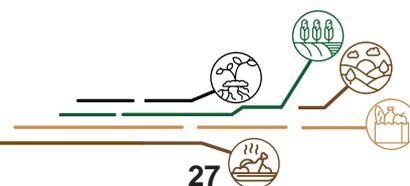
Outcome 7: Enhanced biosecurity and effective disaster risk reduction.



Outcomes, outputs, output indicators, targets and actual achievements

Table 4.2

Programme: Agricultural Production, Biosecurity and Resource Management								
Outcome	Output	Output indicator	Audited/ actual performance 2020/2021	Audited/ Actual Performance 2021/2022	Planned annual target 2022/2023	**Actual achievement 2022/2023	Deviation from planned target to actual achievement 2022/2023	Reasons for deviation
Outcome 4: Increased production in the agricultural sector	2.1 Registration of new plant varieties	2.1.1 Number of new plant varieties registered	180 New plant varieties have been registered for the 2020/21 financial year	353 plant varieties were registered annually	200	317	117	Unsuccessful trials were replanted during the 2022/23 financial year and presented the need to register additional varieties
	2.2 Agriculture master plans for priority commodities	2.2.1 Cannabis Master Plan implemented	Version 5 of Cannabis Master Plan was developed	Annual Report on Implementation of Cannabis Master Plan developed	Annual Report on Implementation of Cannabis Master Plan developed	Annual Report on Implementation of Cannabis Master- Plan was developed	Not applicable (N/A)	N/A
	2.3 Preservation and sustainable use of natural agricultural resources	2.3.1 Number of provinces with delineated protected agricultural areas (PAAs)	2 provinces) are PAAs (GP an MP) and the final report to this effect was compiled	3 provinces with PAAs	4 provinces with delineated PAAs (FS, EC, NC, and WC)	4 provinces with delineated PAAs were completed (FS, EC, NC, and WC)	N/A	N/A
	2.4 Enhanced agricultural production input control legislation	2.4.1 Number of regulations approved by the minister	New indicator	New indicator	1 (Agricultural Remedies Regulation)	1 Agricultural remedies regulation was developed and was at a draft stage at the end of period under review	1 Agricultural remedies regulation not completed	The SEIAS process was still not finalised by the end of the 2022/23 financial year to allow for further processing of the regulation
Outcome 7: Enhanced biosecurity and effective disaster risk reduction	3.1 Biosecurity policies and strategies strengthened	3.1.1 Number of plant pest risk surveillances conducted	3 plant risk surveillances were conducted (Exotic fruit fly; Citrus greening survey; and Banana bunchy top virus (BBTV))	3 plant risk surveillances were conducted (Exotic fruit fly; Citrus greening survey; and BBTV)	3 plant pest risk surveillances conducted (Exotic fruit fly; Citrus greening survey; and BBTV)	3 plant pest risk surveillances were (Exotic fruit fly; Citrus greening survey; and BBTV)	N/A	N/A
		3.1.2 Number of animal disease risk surveillances conducted	3 animal disease risk surveillances were conducted (CBPP, PPR and foot-and-mouth disease (FMD)) and a report has been compiled	3 animal disease risk surveillances were conducted (CBPP, PPR and FMD)	3 animal disease risk surveillances conducted (CBPP; PPR and FMD)	3 animal disease risk surveillances have been conducted (CBPP; PPR; FMD)	N/A	N/A



Programme: Agricultural Production, Biosecurity and Resource Management								
Outcome	Output	Output indicator	Audited/ actual performance 2020/2021	Audited/ Actual Performance 2021/2022	Planned annual target 2022/2023	**Actual achievement 2022/2023	Deviation from planned target to actual achievement 2022/2023	Reasons for deviation
	3.2 Implementation of the Veterinary Strategy (Placement of compulsory community services (CCS) veterinarians)	3.2.1 Percentage of eligible veterinarians employed under the CCS Programme	100% was achieved owing to all 144 eligible veterinarians being placed	100% eligible veterinarians were employed under the CCS Programme	90% eligible veterinarians employed under the CCS Programme	93,4% eligible veterinarians were employed under the CCS Programme	3,4%	Additional resources that became available made it possible to employ more than anticipated, hence a 93,4% achievement
	3.3 Provincial agricultural biosecurity coordinating structures operationalised	3.3.1 Number of provincial agricultural biosecurity coordinating structures established	Draft Terms of Reference (ToRs) have been developed	4 provincial agricultural biosecurity coordinating structures consulted	9 provincial agricultural biosecurity coordinating structures established	9 provincial agricultural biosecurity coordinating structures were established	N/A	N/A
	3.4 Levels of risks associated with food reduced	3.4.1 Percentage of export protocols for phytosanitary requirements implemented	100% phytosanitary requirements for export protocols were certified; the turnaround time for processing is 48 hours, which means only the applications received until 28 March are considered against the target	100% export protocols for phytosanitary requirements implemented	98% export protocols for phytosanitary requirements implemented	99,95% export protocols for phytosanitary requirements implemented	1,95%	The targeted phytosanitary requirements were implemented within a shorter turnaround time of two days and this led to additional time to do more than initially planned
	3.5 Adaptation and mitigation to climate change	3.5.1 Number of adaptation strategies developed under the Climate Change Crop-Suitability Research Programme	Annual monitoring report on piloting of crop suitability to climate change in four provinces was compiled	Report on evaluation of climate change variables on performance of sorghum grown under variable agronomic practices and agro-ecological zones in four provinces compiled	4	4 adaptation strategies were developed under the Climate Change Crop-Suitability Research Programme (KZN, FS, MP and LP)	N/A	N/A
		3.5.2 Number of subsistence producers supported with integrated bioenergy (biogas) technology	New indicator	New indicator	18	18 subsistence producers were supported with integrated bioenergy (biogas) technology	N/A	N/A
	3.6 Reduced levels of risks associated with genetically modified organisms (GMOs)	3.6.1 Number of new GMO events approved	13 new GMO events have been approved for the financial year under review	10 new GMO events approved	10	10 new GMO events were approved	N/A	N/A

Strategy to overcome areas of underperformance

Management meetings are held regularly at which the status of performance for planned priorities is discussed. Consensus on improvement plans and strategies for underperforming areas are usually adopted and implementation intensively monitored. Management decisions are filtered throughout different levels of branch operations. The branch also uses various committees in its coordination role for the work done by PDAs, PEs and the industry.

Linking performance with budgets

Subprogrammes	2022/23			2021/22		
	Final appropriation	Actual expenditure	Variance	Final appropriation	Actual expenditure	Variance
	R'000	R'000	R'000	R'000	R'000	R'000
Agricultural Production, Biosecurity and Natural Resources Management						
Inspection and Quarantine Services	871 594	871 580	14	451 476	443 035	8 441
Plant Production and Health	129 088	129 077	11	132 850	114 513	18 337
Animal Production and Health	525 435	505 462	19 973	275 723	271 201	4 522
Natural Resources and Disaster Management	422 580	422 570	10	361 085	356 314	4 771
Biosecurity	5 093	5 092	1	3 913	3 503	410
Agricultural Research Council	1 189 320	1 189 320	–	1 282 632	1 282 632	–
Total	3 143 110	3 123 101	20 009	2 507 679	2 471 198	36 481

The programme spent R3,123 billion or 99,4% of the allocated funds. Of the total expenditure, R838,5 million was spent on compensation of employees, R969,0 million was spent on goods and services, R1,276 billion was spent on transfers and subsidies, while R39,2 million was spent on payment for capital assets classification.

Programme 3: Food Security, Land Reform and Restitution

Purpose

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

The programme comprises the following subprogrammes:

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

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

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

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

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

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

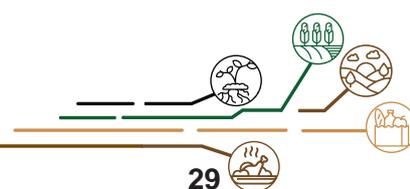
Ingonyama Trust Board (ITB): Provides quarterly transfers for administering land owned by the Ingonyama Trust.

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

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

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

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



Outcomes, outputs, output indicators, targets and actual achievements

Table 4.2:

Programme: Food Security, Land Reform and Restitution								
Outcome	Output	Output indicator	Audited actual performance 2020/2021	Audited actual performance 2021/2022	Planned annual target 2022/2023	**Actual achievement 2022/2023	Deviation from planned target to actual achievement 2022/2023	Reasons for deviation
Outcome 2: Spatial transformation, effective and efficient land administration	4.1 Increased number of communal property associations (CPAs) compliant with the Act	4.1.1 Number of CPAs' members trained on governance	New indicator	New indicator	585	3 064 CPAs' members were trained on governance	+2 479	The target was overachieved owing to a need to strengthen support to CPAs, which was highly prioritised by the political principals, and this pushed for more aggressive campaigns that led to more members of CPAs showing interest and attending training sessions
Outcome 3: Redress and equitable access to land and producer support	5.1 Producers supported	5.1.1 Number of extension personnel recruited	New indicator	New indicator	5 000	3 566 extension personnel has been recruited	-1 434	The funds that became available in the third quarter were only sufficient to cater for recruiting 4 530 AAP reflected on PERSAL, which is 470 less than the annual target. The validation process resulted in about 964 appointed officials not being verifiable owing to various errors concerning appointment letters.
	5.2 Skilled and employable youth in the agricultural sector	5.2.1 Number of new students enrolled at agricultural training institutes	743 new students were enrolled at agricultural training institutes as follows: (Cedara: 41 Elsenburg: 158 Fort Cox: 71 GADI: 47 Glen: 199 Madzivhandila: 23 Potchefstroom: 96 Taung: 45 Tsolo: 63)	966 new students were enrolled at agricultural training institutes as follows: Cedara: 37 Elsenburg: 182 Fort Cox: 171 GADI: 76 Glen: 71 Madzivhandila: 64 OSCA: 58 Potchefstroom: 111 TARDI: 70 Taung: 64 Tomp: 62	800	961 new students were enrolled at agricultural training institutes as follows: Cedara: 42 Elsenburg: 195 Fort Cox: 169 GADI: 78 Glen: 74 Madzivhandila: 56 OSCA: 62 Potchefstroom: 114 TARDI: 56 Taung: 65 Tomp: 50	+161	Colleges opted to reconsider their admission targets owing to the high number of applications received

Programme: Food Security, Land Reform and Restitution								
Outcome	Output	Output indicator	Audited actual performance 2020/2021	Audited actual performance 2021/2022	Planned annual target 2022/2023	**Actual achievement 2022/2023	Deviation from planned target to actual achievement 2022/2023	Reasons for deviation
	5.3 New farmers who have acquired agricultural land through land reform supported	5.3.1 Number of farms supported through the Land Development Support Programme	114 farms were supported through the Land Development Support Programme	35 farms were supported through the Land Development Support Programme	83	83 farms were supported through Land Development Support Programme	N/A	N/A
	5.4 Increased number of hectares acquired for tenure security and redistribution purposes	5.4.1 Number of hectares acquired through the Proactive Land Acquisition Strategy (PLAS)	22 364,8 ha of strategically located land were acquired for the period under review	55 235 ha of strategically located land were acquired	35 182	50 700,9657 ha of strategically located land were acquired	+15 518,996 ha	The target was exceeded owing to bigger farms being acquired in NC and NW. The acquired farms are bigger than what was targeted and a budget was moved for the acquisition.
		5.4.2 Number of hectares acquired for farm dwellers and/or labour tenants or ESTA occupiers	7 127,5 ha were acquired for farm dwellers and/or labour tenants	3 504 ha were acquired for farm dwellers and/or labour tenants	5 000	5 270,0455 ha were acquired for farm dwellers and/or labour tenants	+270,0455 ha	The target was exceeded owing to bigger farms being acquired in NW, GP and LP
	5.5 Increased number of state land properties allocated	5.5.1 Number of hectares allocated	55 167	–	34 043	63 764,7959 ha were allocated	+29 721,796 ha	The target was exceeded owing to allocations in NW and NC that did not have targets, however, able to identify the farms for allocation
	5.7 Land claims settled and finalised	5.6.1 Number of land claims settled	336	262	336	355 land claims were settled	+19	The settlement of projects with multiple claims, i.e., EC, GP, KZN, LP, MP, NC and WC
		5.6.2 Number of land claims finalised	385	442	372	429 land claims were finalised.	+57	The over performance is attributed to the non-compliant claims, which are planned for; however, no targets were set because the commission would not be able to anticipate when the final non-compliance letter would be signed.



Strategy to overcome areas of underperformance

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

There are also officials in PSSCs responsible for monitoring of performance, which is useful in ensuring validation of information at all levels. The Branch: Land Redistribution and Tenure Reforms established project implementation and performance monitoring meetings (**PIPMs**) to ensure continuous monitoring of performance throughout the year. The meetings occur biweekly and are chaired by the deputy director-general and the senior managers at the National Office and PSSCs are members.

Linking performance with budgets

Subprogrammes	2022/23			2021/22		
	Final appropriation	Actual expenditure	Variance	Final appropriation	Actual expenditure	Variance
	R'000	R'000	R'000	R'000	R'000	R'000
Food Security, Land Reform and Restitution						
Food Security	2 256 999	2 256 413	586	3 130 250	2 532 747	597 503
Land Redistribution and Tenure Administration	624 559	624 514	45	807 864	753 775	54 089
National Extension Services and Sector Capacity Development	775 185	569 882	205 303	555 089	553 274	1 815
Land Development Support	612 409	612 407	2	598 033	598 032	1
Restitution	3 933 342	3 918 273	15 069	3 298 849	3 078 686	220 163
ALHA	596 760	596 760	–	937 986	937 986	–
Ingonyama Trust Board	24 391	24 391	–	23 517	23 517	–
OVG	107 172	107 172	–	131 844	131 844	–
TOTAL	8 930 817	8 709 812	221 005	9 483 432	8 609 861	873 571

The programme spent R8,710 billion or 97,5% of the allocated funds. Of the total expenditure, R656,5 million was spent on compensation of employees, R847,0 million was spent on goods and services, R5,829 billion was spent on transfers and subsidies, while R1,373 billion was spent on payment for capital assets classification.

Programme 4: Rural Development

Purpose

Facilitates rural development strategies for socioeconomic growth.

The programme comprises the following subprogrammes:

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

Rural Infrastructure Development: Facilitates infrastructure development in rural areas.

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

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

Outcome 6: Integrated and inclusive rural economy.

Outcomes, outputs, output indicators, targets and actual achievements

Table 4.2:

Programme: Rural Development								
Outcome	Output	Output indicator	Audited actual performance 2020/2021	Audited actual performance 2021/2022	Planned annual target 2022/2023	**Actual achievement 2022/2023	Deviation from planned target to actual achievement 2022/2023	Reasons for deviation
Outcome 6: Integrated and inclusive rural economy	6.1 Increased job opportunities and development of skills	6.1.1 Number of NARYSEC youth trained	1 926	1 679	699	1 079 NARYSEC youth were trained.	+380	The turnaround time for receiving certificates from SETAs was better and faster compared to the previous years; the target was set taking into consideration the trend in terms of time at which certificates are usually received.
		6.2.1 Number of infrastructure projects completed	22	76 FPSUs = 23 Animal and Veld Management Programme (AVMP) and River Valley Catalytic Programme (RVCP) =53	69	197 of infrastructure projects were completed.	+128	Targets overachieved owing to the following: Interventions in FMD- projects being completed ahead of planned period; Rolled over projects from the previous financial year (2021/22) being completed in 2022/23.

Strategy to overcome areas of underperformance

Regular programme meetings at various management levels are held, with focus strictly on assessing the state of performance and to adopt strategies for improvement in identified weak areas. These meetings are also extended to PSSCs management who are responsible for managing the implementation of set priorities. Performance against operational plans is assessed monthly and key issues are escalated to EXCO.

Dedicated staff from the monitoring, strategic planning and risk management units, who all have strong working relationships with the Directorate: Internal Audit, provide strategic support, which assists in identifying areas of challenge in time to allow the development of improvement plans. The programme appointed planning and reporting coordinators who work closely with departmental performance monitoring practitioners to advise management on performance areas that need frequent attention. There are also officials in PSSCs who are responsible for the monitoring of performance, which is useful in ensuring validation of information at all levels.

Linking performance with budgets

Subprogrammes	2022/23			2021/22		
	Final appropriation	Actual expenditure	Variance	Final appropriation	Actual expenditure	Variance
	R'000	R'000	R'000	R'000	R'000	R'000
Rural Development						
NARYSEC	191 030	156 945	34 085	227 947	223 567	4 380
Rural Infrastructure Development	403 428	403 402	26	746 494	677 715	68 779
Technology Research and Development	19 167	19 167	–	18 844	18 270	574
Total	613 625	579 514	34 111	993 285	919 552	73 733



The programme spent R579,5 million or 94,4% of the allocated funds. Of the total expenditure, R46,7 million was spent on compensation of employees, R139,8 million was spent on goods and services, R16,0 million was spent on transfers and subsidies, while R39,2 million was spent on payment for capital assets classification.

Programme 5: Economic Development, Trade and Marketing

Purpose

Promotes economic development, trade and market access for agricultural products and fosters international relations for the sector.

The programme comprises the following subprogrammes:

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

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

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

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

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

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

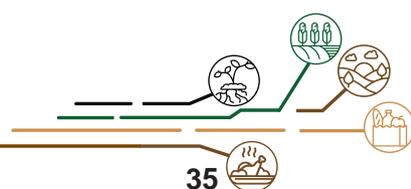
Outcome 5: Increased market access and maintenance of existing markets.

Outcomes, outputs, output indicators, targets and actual achievements

Table 4.2:

Programme: Economic Development Trade and Marketing								
Outcome	Output	Output indicator	Audited actual performance 2020/2021	Audited performance 2021/2022	Planned annual target 2022/2023	Actual achievement 2022/2023	Deviation from planned target to actual achievement 2022/2023	Reasons for deviation
Outcome 5: Increased market access and maintenance of existing markets	7.1. Cooperatives trained	7.1.1 Number of agricultural cooperatives trained	N/A	91	99	100	+1	The plan was to train seven cooperatives in GP; however, it was discovered that there are eight cooperatives affiliating to the Reitkuil FPSU and it was only logical to include the eighth cooperative as it was not going to be possible to train one cooperative at a later stage.
	7.2 AgriBEE Fund implemented	7.2.1 Percentage of AgriBEE applications assessed	100% (37) AgriBEE Fund applications were received, assessed, and finalised during the period under review	100% of AgriBEE Fund applications finalised	100%	100% of AgriBEE Fund applications finalised	N/A	N/A

Programme: Economic Development Trade and Marketing								
Outcome	Output	Output indicator	Audited actual performance 2020/2021	Audited performance 2021/2022	Planned annual target 2022/2023	Actual achievement 2022/2023	Deviation from planned target to actual achievement 2022/2023	Reasons for deviation
	7.3 FPSUs supported	7.3.1 Number of FPSUs supported towards functionality	N/A	4	43	12 FPSUs have been supported towards functionality.	-31	Delays in approving projects in the interest of improving controls by approval committee, unfortunately led to delays in the implementation of some components. Therefore, support to some FPSUs was not fully provided at the end of 2022/23.
Outcome 5: Increased market access and maintenance of existing markets	7.4 Enterprises supported	7.4.1 Number of new agricultural enterprises supported	N/A	121	76	86	+10	The support by SEDA contributed to additional enterprises being supported
		7.4.2 Number of new non-agricultural enterprises supported	N/A	9	30	2	-28	Delays in implementation led to some enterprises not being supported at the end of the financial year, and therefore, not being verified.
	7.5 Smallholders accessing loan	7.5.1 Number of smallholder producers accessing new MAFISA loan	N/A	87	50	50	N/A	N/A
	7.6 Market access for Smallholder producers	7.6.1 Number of smallholder producers supported with agricultural marketing capacity building	New indicator	New indicator	200	557	+357	The training is demand driven, therefore, more smallholder producers attended training.



Programme: Economic Development Trade and Marketing								
Outcome	Output	Output indicator	Audited actual performance 2020/2021	Audited performance 2021/2022	Planned annual target 2022/2023	Actual achievement 2022/2023	Deviation from planned target to actual achievement 2022/2023	Reasons for deviation
Outcome 5: Increased market access and maintenance of existing markets	7.7 Trade agreements	7.7.1 Number of trade agreements implemented	Report on the implementation of six trade agreements was compiled.	6	6	6 trade agreements were implemented.	N/A	N/A
		7.7.2 Number of trade agreements negotiated	Report on participation in trade negotiation was compiled.	5	5	5 trade agreements were negotiated.	N/A	N/A
	7.8 International Relations Strategy implemented	7.8.1 Number of multilateral commitments implemented	Report on multilateral engagements was compiled.	6	6	6 multilateral commitments were implemented.	N/A	N/A
		7.8.2 Bilateral agreements implemented	Status report on bilateral engagements (South-South and North-South)	Status report on bilateral engagements (South-South and North-South)	Status report on bilateral engagements (South-South and North-South)	Status report on bilateral engagements (South-South and North-South) was compiled	N/A	N/A
			Status report on bilateral engagements (Africa)	Status report on bilateral engagements (Africa)	Status report on bilateral engagements (Africa)	Status report on bilateral engagements (Africa) was compiled	N/A	N/A

Strategy to overcome areas of underperformance

Regular programme meetings at various management levels are held, with focus strictly on assessing the state of performance and to adopt strategies for improvement in identified weak areas. These meetings are also extended to PSSCs management and relevant programme managers in PDAs and PEs where the implementation of set priorities takes place. Performance against operational plans is assessed monthly and key issues escalated to EXCO.

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

Linking performance with budgets

Subprogrammes	2022/23			2021/22		
	Final appropriation	Actual expenditure	Variance	Final appropriation	Actual expenditure	Variance
	R'000	R'000	R'000	R'000	R'000	R'000
Economic Development Trade and Marketing						
International Relations and Trade	144 518	139 813	4 707	200 396	142 518	57 878
Cooperatives Development	81 886	81 768	118	78 892	74 289	4 603
Agro-processing, Marketing and Rural Industrial Development	564 324	563 866	456	656 857	540 341	116 516
Development Finance				10 944	–	10 944
NAMC	48 535	48 535	–	47 305	47 305	–
Total	839 263	833 982	5 281	994 394	804 453	189 941

The programme spent R834,0 million or 99,4% of the allocated funds. Of the total expenditure, R134,3 million was spent on compensation of employees, R552,6 million was spent on goods and services, R138,0 million was spent on transfers and subsidies, while R8,6 million was spent on payment for capital assets classification.

Programme 6: Land Administration

Purpose

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

The programme comprises the following subprogrammes:

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

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

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

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

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

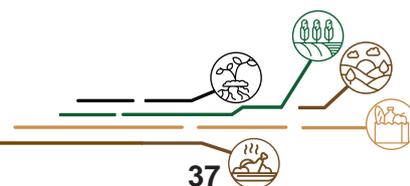
Institutional outcomes that each programme contributes towards according to the Annual Performance Plan:

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

Outcomes, outputs, output indicators, targets and actual achievements

Table 4.2:

Programme: Land Administration								
Outcome	Output	Output indicator	Audited actual performance 2020/2021	Audited actual performance 2021/2022	Planned annual target 2022/2023	**Actual achievement 2022/2023	Deviation from planned target to actual achievement 2022/2023	Reasons for deviation
Outcome 2: Spatial transformation, effective and efficient land administration	8.1. Electronic Land Registration System (Registration and Recordal)	8.1.1. e-DRS phases completed	e-DRS Phase 1 60% completed	0%	100% completion e-DRS Phase 1	77%	-23%	SITA e-DRS could not be completed owing to the following delays: Completing the User Acceptance Testing (UAT) for Recordals and UAM owing to errors discovered during UAT; Delay in the development of the information provisioning module of Phase 1.



Programme: Land Administration								
Outcome	Output	Output indicator	Audited actual performance 2020/2021	Audited actual performance 2021/2022	Planned annual target 2022/2023	**Actual achievement 2022/2023	Deviation from planned target to actual achievement 2022/2023	Reasons for deviation
Outcome 2: Spatial transformation, effective and efficient land administration	8.2. Two policies and legislation developed to give effect to spatial transformation	8.2.1. National Spatial Development Framework (NSDF) institutionalised	Draft Amendment Bill available	The Monitoring Framework for NSDF Spatial Action Areas Implementation Plan was developed and approved on 30 March 2022.	NSDF implementation report developed	NSDF implementation report was developed.	N/A	N/A
		8.2.2. Number of organs of state supported (Professionally and/or technically) to implement the Spatial Data Infrastructure Act (SDIA), 2003 (Act No. 54 of 2003)	N/A	N/A	8	10 organs of state were supported (Professionally and/or technically) with the aim of implementing the SDIA, 2003 (Act No.54 of 2003.	+2	2 additional organs of state, Govan Mbeki and Msukaligwa local municipalities were invited by their district municipalities, however, they were not part of the initial plan.
Outcome 2: Spatial transformation, effective and efficient land administration	8.3. Registerable cadastral documents (Diagrams; general plans; and sectional plans)	8.3.1. Average number of working days taken to process cadastral documents for addition to the national dataset of Cadastre: Land parcel boundaries from date of lodgement to date of dispatch	N/A	15 days	16 days	18 days	-2 days	Manual examination takes longer owing to systems downtime caused mostly by loadshedding.
	8.4 Spatial information dataset updated	8.4.1. The average number of working days taken to add new cadastral documents to the cadastral spatial information dataset	N/A	N/A	10 days	8 days	2 days	Workload (Load of batches received) was captured and completed earlier than the anticipated turnaround time.
	8.5 TrigNet continuously operating reference stations (CORS) Global Navigation Satellite System (GNSS) data available to geospatial users	8.5.1 The percentage of TrigNet's CORS GNSS made available to geospatial data users	N/A	N/A	85%	89%	4%	Communication to some stations was established sooner than anticipated, in cases where configuration related issues were required.

Programme: Land Administration								
Outcome	Output	Output indicator	Audited actual performance 2020/2021	Audited actual performance 2021/2022	Planned annual target 2022/2023	**Actual achievement 2022/2023	Deviation from planned target to actual achievement 2022/2023	Reasons for deviation
	8.6 Maps of the National Map Series updated	8.6.1 Number of maps produced to maintain the currency of the National Map Series dataset	N/A	N/A	80	85	+5	More sheet source data was requested and made available.

Strategy to overcome areas of underperformance

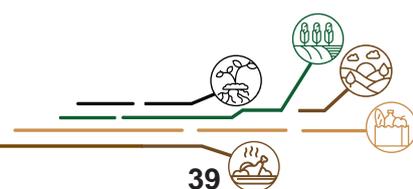
Regular programme meetings at various management levels are held, with focus strictly on assessing the state of performance and to adopt strategies for improvement in identified weak areas. These meetings are also extended to PSSCs management who are responsible for managing the implementation of set priorities. Performance against operational plans is assessed monthly and key issues escalated to EXCO.

Dedicated support staff from the monitoring, strategic planning, and risk management units, who all have a strong working relationship with the Directorate: Internal Audit, provide strategic support, which assists in identifying areas of challenge in time to allow the development of improvement plans. This programme appointed planning and reporting coordinators who work closely with departmental performance monitoring practitioners to advise management on performance areas that frequently need attention.

Linking performance with budget

Subprogrammes	2022/23			2021/22		
	Final appropriation	Actual expenditure	Variance	Final appropriation	Actual expenditure	Variance
	R'000	R'000	R'000	R'000	R'000	R'000
Land Administration						
National Geomatics Management Services	529 162	528 468	694	560 187	498 742	61 445
Spatial Planning and Land Use	114 827	114 813	14	169 690	144 158	25 532
Deeds Registration	1	–	1	1	–	1
South African Council of Planners	4 263	4 263	–	4 140	4 140	–
South African Geomatics Council	3	3	–	4 194	4 000	194
Integrated Land Administration	–	–	–	2 400	–	2 400
Total	648 256	647 547	709	740 612	651 040	89 572

The programme spent R647,5 million or 99,9% of the allocated funds. Of the total expenditure, R440,1 million was spent on compensation of employees, R121,5 million was spent on goods and services, R46,8 million was spent on transfers and subsidies, while R38,6 million was spent on payment for capital assets classification.



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

The following indicators are implemented by PDAs with DALLRD providing oversight.

Programme 2: Sustainable Resource Use and Management

Output	Output indicator	Planned annual target 2022/23	Actual achievement 2022/23	Deviation from planned target to actual achievement	Reasons for deviation
Agricultural infrastructure established	Number of agricultural infrastructures established	440	362	-78	Delays with supply chain processes.
Hectares of agricultural land rehabilitated	Number of hectares of agricultural land rehabilitated	51 055	72 240	21 185	Accelerated implementation of projects.
Hectares of cultivated fields under conservation agricultural practices	Number of hectares of cultivated land under Conservation Agriculture practices	8 712	6 554	-2 158	A few new projects have been implemented.
Green jobs created	Number of green jobs created	6 247	7 090	815	Indicator is demand driven.
Agro-ecosystem management plans developed	Number of agro-ecosystem management plans developed	16	11	-6	Indicator is demand driven.
Farm management plans developed	Number of farm management plans developed	315	357	42	Indicator is demand driven; and the farm plans requested were more than anticipated.
Awareness on disaster risk reduction conducted	Number of awareness campaigns on disaster risk reduction conducted	139	145	6	Indicator is demand driven, additional awareness campaigns were requested and funded.
Surveys on uptake for early-warning information conducted	Number of surveys on uptake for early-warning information conducted	33	41	8	Indicator is demand driven.

Programme 3: Agricultural Producer Support and Development

Output	Output indicator	Planned annual target 2022/23	Actual achievement 2022/23	Deviation from planned target to actual achievement	Reasons for deviation
Production across the agriculture value chain	Number of producers supported in the red meat commodity	5 948	6 171	223	More producers were supported owing to additional capacity and additional funds from reprioritisation.
	Number of producers supported in the grain commodity	12 108	9 534	-2 574	Delays with procurement processes.
	Number of producers supported in the cotton commodity	166	236	70	Most farmers received technical advice on land preparation.
	Number of producers supported in the citrus commodity	54	66	12	Most farmers received advice owing to the citrus harvesting period.
Smallholder producers supported	Number of smallholder producers supported	12 526	14 618	2 092	Distribution of seeds procured from the reprioritisation budget for fertilisers resulted in additional producers being advised.
Subsistence producers supported	Number of subsistence producers supported	52 265	58 121	5 856	Availability of additional funding; Requests from subsistence producers for production inputs; Favourable rainy conditions.

Programme 4: Veterinary Services

Output	Output indicator	Planned annual target 2022/23	Actual achievement 2022/23	Deviation from planned target to actual achievement	Reasons for deviation
Biosecurity policies and strategies strengthened	Number of samples collected for targeted animal disease surveillance	105 260	179 625	74 365	Samples collected for targeted animal disease surveillance depends on field personnel collection schedules, availability of collection materials and other related resources.
	Number of epidemiological units visited for veterinary interventions	73 989	92 633	18 644	FMD and Rabbit Haemorrhagic Disease (RHD) outbreaks were confirmed for the first time in NC and country, and more visits had to be conducted by officials for sampling.
Biosecurity policies and strategies strengthened	Number of veterinary certificates issued for export facilitation	38 206	50 723	12 517	The indicator is demand driven, additionally the impact of FMD affected performance negatively.
Reduce level of risk associated with food	Number of inspections conducted on meat-producing facilities	5 202	6 028	826	Some abattoirs were non-operational.
Reduce level of risk associated with food	Number of laboratory tests performed according to approved standards	498 950	753 836	254 886	At the time of setting targets in WC, the available information indicated that the Provincial Veterinary Laboratory would be closed by July for extensive renovation. Owing to delays in the project that are outside the control of Veterinary Diagnostic Services, the project commenced on 3 November and final testing completed at the end of November.
Address and promote the welfare of animals, animal identification and advisory services	Number of Performing Animals Protection Act (PAPA) registration licences issued	283	373	90	PAPA registration licenses were issued earlier than anticipated and districts sent out reminders to clients to renew their licenses.

Programme 5: Research and Technology Development Services

Output	Output indicator	Planned annual target 2022/23	Actual achievement 2022/23	Deviation from planned target to actual achievement	Reasons for deviation
Research projects implemented	Number of research projects implemented to improve agricultural production	292	317	25	Funding availability
Scientific papers published	Number of scientific papers published	55	77	22	Exact number difficult to predict owing to the process involved in scientific publication, in terms of the time required for an article to be approved nationally or internationally.



Output	Output indicator	Planned annual target 2022/23	Actual achievement 2022/23	Deviation from planned target to actual achievement	Reasons for deviation
Technologies developed for smallholder producers	Number of new technologies developed for smallholder producers	18	18	0	N/A
Research presented at peer review events	Number of research presentations made at peer review events	130	205	75	More presentations were accepted for presentation than anticipated.
Research presented at technology transfer events	Number of research presentations made at technology transfer events	543	626	83	Demand driven and the lifting of COVID-19 regulations led to more events being hosted.
Research Infrastructure managed	Number of research infrastructure managed	39	39	0	N/A

Programme 6: Agricultural Economics Services

Output	Output indicator	Planned annual target 2022/23	Actual achievement 2022/23	Deviation from planned target to actual achievement	Reasons for deviation
Agri-businesses supported with market access	Number of agri-businesses supported with marketing services	1 909	2 846	937	Owing to additional requests and group attendance.
	Number of clients supported with production economic services	6 255	9 073	2 818	Requests from farmers for assistance with the compilation of business plans, and the evaluation of some, as well as the bookkeeping and record keeping services that were rendered to farmers.
Agri-businesses supported	Number of agri-businesses supported with BEE advisory services	165	319	154	More agri-businesses were supported with BEE advisory services through the Enterprise and Supplier Development Workshop.
Agri-businesses supported	Number of agri-businesses supported with agro-processing initiatives	500	270	230	KZN contributed to the underperformance because it set an annual target of 400 and only reported a performance of 130 in the fourth quarter.
Economic reports	Number of economic reports compiled	138	141	3	Indicator is demand driven.

Programme 7: Agricultural Education and Training

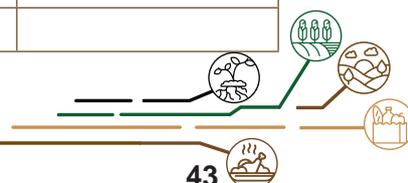
Output	Output indicator	Planned annual target 2022/23	Actual achievement 2022/23	Deviation from planned target to actual achievement	Reasons for deviation
Skilled producers	Number of participants trained in agricultural skills development programmes in the sector	13 753	17 945	4 192	Demand by farmers
Skilled participants and employable graduates in the sector	Number of students graduated with agricultural qualification	542	630	88	Because of the strong focus on academic support to students and the student watchlist to increase and ensure student success in the WC.

5. Transfer payments

Transfer payments to all organisations other than public entities

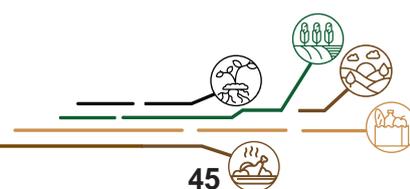
The following table reflects the transfer payments made for the period 1 April 2022 to 31 March 2023.

Name of transferee	Type of organisation	Purpose for which funds were used	Did the department comply with Section 38(1) (j) of PFMA	Amount transferred (R'000)	Amount spent by the entity (R'000)	Reasons for funds not spent by the entity
Province						
EC	Provincial department	CASP, LandCare and Ilima/Letsema	Yes	340 143	322 665	<ul style="list-style-type: none"> • Delays in supply chain management processes resulting in difficulties finding suitable and qualified training service providers for farm workers on the department's training database; • DPW delaying the authorisation for commencement of works for the TARDI exam hall; • Delays in the recruitment of agricultural advisors.
FS	Provincial department	CASP, LandCare and Ilima/Letsema	Yes	272 071	267 954	Delays in supply chain management processes; Adverse weather conditions (Floods and veld fires).
GP	Provincial department	CASP, LandCare and Ilima/Letsema	Yes	146 229	66 016	<ul style="list-style-type: none"> • The delay in the construction of infrastructure projects through the Development Bank of Southern Africa led to the delay in realisation of expenditure of the allocated budget; • Non-responsive tenders for the supply and delivery of grain production inputs.
KZN	Provincial department	CASP, LandCare and Ilima/Letsema	Yes	307 138	307 138	100% spent
LP	Provincial department	CASP, LandCare and Ilima/Letsema	Yes	326 452	306 642	Delays in delivery of services by appointed service providers; Delays in supply chain management processes.
MP	Provincial department	CASP, LandCare and Ilima/Letsema	Yes	245 294	245 189	100% spent
NC	Provincial department	CASP, LandCare and Ilima/Letsema	Yes	203 517	198 531	100% spent
NW	Provincial department	CASP, LandCare and Ilima/Letsema	Yes	266 956	230 296	<ul style="list-style-type: none"> • Delays with e-tender procurement processes; • Heavy rainfalls affected the commencement of some infrastructure projects; • Challenges with supply chain management procurement processes; • Challenges with non-responsive service providers delaying the finalisation of procurement.
WC	Provincial department	CASP, LandCare and Ilima/Letsema	Yes	186 612	186 757	100% spent
Subtotal				2 294 412	R2 131 168	
Municipalities						



Name of transferee	Type of organisation	Purpose for which funds were used	Did the department comply with Section 38(1) (j) of PFMA	Amount transferred (R'000)	Amount spent by the entity (R'000)	Reasons for funds not spent by the entity
Province						
EC	Local government	Rates, taxes and vehicle licence renewal	N/A	35 515	35 515	N/A
FS	Local government	Rates, taxes, penalties, and vehicle licence renewal	N/A	5 745	5 745	N/A
GP	Local government	Rates, taxes and vehicle licence renewal	N/A	2 355	2 355	N/A
KZN	Local government	Rates, taxes, penalties, and vehicle licence renewal	N/A	6 049	6 049	N/A
LP	Local government	Rates, taxes and vehicle licence renewal	N/A	70 019	70 019	N/A
MP	Local government	Rates, taxes and vehicle licence renewal	N/A	101 803	101 803	N/A
NW	Local government	Rates, taxes and vehicle licence renewal	N/A	76 405	76 405	N/A
NC	Local government	Rates, taxes and vehicle licence renewal	N/A	12 016	12 016	N/A
WC	Local government	Rates, taxes and vehicle licence renewal	N/A	820	820	N/A
Subtotal				311 518	311 518	
Departmental agencies and accounts						
Agri Sector Education and Training Authority	Departmental agency	Contribution to operations	Yes	1 459	1 459	100% spent
ALHA	Departmental agency	Contribution to operations	Yes	596 760	596 760	100% spent
ARC	Departmental agency	Contribution to operations	Yes	1 189 320	1 189 320	100% spent
Ingonyama Trust Board	Departmental agency	Contribution to operations	Yes	24 391	24 391	100% spent
NAMC	Departmental agency	Contribution to operations	Yes	48 535	48 535	100% spent
Office of the Valuer-General (OVG)	Departmental agency	Contribution to operations	Yes	107 172	72 395	Owing to continued capacity challenges experienced by the OVG. Currently, the OVG is in the process of reviewing the operating model with a view to rationalise the capacity required.
Registration of Deeds Trade Account	Departmental agency	Contribution to operations	Yes	1	–	The entity did not require financial support from the department.
SA Geomatics Council	Departmental agency		Yes	4 000	4 000	100% spent
Com: Licence	Public corporation	TV Licence renewals	N/A	19	19	N/A

Name of transferee	Type of organisation	Purpose for which funds were used	Did the department comply with Section 38(1) (j) of PFMA	Amount transferred (R'000)	Amount spent by the entity (R'000)	Reasons for funds not spent by the entity
Province						
Subtotal				1 971 656	1 936 879	
Public corporations and private Enterprises						
Land and Agri Bank of SA	Public corporation	Contribution to operations	Yes	589 905	30 600	The Blended Finance Scheme involves other participating financial institutions. Spending will commence once other participating financial institutions have concluded memorandums of agreement (MoAs) with DALRRD.
Subtotal				589 905	30 600	
Red Meat Industry Forum						
Red Meat Industry Forum	Private enterprises		N/A	-	-	N/A
Subtotal				-	-	N/A
Foreign Governments and International Organisations						
Foreign rates and taxes	Foreign governments and international organisations	Rates and taxes paid in foreign regions	N/A	160	160	N/A
International organisations	Foreign governments and international organisations	Membership fees	N/A	43 021	43 021	N/A
Subtotal				43 181	43 181	
Non-profit organisations						
SA Council for Planners	Non-profit institution	Contribution to operations	Yes	4 263	4 140	N/A
Subtotal				4 263	4 140	
Households						
Claims against the State	Households	Claims against the state	N/A	1 327	1 327	N/A
Leave gratuities	Households	Payment of leave days to officials who left the department	N/A	13 026	13 026	N/A
Bursaries for non-employees	Households	Bursaries to students	N/A	59 295	59 295	N/A
Restitution grants	Households	Payment of land claims	N/A	2 008 795	2 008 795	N/A
Rural development	Households	Rural youth skills development	N/A	6 082	6 082	N/A
Subtotal				2 088 525	2 088 525	



6. Capital investment

Infrastructure projects currently in progress:

- Air conditioning and electrical installation: repair and maintenance programme (ramp) project at Sefala Building (WCS 044038): The compulsory briefing meeting was held in October 2022. On 9 May 2023, DPW requested DALRRD to confirm funds for R5 940 678,04 to enable them to award the bid for the finalisation of the outstanding work.
- Pretoria, Arcadia installation of ballustrate/steel handrails on top of Sefala Building (WCS 055553): The whole procurement process was closed by National Treasury owing to Afri-Forum querying the BEE status, DPW Regional Office was instructed to proceed with it as is. The document to be advertised but was informed that the CPM must adjust the point in the procurement document.
- Kempton Park Animal Quarantine Station: Upgrading of infrastructure (WCS 053727): The project was stagnant, therefore a project manager was appointed. DPW indicated that for it to proceed with estimate costs, it required DARLLD to specify the arrears of the existing building that needed renovation. A new status was received on 19/7/2022. DPWI is in the process of appointing consultants, however, still awaiting allocation on the project to start the process by end of July 2023.
- Construction of a sniffer dog facility (WCS 051626): Project is placed on status eight. Town planning requested that the planning be reversed so that it could appoint consultants. Alternatively, reports for the project were requested from the project manager so that town planning could clear the site. A new procurement instruction (PI) for the project will have to be issued since the existing PI was issued for the project at the Stellenbosch Plant Quarantine Station. A new WCS number (WCS 055808) has been issued with no progress report, whatsoever. To date, a site has not been identified yet.
- Alterations to the entrance at Polka Drive (WCS 051209): A new project was registered. On 20 March 2018, officials from KAM Head Office were reminded of various fruitless attempts to obtain a PI for this project. The DPW Cape Town Regional Office reported that enquiries have been made to the KAM Head Office on the issuing of a WCS number and PI for the project and requested the office to inform the department on whether a reply has been obtained or not. No response has been received to date.
- Construction of seed banks in Sterkspruit (WCS 051639): The project manager and KAM Head Office officials were reminded that the department was promised approval for the application for land division to construct seed banks had been promised, to provide the department with alternative options.
- Site clearance for the construction of the seed banks in Sterkspruit (WCS 052458): A consultant was appointed to conduct studies on the approved site. A re-zoning could not be finalised because it was not approved. An alternative site was identified on the Department of Correctional Services' site. A meeting between DCS and NDPW is being arranged to facilitate the subdivision of the property to allocate land to the Department of Agriculture.
- Repair and renovation of offices at the Old SABS Building, 116 Church Street, Bloemfontein (WCS 055123): Property registered in the name of the Free State Provincial Government (FSPG). FSPG has not provided NDPWI with a letter for power of attorney as per their commitment in 2022. NDPWI Real Estate Services Unit is busy with bulk transfer of properties—awaiting sign-off by FSPG.
- Repairs and installation of infrastructure at Roodeplaat Genetic Resources Centre (WCS 052805): This project is under construction. The contractor confirmed that the project will be completed on 4 July 2022, to date the contractor is struggling to meet the completion date owing to mechanical problems, however, they were granted an extension and now they are in penalties owing to failure to complete the project as indicated on the contract.
- DAFF: Installation of facilities for people with disabilities at Agriculture Place WCS (052356): Revised PI was issued in 2019, to date status quo remains.
- Middleburg (EC)—Grootfontein Agricultural Development Institute (GADI) (WCS 53304): The project has been completed. The construction is no longer on site, the final account is awaited.
- Feasibility study for the procurement of new head office at Agriculture Place (WCS 055153): R15 million was required for the transfer of funds for the feasibility study. In 2017/18, DAFF transferred only R10 million under CAPEX and the R5 million was transferred in the 2018/2019 financial year. A submission was forwarded to the minister for approval for continuation of the project—new head office for former DAFF. It was recommended that the continuation will save the department R17,5 million annually on leases and municipal services, excluding 10% annually increment. This project will also improve organisational operations efficiency based on the current approved structure. Management was to inform on this project since it is in its hands now.
- Site clearance: Township establishment on the part of the remaining extension of the Tshwane Prinshof Farm 349 (WCS 055097): Awaiting feasibility study to be concluded, thereafter the planning of the construction will kick in. The department is awaiting.

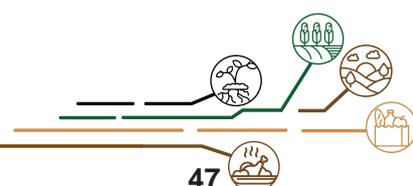
- Construction of one seed bank (Mutale) WCS (051592): The project is on hold pending the site clearance of the project number WCS 0542459.
- Rehabilitation of the two dams, including repair of dam wall at Stellenbosch Plant Quarantine Station (WCS 54896): Project manager informed the meeting that the sketch plan was approved on 23 March 2021. The Draft Bill of quantities was completed. A Bid Specification Committee meeting will be held and the project will be placed on the procurement plan. The project still to be added to the procurement plan.
- Construction of classroom building **on the Gadi Campus in Middleburg (WCS 055587)**: DPW issued a revised PI to Port Elizabeth (PE) on 28 December 2021. There is a delay in inviting tenders owing to a National Treasury instruction. DPW is waiting for upliftment. The client is waiting for the PI for land acquisition and KAM HO to follow up with DPW: Town Planning and refer back to the client. DCS sited issues regarding security in a shared site.

Projects awaiting WCS numbers:

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

Planned maintenance projects by DPW

- Repair and maintenance of facilities at Buffelspoort (WCS 52059): DPW was requested to advise department whether service could be placed on planned maintenance since the department was unable to confirm funding. DPW has now indicated that the project is placed under the Planned Maintenance Programme of DPW.
- Stellenbosch Plant Quarantine Station repairs to the main administrative (WCS 054606) centre (STATUS 5B): PM informed the meeting that the consultant is busy with the draft tender document. The contractor is currently busy with the snagging list to finalise practical completion.
- Stellenbosch Heritage: Repair and renovation—15 Market Street (Heritage Building) (WCS 051726): PM informed the meeting that the consultant is busy with the draft tender document.



7. Conditional grants

Conditional grant 1: Comprehensive Agricultural Support Programme (CASP)

Department which transferred the grant	EC Department of Rural Development and Agrarian Reform
Purpose of the grant	<ul style="list-style-type: none"> To provide effective and coordinated agricultural support services through collaborations with industry transformation initiatives where possible; To promote and facilitate agricultural development by targeting beneficiaries of land reform and other black producers who have acquired land through private means and are engaged in value-adding enterprises domestically, or involved in export; To revitalise colleges of agricultural into centres of excellence.
Expected outputs of the grant	<ul style="list-style-type: none"> 700 subsistence, 2 432 smallholder and 0 black commercial farmers supported through CASP; 3 009 youth, 1 316 women and 0 farmers with disabilities supported through CASP; 153 on-off farm infrastructure provided; 2 000 CASP beneficiaries trained on farming methods and 20 farming units mentored; 120 unemployed graduates placed on commercial enterprises for potential skills transfer; 8 SA GAP certified famers; Extension personnel salaries paid and maintained in the system; Construction of the 2X50 seater exam hall at Fort Cox; Professional services of the construction at Fort Cox; Construction of an access control gate at TARDI; Construction of an incinerator and its super structure at the Tsolo Agriculture and Rural Development Institute (TARDI); Construction of an exam hall at TARDI; Professional services at TARDI; 1 800 farmers participating in the Kaonafatso Ya Dikgomo (KYD) Programme.
Actual outputs achieved	<ul style="list-style-type: none"> 452 subsistence, 4 165 smallholder and 26 black commercial farmers were supported through CASP. 311 youth, 2 188 women and 0 farmers with disabilities were supported through CASP. 146 on-off farm infrastructure was provided. 135 CASP beneficiaries of CASP were trained on farming methods and 18 farming units were mentored. 26 unemployed graduates were placed on commercial enterprises for potential skills transfer as at the last quarter of the placement. There were no salaries paid during the financial year, even though 37 agricultural advisors were appointed. Moving forward, 77 agricultural advisors and 24 senior agricultural advisors will be maintained through the grant for the next three years. On a monthly basis, the directorate will be paying R3 157 053 and by year end it shall have paid R37 884 636. 8 farmers received SA GAP certification. 2 colleges of agriculture upgraded infrastructure (TARDI and Fort Cox). The following are multi-year projects still continuing: <ul style="list-style-type: none"> Construction of the 2X50 seater exam hall at Fort Cox; Professional services of the construction of the Fort Cox projects; Construction of an access control gate at TARDI; Construction of an incinerator and its super structure at TARDI; Construction of an exam hall at TARDI; and Professional services for the construction of the TARDI projects. 1 004 farmers participated in the KYD programme.
Amount per amended DORA	R251 234 000,00
Amount received	R251 233 000.00
Reasons if amount as per DORA not received	N/A
Amount spent by the department	R235 091 000.00
Reasons for the funds unspent	Underexpenditure is mainly attributable to: <ul style="list-style-type: none"> delays in supply chain management processes resulting in difficulties finding suitable and qualified training service providers for farm workers on the department's training database; DPW delaying the authorisation for commencement of works for the TARDI exam hall; delays in the recruitment of agricultural advisors.
Reasons for deviation on performance	Deviations were requested owing to: <ul style="list-style-type: none"> delays in constructing fencing of arable lands because of heavy rains in the last quarter of 2022; delays in supply chain management processes resulting in difficulties finding suitable and qualified training service providers for farm workers on the department's training database; DPW delaying the authorisation for commencement of works for the TARDI exam hall; delays in the recruitment of agricultural advisors.
Measures taken to improve performance	<ul style="list-style-type: none"> Strengthening of contract management; Timely procurement of training and other service providers; Deviations requested.

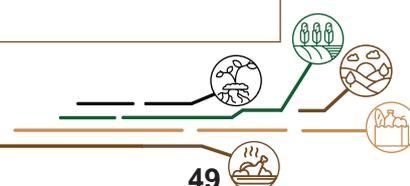
Department which transferred the grant	EC Department of Rural Development and Agrarian Reform
Monitoring mechanism by the receiving department	<ul style="list-style-type: none"> Weekly conditional grant meetings to monitor progress, weekly site visits to ensure quality, and weekly project visits by districts, depending on capacity to enhance timely identification of risks and implementation of corrective measures; Weekly, monthly, quarterly, and Annual reporting on projects against works pro and APP targets; Site and district visits by head office; Enforce close-out that includes lessons learned and improvement plan report; All engineering staff should undergo purpose-made training in contract administration.

Conditional Grant 2: Ilima/Letsema

Department to which the grant was transferred	EC Department of Rural Development and Agrarian Reform
Purpose of the grant	<ul style="list-style-type: none"> To assist vulnerable South African farming communities to achieve an increase in agricultural production and invest in infrastructure that unlocks agricultural production within strategically identified commodities/products and production areas.
Expected outputs of the grant	<ul style="list-style-type: none"> 22 620 subsistence (Households), 4 312 smallholder farmers supported through Ilima/Letsema; 3 424 youth, 16 165 women and 13 farmers with disabilities supported through Ilima/Letsema; 6 063 ha of land under agricultural production (Field crops such as grains and oilseeds, fodder, and vegetables); 15 000 tons produced (production output); 2 106 jobs created.
Actual outputs achieved	<ul style="list-style-type: none"> 22 645 subsistence (Households), 4 312 smallholders were supported through Ilima/Letsema. 3 436 youth, 16 179 women and 13 farmers with disabilities were supported through Ilima/Letsema. 6 129 ha of land were under agricultural production (Field crops such as grains and oilseeds, fodder, and vegetables). 16 311 tons produced (production output estimated). 1 912 jobs were created.
Amount allocated per DORA	<ul style="list-style-type: none"> R76 210 000
Amount received	<ul style="list-style-type: none"> R76 210 000
Reasons if amount as per DORA not received	<ul style="list-style-type: none"> N/A
Amount spent by the department	<ul style="list-style-type: none"> R76 209 000 00
Reasons for the funds unspent	<ul style="list-style-type: none"> N/A
Reasons for deviation on performance	<ul style="list-style-type: none"> N/A
Measures taken to improve performance	<ul style="list-style-type: none"> Early procurement using the framework agreements; Adherence to project plan; Monthly project performance meetings.
Monitoring mechanism by the receiving department	<ul style="list-style-type: none"> Regular monitoring by project leaders, deputy directors and directors (District and head office); Monthly monitoring by project coordinators; Quarterly monitoring by DALRRD working with Department of Rural Development and Agrarian Reform.

Conditional grant 1: CASP

Department to which the grant was transferred	FS Department of Agriculture and Rural Development
Purpose of the grant	<ul style="list-style-type: none"> 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 colleges of agriculture into centres of excellence.
Expected outputs of the grant	<ul style="list-style-type: none"> 500 subsistence, 40 smallholder and 0 commercial farmers supported through CASP; 10 youth, 10 women and 3 people with disabilities supported through CASP; 18 on-off farm infrastructure provided; 7 CASP beneficiaries supported with SA GAP certification; 354 jobs created; 1 600 CASP beneficiaries trained on farming methods, and 37 farms receiving mentoring; 120 unemployed graduates placed on commercial enterprises for potential skills transfer; 18 CASP beneficiaries supported with market access; 26 extension personnel maintained in the system; 1 college of agriculture upgrading infrastructure.



Department to which the grant was transferred	FS Department of Agriculture and Rural Development
Actual outputs achieved	<ul style="list-style-type: none"> • 3 421 subsistence, 65 smallholder and 0 black commercial farmers were supported through CASP. • 29 youth, 21 women and 0 people with disabilities were supported through CASP (Farmer projects). • 5 432 people benefited from CASP, 3 285 males, 2 147 females, 641 male youth, 614 female youth and 8 people with disabilities. • 24 on-off farm infrastructure was provided. • 264 jobs were created. • 1 340 CASP beneficiaries trained on farming methods and 27 projects were mentored. • 117 unemployed graduates were placed on commercial enterprises for potential skills transfer. • 35 CASP beneficiaries were supported with markets access. • 0 CASP beneficiaries were supported with SA GAP certification. • 26 extension personnel salaries were paid and maintained on the system. • 1 college of agriculture upgraded infrastructure (Glen College).
Amount allocated per DORA	R190 377 000
Amount received	R190 377 000
Reasons if amount as per DORA not received	N/A
Amount spent by the department	R186 761 000 00
Reasons for the funds unspent	<ul style="list-style-type: none"> • Late transfer of funds to the province; • Procurement systems and late approval of tenders; • Late approval of requested rollover; • Human resource; • Adverse weather conditions (Floods and veld fires).
Reasons for deviation on performance	<ul style="list-style-type: none"> • The major reason is procurement processes, mainly because of non-responsive tender bid leading to a need to re-advertise within the implementation phase. • Individual project start readiness and start date, as well as inefficiencies with the opening of accounts and registering the beneficiary accounts on the Central Supplier Data Base.
Measures taken to improve performance	<ul style="list-style-type: none"> • Revisit the procurement system in terms of improving the turnaround times in the appointment of competent suppliers. • Strengthen the service level agreement (SLA) with the participating bank.
Monitoring mechanism by the receiving department	<ul style="list-style-type: none"> • Regular monitoring by project leaders, engineers, deputy directors and directors; • Monthly monitoring by project coordinators; • Quarterly monitoring by provincial CASP office, M&E and DALRRD; • Quarterly performance review meetings held by DALRRD.

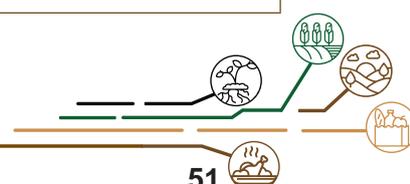
Conditional grant 2: Ilima/Letsema

Department to which the grant was transferred	FS Department of Agriculture and Rural Development
Purpose of the grant	<ul style="list-style-type: none"> • To assist vulnerable South African farming communities to achieve an increase in agricultural production and invest in infrastructure that unlocks agricultural production within strategically identified commodities/products and production areas.
Expected outputs of the grant	<ul style="list-style-type: none"> • 500 subsistence, 40 smallholder and 0 commercial farmers supported through Ilima/Letsema; • 10 youth, 10 women and 3 people with disabilities supported through Ilima/Letsema; • 1 434 ha of land were under agricultural production (Field crops such as grains and oilseeds, horticulture fibre, and livestock); • 0 rehabilitated and expanded irrigation schemes; • 3 735,2 tons produced (production output); • 26 superior breeding animals acquired and distributed to farmers; • 197 jobs created; • Community gardens supported with inputs; • School gardens supported with inputs.

Department to which the grant was transferred	FS Department of Agriculture and Rural Development
Actual outputs achieved	<ul style="list-style-type: none"> • 3 075 subsistence, 43 smallholder and 2 commercial farmers were supported through Ilima/Letsema. • 197 youth, 576 women and 0 people with disability were supported through Ilima/Letsema. • 1 434 ha of land were under agricultural production (Field crops such as grains and oilseeds, horticulture fibre, and livestock). • 0 irrigation schemes were rehabilitated and expanded. • 3 736 tons were produced (production output estimated). • 26 superior breeding animals were acquired and distributed to farmers. • 96 jobs were created. • Community gardens were supported with inputs. • School gardens were supported with inputs.
Amount allocated per DORA	R73 178 000 00
Amount received	R73 178 000 00
Reasons if amount as per DORA not received	N/A
Amount spent by the department	R72 494 000
Reasons for the funds unspent	<ul style="list-style-type: none"> • Procurement systems and late approval of tenders; • Late approval of requested rollover; • Human resource; • Adverse weather conditions (Floods and veld fires).
Reasons for deviation on performance	<ul style="list-style-type: none"> • The major reason is procurement processes, mainly because of non-responsive tender bid leading to a need to re-advertise within the implementation phase. • Individual project starts readiness and start date, as well as inefficiencies with the opening of accounts and registering the beneficiary accounts on the Central Supplier Data Base.
Measures taken to improve performance	<ul style="list-style-type: none"> • Revisit the procurement system in terms of improving the turnaround times in the appointment of competent suppliers; • Strengthen the SLA with the participating bank.
Monitoring mechanism by the receiving department	<ul style="list-style-type: none"> • Regular monitoring by project leaders, engineers, deputy directors and directors; • Monthly monitoring by project coordinators; • Quarterly monitoring by provincial CASP office, M&E and DALRRD; • Quarterly performance review meetings held by DALRRD.

Conditional grant 1: CASP

Department which transferred the grant	GP Department of Agriculture, Land Reform and Rural Development
Purpose of the grant	<ul style="list-style-type: none"> • 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 address damage to infrastructure caused by floods.
Expected outputs of the grant	<ul style="list-style-type: none"> • 6 000 subsistence, 140 smallholder and non-commercial farmers supported through CASP; • 10 youth and 30 women farmers supported through CASP; • 20 on-off farm infrastructures provided; • 30 CASP beneficiaries supported with SA GAP certification; • 80 jobs created; • 750 CASP beneficiaries trained on farming methods; • 28 unemployed graduates placed on commercial enterprises for potential skills transfer; • 126 extension personnel maintained in the system;
Actual outputs achieved	<ul style="list-style-type: none"> • 7 919 subsistence, 64 smallholder and non-commercial farmers were supported through CASP. • 6 youth and 37 women farmers were supported through CASP. • 12 on-off farm infrastructure was provided. • 20 CASP beneficiaries were supported with SA GAP certification. • 112 jobs were created. • 868 CASP beneficiaries were trained on farming methods. • 28 unemployed graduates were placed on commercial enterprises for potential skills transfer. • 126 extension personnel were maintained in the system.
Amount per amended DORA	R103 748 000
Amount received (R'000)	R103 748 000 00
Reasons if amount as per DORA was not received	N/A



Amount spent by the department (R'000)	R51 715 000
Reasons for the funds unspent by the entity	<ul style="list-style-type: none"> The delay in the construction of the infrastructure projects through DBSA led to the delay in realisation of expenditure of the allocated budget. The entity has applied for rollover as the construction was still underway at the end of the financial year. Non-responsive tenders for the supply and delivery of grain production inputs.
Reasons for deviation on performance	Non-responsive tenders, delays by service providers to complete projects, as well as non-response to requests for quotations.
Measures taken to improve performance	<ul style="list-style-type: none"> Monthly meetings: To ensure proper planning, assessment and monitoring of the construction work; To ensure that infrastructure projects adhere to the Infrastructure Delivery Management System (IDMS) process before implementation.
Monitoring mechanism by the receiving department	DALRRD officials monitored and evaluated projects on a quarterly basis. The conditional grant quarterly review meetings were held to monitor grant performance and implementation. Reports were compiled on a monthly and quarterly basis to present a progress report of the grant.

Conditional grant 2: Ilima/Letsema

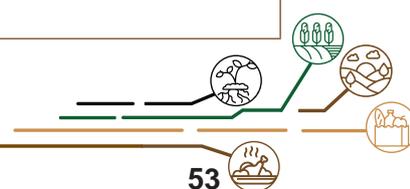
Department which transferred the grant	GP Department of Agriculture, Land Reform and Rural Development
Purpose of the grant	<ul style="list-style-type: none"> To provide effective agricultural support services, promote and facilitate agricultural development by targeting beneficiaries of land restitution 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 address damage to infrastructure caused by floods.
Expected outputs of the grant	<ul style="list-style-type: none"> 6 000 subsistence, 140 smallholder and non-commercial farmers supported through CASP; 10 youth and 30 women farmers supported through CASP; 20 on-off farm infrastructures provided; 30 CASP beneficiaries supported with SA GAP certification; 80 jobs created; 750 CASP beneficiaries trained on farming methods; 28 unemployed graduates placed on commercial enterprises for potential skills transfer; 126 extension personnel maintained in the system;
Actual outputs achieved	<ul style="list-style-type: none"> 7 919 subsistence, 64 smallholder and non-commercial farmers were supported through CASP. 6 youth and 37 women farmers were supported through CASP. 12 on-off farm infrastructures were provided. 20 CASP beneficiaries were supported with SA GAP certification. 112 were jobs created. 868 CASP beneficiaries were trained on farming methods. 28 unemployed graduates were placed on commercial enterprises for potential skills transfer. 126 extension personnel were maintained in the system.
Amount per amended DORA	R37 262 000 00
Amount received (R'000)	R37 262 000 00
Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'000)	R1 000 00
Reasons for the funds unspent by the entity	<ul style="list-style-type: none"> The delay in the construction of infrastructure projects through DBSA led to a delay in realisation of expenditure of the allocated budget. The entity has applied for rollover as the construction was still underway at the end of the financial year. Non-responsive tenders for the supply and delivery of grain production inputs.
Reasons for deviation on performance	Non-responsive tenders, delays by service providers to complete projects, as well as non-response to requests for quotations.
Measures taken to improve performance	<p>Monthly meetings:</p> <ul style="list-style-type: none"> To ensure proper planning, assessment and monitoring of the construction work; To ensure that infrastructure projects adhere to the IDMS process before implementation.
Monitoring mechanism by the receiving department	DALRRD officials monitored and evaluated projects on a quarterly basis. The conditional grant quarterly review meetings were held to monitor grant performance and implementation. Reports were compiled on a monthly and quarterly basis to present progress reports on the grant.

Conditional grant 1: CASP

Department to which the grant was transferred	KZN Department of Agriculture and Rural Development
Purpose of the grant	<ul style="list-style-type: none"> 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 colleges of agriculture into centres of excellence.
Expected outputs of the grant	<ul style="list-style-type: none"> 1 750 farmers targeted, i.e., 57 subsistence, 1 668 smallholder and 25 black commercial farmers supported through CASP; 295 youth, 943 women and 16 people with disabilities supported through CASP; 20 on-off farm infrastructure provided; 15 CASP beneficiaries supported with SA GAP certification; 1 025 jobs created; 1 687 CASP beneficiaries trained on farming methods, and 44 farms receiving mentoring; 120 unemployed graduates placed on commercial enterprises for potential skills transfer; 1 693 CASP beneficiaries supported with market access; 71 extension personnel salaries paid and maintained in the system. 2 colleges of agriculture upgrading infrastructure.
Actual outputs achieved	<ul style="list-style-type: none"> 2 050 farmers were supported, i.e., 422 subsistence, 1 616 smallholder and 12 black commercial farmers were supported through CASP. 503 youth, 1 065 women and 19 people with disabilities were supported through CASP. 18 on-off farm infrastructure was provided. 15 beneficiaries of CASP were supported with SA GAP certification. 1 270 jobs were created. 25 smallholder producers were supported with advocacy on SA GAP certification and related processes, and 5 beneficiaries of CASP were SA GAP certified in 2022/23. 950 beneficiaries of CASP were trained on farming methods and 44 farms were mentored. 120 unemployed graduates were placed on commercial enterprises for potential skills transfer. 1 628 CASP beneficiaries were with markets identified. 71 extension personnel salaries were paid and maintained in the system. 2 colleges of agriculture upgraded infrastructure (Cedara and Owen Sitole College of Agriculture (OSCA)).
Amount allocated per DORA	R218 604 000
Amount received	R218 604 000
Reasons if amount as per DORA not received	N/A
Amount spent by the department	R218 604 000
Reasons for the funds unspent	N/A
Measures taken to improve performance	<ul style="list-style-type: none"> Implementation of some of the proposed agricultural projects through a direct funding model as a way of speeding up procurement processes, improving turnaround time and the impact of services rendered, thereby realising better value for money.
Monitoring mechanism by the receiving department	<ul style="list-style-type: none"> Quarterly reports and project verification visits to funded projects; Quarterly performance review meetings held by DALRRD; Ongoing engagements with technical teams to support the implementation of projects.

Conditional grant 2: Ilima/Letsema

Department to which the grant was transferred	KZN Department of Agriculture and Rural Development
Purpose of the grant	To assist vulnerable South African farming communities to achieve an increase in agricultural production and invest in infrastructure that unlocks agricultural production within strategically identified commodities/ products and production areas.
Expected outputs of the grant	<ul style="list-style-type: none"> 1 040 subsistence, 1 922 smallholder and 18 commercial farmers supported through Ilima/Letsema; 472 youth, 1 027 women and 7 farmers with disabilities supported through Ilima/Letsema; 12 538 ha of land under agricultural production (Field crops such as grains and oilseeds, horticulture fibre, and livestock); 2 rehabilitated and expanded irrigation schemes; 1 850 jobs created;
Actual outputs achieved	<ul style="list-style-type: none"> 4 560 farmers were supported, i.e., 306 subsistence, 4 244 smallholder and 10 black commercial farmers supported through Ilima/Letsema conditional grant. 1 235 youth, 2 322 women and 27 people with disabilities supported through Ilima/Letsema. 15 895 ha of land were under agricultural production, mainly on grain production. 2 irrigation schemes were rehabilitated and expanded. 1 980 jobs were created.



Department to which the grant was transferred	KZN Department of Agriculture and Rural Development
Amount allocated per DORA	R75 424 000
Amount received	R75 424 000
Reasons if amount as per DORA not received	N/A
Amount spent by the department	R75 424 000
Reasons for the funds unspent	N/A
Monitoring mechanism by the receiving department	<ul style="list-style-type: none"> Quarterly progress reports across the various deliverables and meetings to discuss the progress on implementation and projects verification visits; Quarterly performance review meetings held by DALRRD; Ongoing engagements with technical teams to support the implementation of projects.

Conditional grant 1: CASP

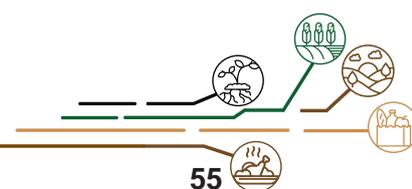
Department to which the grant was transferred	LP Department of Agriculture and Rural Development
Purpose of the grant	<ul style="list-style-type: none"> To provide effective agricultural support services, promote and facilitate agricultural development by targeting beneficiaries of land reform, restitution and redistribution and other producers who have acquired land through private means and are engaged in value-adding enterprises; To revitalise infrastructure in colleges of agriculture.
Expected outputs of the grant	<ul style="list-style-type: none"> 24 projects with 334 beneficiaries supported; 120 unemployed agricultural graduates placed on farms maintained; 950 farmers trained through CASP; 16 projects receiving knowledge and skills through mentorship programmes; CASP beneficiaries assisted with market access; Improved capacity of extension officers to support farmers with agricultural advice through maintaining salaries of 72 extension officers, purchase 97 laptops, procurement of ArcGIS Survey 123 Digital Reporting System and develop skills of 300 extension officers; Upgrading 2 colleges of agriculture by rehabilitating existing buildings and construction of new buildings; 8 projects implemented at Tompi Seleka and Madzivhandila colleges of agriculture.
Actual outputs achieved	<ul style="list-style-type: none"> 14 projects were supported with infrastructure and 232 beneficiaries were supported. Support was provided to 232 smallholder farmers on on-farm infrastructure, 99 adult male, 108 adult female, 25 youth and 6 people with disabilities. 97 unemployed graduates were maintained on commercial enterprises for potential skills transfer. 1 359 farmers were trained through CASP, 673 male, 686 female and 365 youth. 3 projects received knowledge and skills through mentorship programmes. 4 additional projects from the previous year were supported to meet SA GAP compliance standards. 406 vaccination sessions were conducted. 269 jobs were created. 97 laptops were procured. 72 extension officers were maintained in the system. 1 project was implemented at the Tompi Seleka College of Agriculture.
Amount per amended Division of Revenue Act (DORA)	R237 816 000
Amount received	R237 816 000
Reasons if amount as per DORA was not received.	N/A
Amount spent by the department	R219 545 000
Reasons for the funds unspent	R28 547 000 was not spent. R25 067 000 was requested for rollover owing to delays incurred in the appointment of service providers. Delays in delivery of services by appointed service providers.
Reasons for deviation on performance	Delayed delivery of laptops by the service provider.
Measures taken to improve performance	An expenditure catch-up plan was developed and monitored on weekly basis to track expenditure trends. Consultations were conducted with poor performing service providers and implementing agents to fast-track performance on site.
Monitoring mechanism by the receiving department	Conditional grant quarterly review meetings were held to monitor grant performance and implementation. Reports were compiled on a monthly and quarterly basis to present on the utilisation of the grant. Quarterly project site visits were conducted to oversee and verify implementation of approved projects.

Conditional grant 2: Ilima/Letsema

Department to which the grant was transferred	Limpopo Department of Agriculture and Rural Development
Purpose of the grant	To assist vulnerable South African farming communities to achieve an increase in agricultural production and invest in infrastructure that unlocks agricultural production.
Expected outputs of the grant	7 945 ha planted; 4 154 work opportunities created (1 514 permanent and 2 640 temporary); 5 200 households, 30 schools gardens, 15 communal food gardens and 34 micro enterprise projects supported; 8 464 subsistence farmers supported; 913 smallholder farmers supported; 137 projects supported.
Actual outputs achieved	7 783 work opportunities were created. 2 722 households were supported (23 community gardens and 43 school gardens were supported with inputs). 45 micro enterprise projects were supported with inputs. 7 960 subsistence farmers were supported. 305 smallholder farmers were supported. 109 projects were supported, with 28 dropped.
Amount per amended Division of Revenue Act (DORA)	R75 333 000
Amount received	R75 333 000
Reasons if amount as per DORA was not received	N/A
Amount spent by the Department	R67 017 453
Reasons for the funds unspent by the department	Delays in the delivery of services by appointed service providers.
Reasons for deviations on performance	The challenges experienced with the escalation of prices for various production inputs, notably fertilisers, led to reduction in the support that was intended for the farmers. There were other challenges posed by seeds and seedlings contracts, which made it difficult to procure the inputs in the shortest possible time.
Measures taken to improve performance	The department negotiated with the various contractors, notably the seeds, seedlings and fertiliser contractors to deliver despite the challenges of increased prices which they were facing. The department made them realise that it is better to receive a reduced profit than no profit at all. The department further held constant engagements with all contracted service providers to assist in clearing any concerns that they had, and in this way, it was possible to persuade them to continue rendering services.
Monitoring mechanism by the transferring and receiving departments	The grant was monitored through the submission of monthly financial reports and quarterly financial and non-financial reports to the national transferring officer. The conditional grant was also monitored through the quarterly performance review meetings held nationally. The grant was further monitored by the provincial office through project implementation progress reports compiled and submitted by the districts. The provincial officials visited some projects in two districts for monitoring the support provided and the officials at local level monitored projects on an ongoing basis.

Conditional grant 1: CASP

Department to which the grant was transferred	NC Department of Agriculture, Environmental Affairs, Rural Development and Land Reform
Purpose of the grant	<ul style="list-style-type: none"> To provide effective and coordinated agricultural support services through collaborations with industry transformation initiatives, where possible; To promote and facilitate agricultural development by targeting beneficiaries of land reform and other black producers who have acquired land through private means and are engaged in value-adding enterprises domestically, or involved in export; To revitalise colleges of agriculture into centres of excellence.



Expected outputs of the grant	<ul style="list-style-type: none"> • 2 stock water analysis; • Solar and electricity power infrastructure; • Poultry infrastructure upgrades; • Centre pivots and reservoirs; • Wool felting shed; • Hydroponics infrastructure security upgrades; • Conduct cattlewatch: Research; • Cattlewatch: Farmers; • Tractor tracking; • Mechanisation packages: FB & JTG; • Subsistence, smallholder and commercial farmers supported through CASP; • 19 beneficiaries (farms) of CASP supported with SA GAP certification; • CASP jobs created; • 1 099 CASP beneficiaries trained on farming methods; • 80 unemployed graduates placed on commercial enterprises for potential skills transfer; • beneficiaries of CASP supported with markets access; • 40 extension personnel maintained in the system; • 11 new extension practitioners recruited.
Actual outputs achieved	<ul style="list-style-type: none"> • 2 stock water analyses were done. • 1 poultry infrastructure upgrade was completed. • Cattlewatch: Research was completed. • 6 mechanisation packages were delivered to farmers. • 77 smallholder and 0 commercial farmers were supported through CASP. • 34 male 43 female and 5 youth farmers were supported through CASP. • 18 CASP beneficiaries (farms) were supported with SA GAP certification. • 1 614 beneficiaries of CASP were trained on farming methods. • 68 unemployed graduates were placed on commercial enterprises for potential skills transfer. • 40 extension personnel were maintained in the system. • 5 new extension practitioners were recruited.
Amount per amended DORA (R'000)	R125 194 000 00
Amount received (R'000)	R125 194 000 00
Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'000)	R107 394 000 00
Reasons for the funds unspent by the entity	N/A
Monitoring mechanism by the receiving department	<ul style="list-style-type: none"> • Project site visits conducted. Departmental structures that monitor expenditure trends and project implementation are in place. • Compilation of monthly and quarterly progress reports. • Quarterly performance review meetings held by DALRRD.

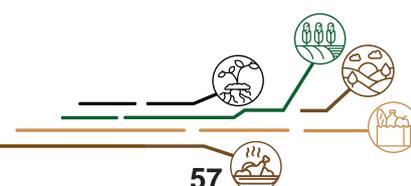
Conditional grant 2: Ilima/Letsema

Department to which the grant was transferred	NC Department of Agriculture, Environmental Affairs, Rural Development and Land Reform
Purpose of the grant	To assist vulnerable South African farming communities to achieve an increase in agricultural production and invest in infrastructure that unlocks agricultural production within strategically identified grain, livestock, horticulture and aquaculture production areas.
Expected outputs of the grant	<ul style="list-style-type: none"> • Subsistence, smallholder and commercial farmers supported through Ilima/Letsema; • Youth, women and farmers with disabilities supported through Ilima/Letsema; • 200 ha of land under agricultural production (Field crops such as grains and oilseeds, horticulture fibre, and livestock); • Rehabilitated and expanded irrigation schemes; • Tons produced (production output); • Jobs created; • Households supported with inputs; • Community gardens supported with inputs; • School gardens supported with inputs.
Actual outputs achieved	<ul style="list-style-type: none"> • 9 smallholder and 0 commercial farmers supported through Ilima/Letsema. • 259 ha of land were under agricultural production. • 1 scheme was rehabilitated and 0 irrigation scheme was expanded. • 456 tons were produced. • 0 superior breeding animals were acquired and distributed to farmers. • 64 jobs were created. • 5 mechanisation packages were distributed to farmers. • 1 129 households were supported with inputs.
Amount per amended DORA (R'000)	R 70 498 000 00
Amount received (R'000)	R 70 498 000 00

Department to which the grant was transferred	NC Department of Agriculture, Environmental Affairs, Rural Development and Land Reform
Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'000)	R82 957 000 00
Reasons for the funds unspent by the entity	N/A
Monitoring mechanism by the receiving department	<ul style="list-style-type: none"> • Project and site visits conducted. Departmental structures that monitor expenditure trends and project implementation are in place. • Compilation of monthly and quarterly progress reports. • Quarterly performance review meetings held by DALRRD.

Conditional grant 1: CASP

Department to which the grant was transferred	NW Department of Agriculture and Rural Development
Purpose of the grant	<ul style="list-style-type: none"> • To provide effective agricultural support services, promote and facilitate agricultural development by targeting beneficiaries of land restitution and redistribution, and other previously disadvantaged producers who have acquired land through private means, and are engaged in value-adding enterprises domestically, or involved in export; • To revitalise agricultural colleges into centres of excellence.
Expected outputs of the grant	<ul style="list-style-type: none"> • 366 smallholder and 5 commercial farmers supported through CASP; • 54 youth, 92 women and 2 farmers with disabilities supported through CASP; • 69 on-off farm infrastructure provided; • 0 animals vaccinated for FMD in Limpopo and Mpumalanga; • 8 CASP beneficiaries supported with SA GAP certification; • 150 jobs created; • 980 CASP beneficiaries trained on farming methods, and 0 farms receiving mentoring; • 120 unemployed graduates placed on commercial enterprises for potential skills transfer; • 145 CASP beneficiaries supported with market access; • 2 colleges of agriculture upgrading infrastructure.
Actual outputs achieved	<ul style="list-style-type: none"> • 564 smallholder and 5 black commercial farmers were supported through CASP. • 41 youth, 174 women and 3 farmers with disabilities were supported through CASP. • 57 on-off farm infrastructure was provided. • 0 animals vaccinated for FMD disease in Limpopo and Mpumalanga. • 111 jobs were created. • 8 CASP beneficiaries were supported with SA GAP certification. • 145 CASP beneficiaries were supported with market access. • 1 181 CASP beneficiaries were trained on farming methods. • 100 unemployed graduates were placed on commercial enterprises for potential skills transfer. • 2 colleges of agriculture upgraded infrastructure (Potchefstroom and Taung).
Amount allocated per DORA	R185 122 000 00
Amount received	R185 122 000 00
Reasons if amount as per DORA not received	N/A
Amount spent by the department	R155 888 000 00
Reasons for the funds unspent	<ul style="list-style-type: none"> • Delays with e-tender procurement processes; • Heavy rainfalls affected the commencement of some infrastructure projects; • Passing away of a borehole service provider delayed most water sourcing projects; • Challenges with service providers who turned down offers late due to lack of capacity and cashflow; • Unavailability of commodity-relevant service providers; • Over pricing by service providers; • Under quoting of service providers; • Unavailability of commodity-relevant service providers.
Reasons for deviation on performance	<ul style="list-style-type: none"> • Delays in procurement processes during implementation.
Measures taken to improve performance	<ul style="list-style-type: none"> • Database of pre-qualified service providers for bulk of the deliverables is in place; • Procurement plan completed; • RT contracts are in place; • Training of bid committee members is done; • The programme has developed a schedule for monthly regular monitoring of project implementation.



Department to which the grant was transferred	NW Department of Agriculture and Rural Development
Monitoring mechanism by the receiving department	<ul style="list-style-type: none"> • Regular monitoring by project leaders, LAO manager, engineers, deputy directors and directors; • Monthly monitoring by project coordinators; • Quarterly projects monitoring by DALRRD and quarterly performance review meetings held.

Conditional grant 2: Ilima/Letsema

Department to which the grant was transferred	NW Department of Agriculture and Rural Development
Purpose of the grant	<ul style="list-style-type: none"> • To assist vulnerable South African farming communities to achieve an increase in agricultural production and invest in infrastructure that unlocks agricultural production within strategically identified commodities/products and production areas.
Expected outputs of the grant	<ul style="list-style-type: none"> • 3 040 subsistence, 540 smallholder and 0 commercial farmers supported through Ilima/Letsema; • 596 youth, 1 760 women and 0 farmers with disabilities supported through Ilima/Letsema; • 11 000 ha of land under agricultural production (Field crops such as grains and oilseeds, horticulture fibre, and livestock); • 23 000 tons produced (Production output); • 50 jobs created; • 43 community gardens supported with inputs; • 31 school gardens supported with inputs.
Actual outputs achieved	<ul style="list-style-type: none"> • 3 234 subsistence, 198 smallholder and 0 commercial farmers were supported through Ilima/Letsema. • 839 youth, 2 542 women and 0 farmers with disabilities were supported through Ilima/Letsema. • 11 142 ha of land were under agricultural production (Field crops such as grains and oilseeds, horticulture fibre, and livestock). • 23 311 tons were produced (production output estimated). • 45 jobs were created. • 43 community were supported with inputs. • 31 school gardens were supported with inputs.
Amount allocated per DORA	R72 881 000 00
Amount received	R72 881 000 00
Reasons if amount as per DORA not received	N/A
Amount spent by the department	R65 460 000 00
Reasons for the funds unspent	<ul style="list-style-type: none"> • Challenges with supply chain management procurement processes; • Challenges with non-responsive service providers delaying procurement finalisation; • Challenges with service providers turning down offers owing to lack of capacity and cash flow; • Heavy rains during third quarter and fourth quarter of the financial year.
Reasons for deviation on performance	<ul style="list-style-type: none"> • N/A
Measures taken to improve performance	<ul style="list-style-type: none"> • Approval of panel of pre-qualified service providers to fast-track project implementation; • Regular project performance meetings; • Implement according to procurement and implementation plans.
Monitoring mechanism by the receiving department	<ul style="list-style-type: none"> • Regular monitoring by project leaders, LAO manager, engineers, deputy directors and directors; • Monthly monitoring by project coordinators; • Quarterly monitoring by DALRRD.

Conditional grant 1: CASP

Department to which the grant was transferred	WC Department of Agriculture																																																						
Purpose of the grant	<ul style="list-style-type: none"> To provide effective agricultural support services, promote and facilitate agricultural development by targeting beneficiaries of land reform, restitution and redistribution, and other black producers' who have acquired land through private means and are engaged in value-adding enterprises domestically, or involved in exports; Revitalise agricultural colleges into centres of excellence. 																																																						
Expected outputs of the grant	<ul style="list-style-type: none"> Farmers supported per category (smallholder and commercial) and per commodity; CASP beneficiaries who are SA GAP certified; Number of jobs created; Number of farmers who are youth and women living with disabilities supported through CASP; Number of unemployed graduates placed; On and off-farm infrastructure provided and repaired, including agro-processing infrastructure; Number CASP beneficiaries trained on farming methods or opportunities along the value chain; Percentage of CASP beneficiaries with access to formal markets; Number of extension officers recruited and maintained in the system. 																																																						
Actual outputs achieved	<table border="1"> <tr> <td rowspan="2">Farmers supported per category</td> <td>Smallholder</td> <td colspan="2">31</td> </tr> <tr> <td>Commercial</td> <td colspan="2">24</td> </tr> <tr> <td rowspan="3">No of enterprises SA GAP certified</td> <td>Prog</td> <td>Pre-audited</td> <td>Certified</td> </tr> <tr> <td>SA GAP</td> <td>4</td> <td>2</td> </tr> </table>			Farmers supported per category	Smallholder	31		Commercial	24		No of enterprises SA GAP certified	Prog	Pre-audited	Certified	SA GAP	4	2																																						
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	Amount per amended DORA (R'000)	<table border="1"> <tr> <td>*No. of jobs created</td> <td colspan="3">1 694</td> </tr> <tr> <td rowspan="3">No. of farmers supported—youth, women and farmers living with disabilities</td> <td>Youth</td> <td colspan="2">88</td> </tr> <tr> <td>Women</td> <td colspan="2">133</td> </tr> <tr> <td>Disabilities</td> <td colspan="2">3</td> </tr> <tr> <td>No. of unemployed graduates placed</td> <td colspan="3">121</td> </tr> <tr> <td rowspan="5">No. of on and off-farm infrastructure provided/repaired</td> <td>Irrigation/water infrastructure</td> <td colspan="2">5</td> </tr> <tr> <td>Agro-processing</td> <td colspan="2">2</td> </tr> <tr> <td>Horticulture and pasture</td> <td colspan="2">31</td> </tr> <tr> <td>Electrical</td> <td colspan="2">2</td> </tr> <tr> <td>Mechanisation</td> <td colspan="2">22</td> </tr> <tr> <td rowspan="3">No. of CASP beneficiaries trained on farming methods</td> <td>Accredited</td> <td colspan="2">583</td> </tr> <tr> <td>Non-accredited</td> <td colspan="2">2 584</td> </tr> <tr> <td>Total</td> <td colspan="2">3 167</td> </tr> <tr> <td>No. of farmers with access to markets</td> <td colspan="3">61</td> </tr> <tr> <td>No. of extension officers recruited/maintained</td> <td colspan="3">30</td> </tr> </table> <p>* The department does not create jobs, but the enterprises supported create and maintain jobs.</p>			*No. of jobs created	1 694			No. of farmers supported—youth, women and farmers living with disabilities	Youth	88		Women	133		Disabilities	3		No. of unemployed graduates placed	121			No. of on and off-farm infrastructure provided/repaired	Irrigation/water infrastructure	5		Agro-processing	2		Horticulture and pasture	31		Electrical	2		Mechanisation	22		No. of CASP beneficiaries trained on farming methods	Accredited	583		Non-accredited	2 584		Total	3 167		No. of farmers with access to markets	61			No. of extension officers recruited/maintained	30	
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Amount received (R'000)	R122 087 000																																																						
Reasons if amount as per DORA was not received	N/A																																																						
Amount spent by the department (R'000)	R122 232 000																																																						
Reasons for the funds unspent by the entity	100% spent																																																						
Reasons for deviation on performance	N/A																																																						



Measures taken to improve performance	N/A
Monitoring mechanism by the receiving department	Quarterly Review Meetings were scheduled by DALRRD for provinces to report on the performance of the grant. Monthly financial reports were submitted to the transferring department on the fifteenth day of every month. Quarterly non-financial reports were submitted to the transferring department by the twentieth day of the month, after the reporting quarter.

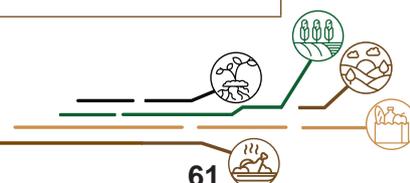
Conditional grant 2: Ilima/Letsema

Department which transferred the grant	DALRRD																																
Purpose of the grant	To assist vulnerable South African farming communities to achieve an increase in agricultural production and invest in infrastructure that unlocks agricultural production within strategically identified livestock, horticulture and aquaculture production areas.																																
Expected outputs of the grant	<ul style="list-style-type: none"> Increased agricultural production of grain, livestock, horticulture and aquaculture at both household and provincial level; Improved household and provincial food security; Jobs created; Beneficiaries/farmers supported by the grant per category. 																																
Actual outputs achieved	<table border="1"> <tr> <td rowspan="5">Increased agricultural production—enterprises per commodity</td> <td>Ruminant</td> <td>10</td> <td rowspan="5"></td> </tr> <tr> <td>Vegetable and seed</td> <td>10</td> </tr> <tr> <td>Winter grain</td> <td>2</td> </tr> <tr> <td>White meat</td> <td>3</td> </tr> <tr> <td>Households</td> <td>3 992</td> </tr> <tr> <td rowspan="2">Improved household and provincial food security—supported</td> <td>Community and school projects</td> <td>234</td> <td rowspan="2"></td> </tr> <tr> <td>3 214</td> <td></td> </tr> <tr> <td>*Jobs created 4 361</td> <td colspan="2">Subsistence 4 226</td> <td>2 780</td> </tr> <tr> <td rowspan="3">Beneficiaries/farmers supported by the grant per category</td> <td>Smallholder</td> <td>20</td> <td rowspan="3"></td> </tr> <tr> <td>Commercial</td> <td>5</td> </tr> <tr> <td></td> <td></td> </tr> </table> <p>* The department does not create jobs, but the enterprises supported create and maintain jobs.</p>			Increased agricultural production—enterprises per commodity	Ruminant	10		Vegetable and seed	10	Winter grain	2	White meat	3	Households	3 992	Improved household and provincial food security—supported	Community and school projects	234		3 214		*Jobs created 4 361	Subsistence 4 226		2 780	Beneficiaries/farmers supported by the grant per category	Smallholder	20		Commercial	5		
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Beneficiaries/farmers supported by the grant per category	Smallholder	20																															
	Commercial	5																															
Amount per amended DORA (R'000)	R58 993 000																																
Amount received (R'000)	R58 993 000																																
Reasons if amount as per DORA was not received	All amounts as per DORA were received.																																
Amount spent by the department (R'000)	R58 993 000																																
Reasons for the funds unspent by the entity	100% spent																																
Reasons for deviation on performance	N/A																																
Measures taken to improve performance	N/A																																
Monitoring mechanism by the receiving department	<ul style="list-style-type: none"> Quarterly review meetings were scheduled by DALRRD for provinces to report on the performance of the grant. Monthly financial reports were submitted to the transferring department on the fifteenth day of every month. Quarterly non-financial reports were submitted to the transferring department by the twentieth day of the month, after the reporting quarter. 																																

Conditional grant 3: LandCare 2022/2023

Department to which the grant has been transferred	EC
Purpose of the grant	To promote sustainable use and management of natural resources by engaging in community-based initiatives that support the pillars of sustainability (Social, economic and environmental), leading to greater productivity, food security, job creation and better well-being for all.
Expected outputs of the grant	<ul style="list-style-type: none"> • 3 865 ha of natural rangeland rehabilitated and/or protected through sustainable rangeland management systems; • 190 ha of land under Conservation Agriculture; • 130 people with improved capacity and skill levels benefiting from capacity building initiatives; • 6 capacity-building exercises conducted; • 9 awareness campaigns conducted; • 500 ha of land where weeds and invader plants are under control; • 48 km-fence erected; • 256 green jobs created; • 36 LandCare committees established.
Actual outputs achieved	<ul style="list-style-type: none"> • 6 334 ha of natural rangeland were rehabilitated and/or protected through sustainable rangeland management systems. • 203 ha of land were under Conservation Agriculture. • 136 people with improved capacity and skill levels benefitted from capacity-building initiatives. • 11 capacity-building exercises were conducted. • 16 awareness campaigns were conducted. • 33 km-fence was erected. • 355 green jobs were created. • 30 LandCare committees were established.
Amount per amended DORA	R12 700 000
Amount transferred	R12 700 000
Reasons if amount as per DORA not transferred	N/A
Amount spent by the department	R11 365 000 00
Reasons for the funds unspent	At the beginning of the financial year there was a treasury instruction regulating spending funds over R30 000,00 which caused delays. In the last quarter of the financial year, there was a delay in spending owing to a public service strike.
Monitoring mechanism by the transferring department	Project visits; Quarterly and financial reports.

Department to which the grant has been transferred	FS
Purpose of the grant	To promote sustainable use and management of natural resources by engaging in community-based initiatives that support the pillars of sustainability (Social, economic and environmental), leading to greater productivity, food security, job creation and better well-being for all.
Expected outputs of the grant	<ul style="list-style-type: none"> • 1 940 ha of natural rangeland rehabilitated and/or protected through sustainable rangeland management systems; • 53 km of waterway and kilometres of contours constructed; • 289 ha of land under Conservation Agriculture; • 900 youth successfully attending organised Junior LandCare initiatives; • 8 capacity-building exercises conducted; • 9 awareness campaigns conducted; • 500 ha of land where weeds and invader plants are under control; • 184 green jobs created;
Actual outputs achieved	<ul style="list-style-type: none"> • 3 684 ha of natural rangeland were rehabilitated and/or protected through sustainable rangeland management systems. • 659 ha of cultivated land were rehabilitated from and/or protected against land degradation. • 32 km of waterway and kilometres of contours were constructed. • 187 ha of land were under Conservation Agriculture. • 901 youth successfully attended organised Junior LandCare initiatives. • 37 people with improved capacity and skill levels benefitted from capacity-building initiatives. • 7 awareness campaigns were conducted. • 164 ha of land where weeds and invader plants were under control. • 197 green jobs were created.
Amount per amended DORA	R8 516 000
Amount transferred	R8 516 000



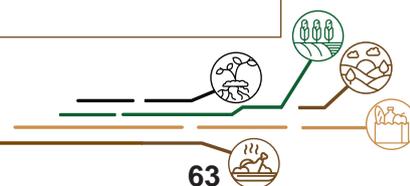
Reasons if amount as per DORA not transferred	N/A
Amount spent by the department	R8 699 000 00
Reasons for the funds unspent	N/A
Monitoring mechanism by the transferring department	Project visits; Quarterly and financial reports.

Department to which the grant has been transferred	GP
Purpose of the grant	To promote sustainable use and management of natural resources by engaging in community-based initiatives that support the pillars of sustainability (Social, economic and environmental), leading to greater productivity, food security, job creation and better well-being for all.
Expected outputs of the grant	<ul style="list-style-type: none"> • 272 ha of land under Conservation Agriculture; • 7 ha of land where water resources are protected and rehabilitated; • 77 people with improved capacity and skill levels benefiting from capacity-building initiatives; • 92 people with an increased awareness; • 760 ha of land where weeds and invader plants are under control; • 183 ha of land where weeds and invader plants are under control; • 225 green jobs created (WO); • 0 LandCare committees established.
Actual outputs achieved	<ul style="list-style-type: none"> • No outputs were achieved under the period under review due to procurement challenges encountered.
Amount per amended DORA	R5 219 000
Amount transferred	R5 219 000
Reasons if amount as per DORA not transferred	N/A
Amount spent by the department	R6 298 000 00
Reasons for the funds unspent	N/A
Monitoring mechanism by the transferring department	<ul style="list-style-type: none"> • Project visits; • Monthly financial and EPWP reports as well as quarterly reports.

Department to which the grant has been transferred	KZN
Purpose of the grant	To promote sustainable use and management of natural resources by engaging in community-based initiatives that support the pillars of sustainability (Social, economic and environmental), leading to greater productivity, food security, job creation and better well-being for all.
Expected outputs of the grant	<ul style="list-style-type: none"> • 650 ha of land under Conservation Agriculture; • 11 youth successfully attending organised Junior LandCare initiatives; • 10 awareness campaigns conducted; • 937 ha of land where weeds and invader plants are under control; • 72 km-fence erected; • 190 green jobs created;
Actual outputs achieved	<ul style="list-style-type: none"> • 682 ha of land were under Conservation Agriculture. • 11 youth successfully attended organised Junior LandCare initiatives. • 10 awareness campaigns were conducted. • 1 036 ha of land where weeds and invader plants were under control. • 73 km-fence was erected. • 190 green jobs were created.
Amount per amended DORA	R13 110 000
Amount transferred	R13 110 000
Reasons if amount as per DORA not transferred	N/A
Amount spent by the department	R13 110 000
Reasons for the funds unspent	N/A
Monitoring mechanism by the transferring department	<ul style="list-style-type: none"> • Project visits; • Monthly financial and EPWP reports, as well as quarterly reports.

Department to which the grant has been transferred	LP
Purpose of the grant	To promote sustainable use and management of natural resources by engaging in community-based initiatives that support the pillars of sustainability (Social, economic and environmental), leading to greater productivity, food security, job creation and better well-being for all.
Expected outputs of the grant	<ul style="list-style-type: none"> • 4 ha of natural rangeland rehabilitated and/or protected through sustainable rangeland management systems; • 58 ha of land under Conservation Agriculture; • 450 youth successfully attending organised Junior LandCare initiatives; • 669 people with improved capacity and skill levels benefiting from capacity-building initiatives; • 1 350 people with an increased awareness; • 760 ha of land where weeds and invader plants are under control; • 22 km-fence erected; • 208 green jobs created (WO); • 3 LandCare committees established.
Actual outputs achieved	<ul style="list-style-type: none"> • 4 ha of natural rangeland were rehabilitated and/or protected through sustainable rangeland management systems. • 45 ha of land were under Conservation Agriculture. • 869 youth successfully attended organised Junior LandCare initiatives. • 802 people with improved capacity and skill levels benefitted from capacity-building initiatives. • 3 561 people with an increased awareness. • 760 ha of land where weeds and invader plants were under control. • 721 ha of land where weeds and invader plants were under control. • 23 km-fence was erected. • 282 green jobs were created (WO). • 1 LandCare committees were established.
Amount per amended DORA	R13 303 000
Amount transferred	R13 303 000
Reasons if amount as per DORA not transferred	N/A
Amount spent by the department	R12 133 727
Reasons for the funds unspent	Delays in supply chain management processes.
Monitoring mechanism by the transferring department	<ul style="list-style-type: none"> • Project visits; • Monthly financial and EPWP reports, as well as quarterly reports.

Department to which the grant has been transferred	MP
Purpose of the grant	To promote sustainable use and management of natural resources by engaging in community-based initiatives that support the pillars of sustainability (Social, economic and environmental), leading to greater productivity, food security, job creation and better well-being for all.
Expected outputs of the grant	<ul style="list-style-type: none"> • 4 340 ha of natural rangeland rehabilitated and/or protected through sustainable rangeland management systems; • 0 ha of cultivated land rehabilitated from and/or protected against land degradation; • 3 865 ha of land under Conservation Agriculture; • 1 825 youth successfully attending organised Junior LandCare initiatives; • 0 ha of land where water resources are protected and rehabilitated; • 669 people with improved capacity and skill levels benefiting from capacity-building initiatives; • 12 capacity-building exercises conducted; • 28 awareness campaigns conducted; • 213 ha of land where weeds and invader plants are under control; • 65 km-fence erected; • 258 green jobs created; • 1 LandCare committee established.
Actual outputs achieved	<ul style="list-style-type: none"> • 3 356 ha of natural rangeland were rehabilitated and/or protected through sustainable rangeland management systems. • 3 877 ha of land were under Conservation Agriculture. • 1 825 youth successfully attended organised Junior LandCare initiatives. • 0 ha of land where water resources were protected and rehabilitated. • 686 people with improved capacity and skill levels benefitted from capacity-building initiatives. • 18 capacity-building exercises were conducted. • 22 awareness campaigns conducted. • 62 km-fence was erected. • 300 green jobs were created. • 3 LandCare committees were established.
Amount per amended DORA	R9 762 000
Amount transferred	R9 762 000



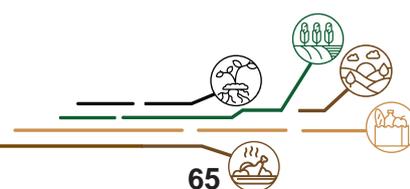
Reasons if amount as per DORA not transferred	None
Amount spent by the department	R9 754 000
Reasons for the funds unspent	The balance was unspent as a result of unsuccessful verification of banking details of the service provider on the CSD system.
Monitoring mechanism by the transferring department	Project visits; Monthly financial and EPWP reports, as well as quarterly reports.

Department to which the grant has been transferred	NC
Purpose of the grant	To promote sustainable use and management of natural resources by engaging in community-based initiatives that support the pillars of sustainability (Social, economic and environmental), leading to greater productivity, food security, job creation and better well-being for all.
Expected outputs of the grant	<ul style="list-style-type: none"> • 3 500 ha of natural rangeland rehabilitated and/or protected through sustainable rangeland management systems. • 0 ha of cultivated land rehabilitated from and/or protected against land degradation; • 80 ha of land under Conservation Agriculture; • 2 awareness campaigns conducted; • 1 000 ha of land where weeds and invader plants are under control; • 300 green jobs created;
Actual outputs achieved	<ul style="list-style-type: none"> • 3 155 ha of natural rangeland were rehabilitated and/or protected through sustainable rangeland management systems. • 10 ha of land were under Conservation Agriculture. • 2 awareness campaigns were conducted. • 1 000 ha of land where weeds and invader plants were under control. • 234 green jobs were created.
Amount per amended DORA	R7 825 000
Amount transferred	R7 825 000
Reasons if amount as per DORA not transferred	N/A
Amount spent by the department	R8 180 000
Reasons for the funds unspent	N/A
Monitoring mechanism by the transferring department	Project visits; Monthly financial and EPWP reports, as well as quarterly reports.

Department to which the grant has been transferred	NW
Purpose of the grant	To promote sustainable use and management of natural resources by engaging in community-based initiatives that support the pillars of sustainability (social, economic and environmental), leading to greater productivity, food security, job creation and better well-being for all.
Expected outputs of the grant	<ul style="list-style-type: none"> • 1 595 ha of natural rangeland rehabilitated and/or protected through sustainable rangeland management systems; • 3 000 ha of land under Conservation Agriculture; • 100 youth successfully attending organised Junior LandCare initiatives; • 100 people with improved capacity and skill levels benefiting from capacity-building initiatives; • 2 capacity-building exercises conducted; • 230 green jobs created;
Actual outputs achieved	<ul style="list-style-type: none"> • 2 408 ha of natural rangeland were rehabilitated and/or protected through sustainable rangeland management systems. • 2 045 ha of land were under Conservation Agriculture. • 313 youth successfully attended organised Junior LandCare initiatives. • 0 ha of land where water resources were protected and rehabilitated. • 150 people with improved capacity and skill levels benefitted from capacity-building initiatives. • 4 capacity-building exercises were conducted. • 287 green jobs were created.
Amount per amended DORA	R8 953 000
Amount transferred	R8 953 000

Reasons if amount as per DORA not transferred	None
Amount spent by the department	R8 948 000 00
Reasons for the funds unspent	The Driefontein project started to implement late due to slight challenges with the traditional leader (Chief). The remaining amount was the budget for payment of EPWP workers.
Monitoring mechanism by the transferring department	Project visits; Quarterly and financial report.

Department to which the grant has been transferred	WC
Purpose of the grant	To promote sustainable use and management of natural resources by engaging in community-based initiatives that support the pillars of sustainability (social, economic and environmental), leading to greater productivity, food security, job creation and better well-being for all.
Expected outputs of the grant	<ul style="list-style-type: none"> • 16 000 ha of natural rangeland rehabilitated and/or protected through sustainable rangeland management systems; • 1 000 ha of land under conservation agriculture; • 1 000 youth successfully attending organised Junior LandCare initiatives; • 1 000 people with improved capacity and skill levels benefiting from capacity-building initiatives; • 1000 people with an increased awareness; • 760 ha of land where weeds and invader plants are under control; • 4 000 ha of land where weeds and invader plants are under control; • 65 km-fence erected; • 1 000 green jobs created (WO); • 5 LandCare committees established.
Actual outputs achieved	<ul style="list-style-type: none"> • 26 830 ha of natural rangeland were rehabilitated and/or protected through sustainable rangeland management systems. • 1 000 ha of land were under Conservation Agriculture. • 1 161 youth successfully attended organised Junior LandCare initiatives. • 1 000 people with improved capacity and skill levels benefitted from capacity-building initiatives. • 579 people with an increased awareness. • 760 ha of land where weeds and invader plants were under control. • 14 191 ha of land where weeds and invader plants were under control. • 66 km-fence was erected. • 1 397 green jobs were created (WO). • 4 LandCare committees were established.
Amount per amended DORA	R5 532 000
Amount transferred	R5 532 000
Reasons if amount as per DORA not transferred	N/A
Amount spent by the department	R5 532 000
Reasons for the funds unspent	N/A
Monitoring mechanism by the transferring department	<ul style="list-style-type: none"> • Project visits; • Monthly financial and EPWP reports, as well as quarterly reports.





PART C

Governance

1. Introduction

The department continued to maintain proper governance, risk and compliance processes. These processes assist it to promote and entrench ethical culture with the aim of preventing and combating fraud and corruption. The risk management function resides in the Office of the Director-General, which allows the independence it needs to properly discharge its governance duties.

2. Risk management

The risk, governance and compliance processes have been continuously applied and maintained to protect the department against known and unknown risk exposure. The department has an approved Risk and Compliance (RAC) Policy and strategy, which provide guidance on the implementation and integration of risk management systems. The RAC Strategy is aligned to the current MTSF (2019–2024), and it provides the roadmap for the attainment of a mature risk culture. The department has, according to its RAC Strategy, maintained maturity level three (i.e., established) and processes are put in place to move to the advanced level.

The Director-General, assisted by EXCO, has continuously implemented and monitored the strategic risk mitigations to ensure that efficient management of risks contributes towards the department's performance. The risk profile comprises four categories as per the diagram below:



Risk Management Committee

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

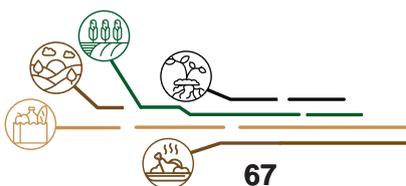
No.	Name (External members)	Number of RMC meetings attended	Number of RMC in committee meetings attended	Role	Date appointed
1	Mr M Khumalo	4 of 4	1 of 1	Chairperson	01 June 2020
2	Adv. T Moeng	4 of 4	1 of 1	External member	01 October 2020
3	Ms J Thupana	4 of 4	1 of 1	External member	01 August 2020
4	Mr B Buthelezi	4 of 4	1 of 1	External member	01 August 2020

3. Fraud and corruption

Fraud prevention and ethics

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

As part of fraud/corruption awareness, the department observed the Fraud Prevention Week on 16 November 2022 in collaboration with the Office of the Auditor-General South Africa, Special Investigations Unit and former Chairperson of the Standing Committee of Public Accounts where 282 employees were in attendance. This day was aimed at creating awareness among members of staff on the role they can play in the fight against fraud, corruption, and unethical behaviour. EXCO was also trained on ethical leadership with the aim of creating a tone on ethics and ethical conduct at the senior level.



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

Category/Level of employment	Total number of employees in category	No. of employees who disclosed financial interests	No. of employees who failed to disclose financial interests
Senior Management Services	369	296	73
Level 9 and 10, including OSD/personal notches	1 198	226	972
Total	1 567	522	1 045

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

Risk Management Committee Report

The RMC supported the Executive Authority and accounting officer by providing oversight on the implementation and maintenance of risk management systems. It executed its fiduciary duties according to the terms of reference and the significant matters were escalated to the accounting officer. The committee is satisfied with the progress being made to mature risk management processes.

The committee will continue to monitor risk issues in relation to the outbreak of diseases, Rural Development Strategy and finalisation of the organisational structure (fit-for-purpose) with its placement.

4. Minimising conflict of interest

The Chief Directorate: Risk Management, Directorate: Fraud Prevention and Ethics Management receives a report(s) from AG(SA) on departmental officials doing business with the state. Upon receiving the information, Directorate Fraud Prevention and Ethics Management writes a submission to Director-General requesting the Director-General to appropriate actions on those officials' doing business with the state in terms of Public Service Act. The department has an Ethics Committee that deals with ethics matters.

5. Code of conduct

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

During the 2022/2023 financial year, the Chief Directorate: Risk Management in partnership with the Ethics Institute of South Africa conducted an ethics training for Senior Managers and twenty-eight (28) participants attended the training over the three-day period. The discussions during the three-day workshop revealed that the participants were hopeful about the department's ethics journey and keen to engage further around ethics. Furthermore, the discussions presented an opportunity for the risk management team to actively pursue creating ethics awareness across all levels within DALRRD. During the 2022/2023 financial year, fraud and ethics awareness training for employees below salary level 12 were conducted and 587 employees attended

6. Health, safety and environmental issues

The following activities were achieved during the 2022/23 financial year:

The Transitional Policy was approved by the Director-General;

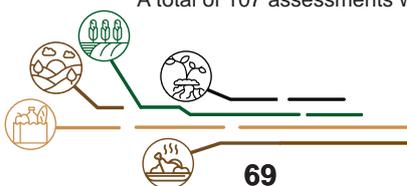
Occupational health and safety assessments were conducted to determine the level of compliance in accordance with OHS Act and its regulations.

Health and safety assessments were conducted during the financial year as follows:

Province	Office/building	Date conducted
Gauteng	OR Tambo terminals: Directorate: Inspection Services—risk assessment	09/09/2022
	Bailey Building: Ablution facilities risk assessments	14/09/2022
	Trust bank: Directorate: Inspection Services: Contravention Notice: Department of Employment and Labour	16/09/2022
	Agriculture Place: Directorate: Communication Services—risk assessments	28/11/2022
	Agriculture Place: Directorate: Communication Services: HRM—risk assessments	30/11/2022
	Roodeplaat (Variety Control Office): Directorate: Genetic Resources—follow- up risk assessment	26/01/2023
	Border Lines NW: Ramatlabama, Kopfontein, Skelpadhek: Directorate: Inspection Services—joint inspection: Information Security and OHS	20 to 23/02/2023
	Centre Walk: Directorate Rural Development—Improvement Notice: Department of Employment and Labour	13/03/2023
	Agriculture Place: Directorate: Agricultural Input Control—risk assessment	23/03/2023

Province	Office/building	Date conducted
KZN	Commercial City Building (RLCC) Durban	16/11/2022
	John Ross House (Durban)	28/02/2023
	Port Shepstone RSSC	12/10/2022
	UMhlabha House (RLCC)	14/03/2023
	Vryheid District Office (RSSC)	09/11/2022
	Newcastle District Office (RSSC)	09/11/2022
	200 Church Street (RLCC)	28/09/2022, 30/11/2022
	SSC	02/02/2023
LP	RLCC: Biccard	28/04/2022
	Vhembe District Office	19/05/2022
	Sekhukhune District Office	11/07/2022
	Modimolle District Office	17/08/2022
	Waterberg District Office	15/09/2022
	Beit Bridge Office	13/10/2022
	Old Mutual building	21/12/2022
	Grobler bridge	17/01/2023
	PSSC: Absa building	15/02/2023
	Deeds an SG	16/03/2023
MP	Lebombo Office	17/05/2022
	Oshoek Border Post Office	18/05/2022
	Mahamba Border Post Office	26/05/2022
	RID file audit	19/10/2022
	RID file audit	06/07/2022
	Deeds office OHS assessment	12/07/2022
	Ermelo office OHS assessment	26/07/2022
	Mahamba Border Post Office	26/05/2022
NC	Violsdrift Boarder post	12/09/2022
	Namakwa District Office	13/09/2022
	Nakop Boarder post	14/09/2022
	Upington District Office	15/09/2022
	Disaster Management (Upington)	16/09/2022
	Harrison Office	22/11/2022
	Crescent House	27/10/2022
	SPLUM	23/11/2022
	Compound Office	24/11/2022
NW	Surveyor-general	13/09/2022
	RLCC: NW	15/09/2022
	PSSC: Finance and SCM	15/09/2022
	Dr Kenneth Kaunda	16/09/2022
	Ngaka Modiri Molema district office	17/09/2022
	Buffelspoort quarantine stations	18/09/2022
WC	14 Long Street, PSSC 2 nd floor	12/04/2022
	Worcester District Office	19/05/2022
	Stellenbosch District Office	14/06/2022
	Registry of Deeds	22/08/2022
	Plant Inspection Services Office	26/10/2022
	Imports and Export Office	26/10/2022
	Animal Quarantine Office	28/10/2022
	PSSC	11/11/2022
	Variety Control Office	14/12/2022
	Stellenbosch District Office	09/02/2023
	Bredasdorp District Office	10/02/2023

A total of 107 assessments were conducted.



OHS assessments conducted at NARYSEC facilities:

Province	Office/building	Date conducted
FS	NARYSEC Thaba Nchu College	25/05/2022
KZN	NARYSEC Office at Durban Commercial City Building 3 rd Floor	16/11/2022
LP	Tompi Seleka Madzibandila	07/02/2023 31/01/2023

A total of four assessments were conducted at NARYSEC facilities.

OHS assessments conducted and coordination of health and safety during departmental events to ensure that health and safety standards are adhered to:

EC	Handover of Three Pence Farm in Hankey near PE Handing over of three title deeds	19/07/2022 15/12/2022
FS	Ministerial oversight visit at Ilanga Estate	07 and 08/04/2022
GP/National Office	Venue pre-assessment for consultation session on communal land tenure: The Lakes	19/04/2022
	Venue pre-assessment for the E-certification System celebration: Birchwood Hotel	09/05/2022
	Pre-assessment conducted for the youth event	23/05/2022
	Pre-assessment conducted at the Bronkhorstspruit office chamber	24/05/2022
	Pre-assessment conducted at Birchwood Hotel in preparation for the Presidential Land Summit	26/05/2022 and 27/05/2022
	Assessment conducted at Birchwood Hotel during the Presidential Land Summit	28/05/2022
	Venue pre-assessment for Land Summit at Birchwood Hotel	26/05/2022; 27/05/2022 and 28/05/2022
	Venue pre-assessment for Round-table Discussion with educational stakeholders and agricultural industry at Unisa Florida	27/06/2022
	NARYSEC Induction Programme, SA Army Gymnasium in Heidelberg	17/07/2022
	Commemoration of Women's Month held at Botanical Gardens in Pretoria	29/08/2022
	Veldfires drought event held at Rust de Winter in Hammanskraal	20/09/2022
	NARYSEC Graduation Ceremony held at SA Arm Gymnasium in Heidelberg	24/10/2022
	Birchwood Hotel: Women Symposium	07/11/2022
	Labour Tenants Assembly Constitutional Hill	10 to 11/11/2022
	Handover of deeds event held in Hoedspruit (MP)	11/11/2022
	Indaba Hotel: NARYSEC Graduation	23/11/2022
	Food parcel distribution event by minister	10/12/2022
Premier Hotel: Seminar on Land Bill	23/02/2023	
Bizana Title Deeds Handover Event (EC)	11/03/2023	
MP	DM event for CPAs and farmers at Badplaas, Forever Resort	17–19/05/2022
	DM event follow up on Presidential Imbizo at Ermelo Zimbali	22 to 24/06/2022
	Follow-up on Imbizo with Deputy Minister: Mcebisi Skwatsha	22/08/2022
	Follow-up on Imbizo with Deputy Minister: Mcebisi Skwatsha: Middleburg	23/08/2022
	Ministers event in Mzinti	15/10/2022
	Follow-up Presidential Imbizo DM event: Protea Hotel Whinkler, White River	07/11/2022
	Follow-up Presidential Imbizo DM event: Mzinti, Nkomazi	08/11/2022
	Follow-up Presidential Imbizo DM event: Protea Hotel Whinkler, White River	08/11/2022
	Plenary pre-assessment for handover and Lamington Ministerial Handover	11/11/2022
	Handover of title deeds held at Hoedspruit (Lamington) in MP	18/11/2022
NC	NARYSEC Graduation Ceremony in Khathu	24/06/2022
	Handover of FSPU site in Heuningvlei	25/06/2022
	Commemoration of Nelson Mandela Month in Qunu, Eastern Cape	18/07/2022

WC	Event planning meeting for District 6 event, 6 April 2022	06/04/2022
	Event planning meeting held in George	20/06/2022
	Event held in George	18/07/2022
	Event planning meeting	22/06/2022
	Event planning meeting	24/06/2022
	Event planning meeting, Thembaletu event	01/09/2022
	NARYSEC event planning meeting,	05/10/2022 10/10/2022 14/10/2022 25/10/2022 28/10/2022
	NARYSEC event held	04/11/2022
	District Six event	06/04/2022

Assessment and coordination of health and safety matters was done during 58 departmental events to ensure that health and safety standards are adhere to.

OHS Committee meetings held in line with approved Transition Policy:

Province	Office	Date of the meeting
EC	Mthatha Deeds National PSSC SG	25/05/22 03 and 04 Aug 22 01/09/22 14/09/22
FS	N/A	Number of OHS Committee meetings held
GP/National Office	ARC Silverton	26/05/2022
	Delpen Building	20/07/2022
	Old Building	02/08/2022; 30/08/2022, 06/09/2022
	ICD	17/08/2022; 02/09/2022, 21/02/2023
	Centre Walk	20/07/2022; 30/08/2022
	Lanseria Airport	26/09/2022
	Capitol Towers	17/10/2022
	140 Hamilton Forum	30/09/2022
KZN	200 Church Street (RLCC)	15/02/2023
	John Ross House	07/03/2023
MP	Deeds Office	13/07/2022
	Ermelo Office	26/07/2022
	Ehlanzeni Office	08/09/2022 and 28/03/2023
	RLCC Office	24/10/2022 and 22/02/2023
	Lodgement Office	23/01/2023
	Nkangala District Office	08/08/2022
	Surveyor-general	09/02/2023
	27 Brown Street Office	02/03/2023
NW	Vryburg Deeds	18/05/2022
	Ngaka Modiri Molema	19/05/2022 and 20/05/2022
	PSSC: NW	22/08/2022
	Buffelspoort quarantine site	13/02/2023

WC	Worcester District Office	19/05/2022
	Stellenbosch District Office	14/06/2022
	NGI Office	13/07/2022
	RLCC and Mowbray	13/07/2022
	PSSC	18/08/2022
	Registry of Deeds Office	22/08/2022
	Plant Inspection Services Office	26/10/2022
	Imports and Export Office	26/10/2022
	Animal Quarantine Office	28/10/2022
	PSSC	11/11/2022
	Variety Control Office	14/12/2022
	Stellenbosch District Office	09/02/2023
	Bredasdorp District Office	10/02/2023

A total of 48 OHS meetings were held during the period under review.

OHS inspection jointly conducted with inspectors from Department of Employment and Labour:

Province	Building/office	Date
FS	Fezile Dabi District Office	30/05/2022
GP/National Office	Old Building (Inspection of lifts)	12/04/2022 and 13/04/2022
	Trust bank: Directorate: Inspection Services—Contravention Notice: Department of Employment and Labour	16/09/2022
	Centre Walk offices to inspect the lifts with inspector from the Department of Employment and Labour and landlord representative	09/03/2023

Five joint inspections conducted with inspectors from the Department of Employment and Labour

Contravention/prohibitions notices issued owing to non-compliance with the Act, its regulations and COVID-19 directives:

Province	Office	Reasons for issuing of contravention/prohibition notices	Date
FS	Fezile Dabi District Office	Contravening with the General Safety Regulation	30/05/2022
GP/National Office	Old Building	Contravention of Lift, Escalator and Passenger Conveyor Regulations 8(2)	12/04/2022
	Old Building	No proof of training on First Aid	13/04/2022
	Trust Bank Building: Directorate: Inspection Services	Contravention with the minimum requirements of OHS Act and its regulations	02/06/2022
	Centre Walk Office	Non-compliance with the Lift, Escalator and Passenger Conveyor Regulations	09/03/2023
KZN	200 Church Street (RLCC) PMB	Contravention of General Administrative Regulation, General Safety Regulations, Environmental Regulation for Workplaces, Facilities Regulation, Electrical Machinery Regulation and Asbestos Regulation	30/11/2022

Incidents and injury on duty (IOD) that occurred and were reported:

Province	Office/building	Nature of incident	Date occurred/ reported
GP/National Office	Agriculture Place	Smell of smoke in the lift at the Ministry: Agriculture Place	05/04/2022
	Old Building	Prime African Cleaning Company staff member fell and sustained pains on her right foot	03 /10/2022
FS	PSSC	Roof leakage	26/04/2022
KZN	SSC, uMhlaba House, Midlands District Office, SGO	Experienced shortage of water for five working days	27/02/2023 to 03/03/2023
LP	SG	An employee sustained an injury on his foot	25/10/2022

Evacuation drills conducted:

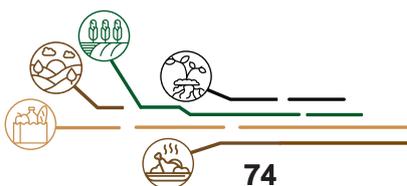
Province	Office	Date of the meeting
EC	GADI Surveyor-general	25/10/22 02/11/22
GP/National Office	140 Hamilton Forum	27/07/2022
	Kempton Park Animal Quarantine Station	13/09/2022
	Rust de Winter AVMP Workers: Intundla	17/03/2023
	Sokhulumu AVMP Workers: Witbank	23/03/2023
	Magalies AVMP Workers: Mount Grace Hotel	27/03/2023
	Heidelberg AVMP Workers: Riviera on Vaal	30/03/2023
KZN	Port Shepstone District Office	12/10/2022
LP	RLCC: Thabakgolo (drill simulation)	19/04/2022
	PSSC: Absa Building	18/11/2022
NC	New Public Building	10/10/2022
NW	Ngaka Modiri Molema District Office	20/05/2022
	Dr Ruth Segomotsi Mompoti District Office	12/07/2022 and 15/03/2023
	Buffelspoort quarantine site	13/02/2023
	Bojanala District Office	14/03/2023

OHS awareness was conducted to sensitise members of staff and contractors on health and safety matters and precautionary measures:

Province	Office/building	Date conducted
EC	GADI SG East London	11/20/2022 and 14/10/2022 02/11/22 28/02/2023 and 03/03/2023
	OHS induction and awareness conducted during re-orientation in EC (East London)	30/08/2022 01/09/2022
	FS	All offices RLCC Phuthaditjhaba AVMP Project Bultfontein AVMP Project
GP/ National Office	OHS awareness and information sharing with Land Summit organisers and the appointed service provider at Birchwood Hotel	26/05/2022
	OHS awareness and information sharing with Land Summit organisers and the appointed service provider at Birchwood Hotel	27/05/2022
	Information session and OHS compliance guidance and awareness conducted with the Land Summit event organisers and appointed service provider	28/05/2022
	OHS awareness and information sharing with ministerial event organisers and the appointed service provider in Randfontein	13/06/2022
	Awareness conducted with cleaning and hygiene staff at Delpen	30/06/2022
	Awareness conducted with cleaning and hygiene staff at Agriculture Place	30/06/2022
	Awareness conducted with cleaning and hygiene staff at Centre Walk	05/07/2022
	OHS induction conducted to NARYSEC at Heidelberg, SA Army Gymnasium	17/07/2022
	Awareness conducted with OHS members at Old Building	02/08/2022
	Awareness conducted with OHS Committee members at ICD	02/09/2022
	Awareness conducted with OHS members on their roles and responsibilities at Old Building	06/09/2022
	OHS awareness conducted with the cleaners at Sedupi K9	22/09/2022
	OHS awareness conducted with cleaners at Lanseria Terminals	27/09/2022
	OHS awareness with cleaners at Agriculture Place	29/09/2022
	Awareness conducted at LP Reorientation Programme	18/10/2022
	Awareness conducted at LP Reorientation Programme:	21/10/2022
	OHS awareness conducted with cleaners at RLCC: Bailey	19/12/2022
	140 Hamilton Forum with cleaners	01/02/2023
	OHS awareness conducted with cleaners at Roodeplaat	07/03/2023
	Rust De Winter AVMP Awareness: Intundla Game Lodge	17/03/2023

Province	Office/building	Date conducted
GP/ National Office	Sokhulumu AVMP Awareness: Witbank	23/03/2023
	Magalies AVMP Awareness: Mount Grace Hotel	27/03/2023
	Heidelberg AVMP Awareness: Riviera on the Vaal	30/03/2023
	OHS awareness and information sharing with ministerial event organisers and the appointed service provider in Sokhulumu	30/05/2022
KZN	Port Shepstone District Office—Fire Safety Awareness	13/10/2022
	Departmental Re-orientation Programme at Golden Horse Casino (2) Escort Inn (1) Richards Bay (1)	26/07/2022 and 27/07/2022 28/07/2022
	Port Shepstone District Office—Fire Safety Awareness	13/10/2022
	OHS induction and awareness at the Vryheid District Office	09/11/2022
	OHS induction and awareness at New Castle	09/11/2022
LP	Induction on emergency procedures conducted at RLCC: Thabakgolo	19/04/2022
NC	Re-reorientation (PSSC)	04/07/2022; 07/07/22; 18/08/2022; 20/10/2022; 08/09/2022; and 20/10/2022
MP	The official and MR Nyathi (Environmental Health Practitioner for Nkomazi) collaborated an awareness with selected community cookers as stipulated in Regulations R638 (Regulations Governing General Hygiene Requirements for Food Premises, transport of food related matters), and OHS Act No. 85 of 1993 to ensure compliance	14/10/2022
	Cleaners' induction on usage of PEE for Shintomane offices at SG	10/04/2022
	Cleaners' induction on the usage of PPE for Ubumbwano cleaning services based at Bateleur Building	02/12/2022
	Official trained Kamatshika cleaners for Deeds Office collaboration with National office facilities	13/07/2022
NC	Awareness to OHS Committee on roles and responsibilities held at PSSC office	30/10/2022
NW	OHS awareness conducted	23/08/2022
	Awareness on health and hygiene conducted at Ngaka Modiri Molema District Office	24/08/2022
	Awareness on health and hygiene conducted at PSSC office	25/08/2022
	OHS awareness shared with Youth Event organisers	
	Buffelspoort quarantine site	13/02/2023
	Bojanala District Office	14/03/2023
	OHS induction and awareness conducted during re-orientation in NW	11/07/2022 12/07/2022 14/07/2022 15/07/2022
WC	Plant Inspection Services office	26/10/2022
	Imports and Export Office	26/10/2022
	Animal Quarantine Office	28/10/2022
	Variety Control Office	14/12/2022
	Former DAFF staff members, Stellenbosch	29/11/2022
	Former DAFF staff members, Stellenbosch	01/12/2022
	Cleaning contractor staff, PSSC	14/12/2022

A total of 70 OHS awareness sessions were conducted.



OHS training conducted to empower committee members on evacuation procedures and First Aid techniques (To ensure compliance with General Safety Regulations 3):

Province	Training/course	Comments
All provinces	No training took place owing to delays in submitting nomination forms and some or other members	Training will be conducted in 2023/24 financial year

Challenges experienced during the 2022/23 financial year that impacted negatively on rendering of OHS services:

Province	Challenges experienced in the provinces
EC	No working tools (Laptops); OHS Committee not active—lost interest; No support from management.
FS	OHS Committee meetings and appointments were not conducted owing to delayed training of OHS structures. Emergency evacuation drills were not conducted owing to non-compliance of buildings with fire safety and municipal by-laws; There is no implementation of recommendations to OHS deviations.
GP and NW	There are no appointed OHS practitioners at these two provinces therefore, officials based at the National Office are over stretched
KZN	No training of OHS Committee members; Some offices did not submit nominations for first aiders (Ladysmith, John Ross, Laager Centre, uMhlaba House, 200 Church Street, Commercial City Building RLCC).
LP	Non-compliance in terms of implementation of Emergency Plan; Cleaning service providers not complying; Overcrowding at Deeds Office; Old, dilapidated building structure at Deeds Office and OSG.
MP	Most challenges resulted from the COVID-19 protocol that restricted a lot of activities, meetings and drills; The rotation of staff, where each office rotated differently had a negative impact on meeting, even physically; Most OHS members are junior staff; they were not issued with home working tools like laptops so that they could connect using the MS Teams application; Some of the members of staff, generally and OHS members were on comorbid, which hindered communication; COVID-19 was prioritised by the management, especially OHS practitioners; During the pandemic, the OHS staff component collapsed, therefore, the structures were only revived from October 2022, after many postponed meetings; Drills directly depend on the meeting or existence of OHS Committee for planning; The OHS audit in MP was placed on hold.
WC	The OHS training that delayed for a long time due to various reasons and that had in a negative impact on the province in executing some main OHS functions

7. Portfolio committees

No.	Meeting date	Committee	Agenda items
1	01/04/2022	Portfolio Committee on Agriculture, Land Reform and Rural Development	Oversight visit to District Six in Cape Town
2	19/04/2022	Portfolio Committee on Agriculture, Land Reform and Rural Development	Briefing by the ARC on its 2022/2023 Annual Performance Plan
3	20/04/2022	Portfolio Committee on Agriculture, Land Reform and Rural Development	Briefing by DALRRD and entities [NAMC, OVG, CRLR and Perishable Products Exports Control Board] on 2022/2023 Annual Performance Plans
4	21/04/2022	Portfolio Committee on Agriculture, Land Reform and Rural Development	Oversight visit to the ARC facility
5	22/04/2022	Portfolio Committee on Agriculture, Land Reform and Rural Development	Briefing by Onderstepoort Biological Products (OBP) on its 2022/2023 Annual Performance Plan and oversight visit to the OBP facility
6	29/04/2022	Portfolio Committee on Agriculture, Land Reform and Rural Development	Joint oversight visit and public hearings in Gauteng with Portfolio Committee on Employment and Labour <ul style="list-style-type: none"> Day 1: Stakeholder engagement Day 2: Visit farms and public hearings (Split into two groups)
7	03/05/2022	Portfolio Committee on Agriculture, Land Reform and Rural Development	Ingonyama Trust Board 2022/23 Annual Performance Plan; Agricultural Produce Agents Amendment Bill: Public hearings with the minister
8	04/05/2022	Portfolio Committee on Agriculture, Land Reform and Rural Development	Agricultural Produce Agents Amendment Bill: Public hearings
9	10/05/2022	Portfolio Committee on Agriculture, Land Reform and Rural Development	DALRRD Budget: Committee Report; committee report on oversight visit to the Perishable Products Export Control Board (PPECB) and District Six with the minister
10	17/05/2022	Portfolio Committee on Agriculture, Land Reform and Rural Development	Agricultural Produce Agents Amendment Bill: DALRRD response to public submissions
11	24/05/2022	Portfolio Committee on Agriculture, Land Reform and Rural Development	Agricultural Produce Agents Amendment Bill: Public hearings report; committee oversight visit report to the ARC and OBP
12	31/05/2022	Portfolio Committee on Agriculture, Land Reform and Rural Development	Postponed until further notice. Briefing by DALRRD on AAMP, 2021/2022 Budget Vote Report of the Portfolio Committee and 2021 Budget Review Recommendations Report
13	01/06/2022	Portfolio Committee on Public Enterprises	Briefing by DALRRD on unresolved land claim issues affecting Safcol and Alexkor
14	07/06/2022	Portfolio Committee on Agriculture, Land Reform and Rural Development	AAMP with ministry
15	10–12 June 2022	Portfolio Committee on Agriculture, Land Reform and Rural Development	Public hearings on the National Veld and Forest Fire Amendment Bill [B24 – 2021]
16	14/06/2022	Portfolio Committee on Agriculture, Land Reform and Rural Development	Meeting was cancelled. Briefing on Agricultural Products Standards (APS) /Bill
17	17–19 June 2022	Joint oversight visits: Invitation to oversight visits: LP and FS: 17–19 June 2022	Joint oversight visits: LP and FS
18	1 and 3 July 2022	Portfolio Committee on Agriculture, Land Reform and Rural Development and Portfolio Committee on Employment and Labour	Joint oversight visit and public hearings with Portfolio Committee on Employment and Labour, NW and GP
19	8–10 July 2022	Portfolio Committee on Environment, Forestry and Fisheries	Public hearings on the National Veld and Forest Fire Amendment Bill [B24–2021]
20	22 and 24 July 2022	Portfolio Committee on Agriculture, Land Reform and Rural Development and Portfolio Committee on Employment and Labour	Joint oversight visit and public hearings with Portfolio Committee on Employment and Labour, WC and EC
21	11–16 August 2022	Portfolio Committee on Environment, Forestry and Fisheries	Public hearings on the National Forest and Veld Fire Amendment Bill [B24–2021] in LP and GP (Fifth and sixth provinces)
22	12 and 14 August 2022	Portfolio Committee on Agriculture, Land Reform and Rural Development and Portfolio Committee on Employment and Labour	Joint oversight visit and public hearings with Portfolio Committee on Employment and Labour, KZN

No.	Meeting date	Committee	Agenda items
23	23 August 2022	Portfolio Committee on Agriculture, Land Reform and Rural Development	Agricultural Product Standards Amendment Bill: DALRRD briefing with ministry
24	26–28 August 2022	Portfolio Committee on Environment, Forestry and Fisheries	Public hearings on the National Forest and Veld Fire Amendment Bill [B24–2021] in NW (Seventh province)
25	30/08/2022	Portfolio Committee on Agriculture, Land Reform and Rural Development	Implementation of plan to revitalise Gwatyu farms and committee recommendations: DALRRD briefing with the deputy minister
26	02/09/2022	Portfolio Committee on Agriculture, Land Reform and Rural Development	Recommendations of High-level Panel Report and Presidential Advisory Panel Report on Land Reform and Agriculture
27	2–4 September 2022	Portfolio Committee on Environment, Forestry and Fisheries	Public hearings on the National Veld and Forest Fire Amendment Bill [B24–2021]
28	06/08/2022	Portfolio Committee on Agriculture, Land Reform and Rural Development	DALRRD and CRLR Q4 2021/2022 and Q1 2022/23 performance
29	09/08/2022	Joint meeting of the Portfolio Committee on Agriculture, Land Reform and Rural Development and Portfolio Committee on Employment and Labour	Briefing by national departments on the living and working conditions in farming areas of South Africa
30	13/09/2022	Portfolio Committee on Agriculture, Land Reform and Rural Development	Briefing by ARC, OBP and the ITB on the 2021/22: Q4 Performance and Expenditure Report and the 2022/23: Q1 Performance and Expenditure Report
31	13/09/2022	Standing Committee on Appropriations	Invitation to brief the Standing Committee on Appropriations on the 2021/22 Q4 expenditure outcomes
32	16/09/2022	Portfolio Committee on Agriculture, Land Reform and Rural Development	The living and working conditions of farmworkers, farm dwellers and farmers: Engagement with relevant departments, with Minister of Agriculture, Land Reform and Rural Development present
33	20/09/2022	Portfolio Committee on Agriculture, Land Reform and Rural Development	Briefing by DALRRD on responses to the recommendations of the committee's 2021 Budgetary Review and Recommendation Report (BRRR)
34	23/09/2022	Portfolio Committee on Agriculture, Land Reform and Rural Development	Meeting cancelled until further notice: Tabling and consideration of the Draft Joint Report on the work of the Portfolio Committee on Agriculture, Land Reform and Rural Development and Portfolio Committee on Employment and Labour on the living and working conditions of farmworkers, farm dwellers and farmers: <ul style="list-style-type: none"> • Summary of observations • Recommendations
35	23–25 September 2022	Portfolio Committee on Environment, Forestry and Fisheries	Public hearings on the National Forest and Veld Fire Amendment Bill [B24–2021] in Western Cape (Last province)
36	11/10/2022	Portfolio Committee on Agriculture, Land Reform and Rural Development	Briefing on the 2021/22 Portfolio Annual Report as follows: <ul style="list-style-type: none"> • Auditor-General of South Africa (AGSA) briefing on the 2021/22 annual reports of DALRRD and CRLR • Agriculture Portfolio Audit Outcomes
37	12/10/2022	Portfolio Committee on Agriculture, Land Reform and Rural Development	Briefing on the 2021/22 annual reports by the following: <ul style="list-style-type: none"> • ARC • OBP • NAMC • PPECB • OVG • Ingonyama Trust Board (ITB) • South African Veterinary Council (SAVC)
38	14/10/2022	Portfolio Committee on Agriculture, Land Reform and Rural Development	Tabling and consideration of the Draft Joint Report on the work of the Portfolio Committee on Agriculture, Land Reform and Rural Development and Portfolio Committee on Employment and Labour on the living and working conditions of farmworkers, farm dwellers and farmers: <ul style="list-style-type: none"> • Summary of observations • Recommendations
39	18/10/2022	Portfolio Committee on Agriculture, Land Reform and Rural Development	Briefing by the Minister of Agriculture, Land Reform and Rural Development on matters relating to the Ingonyama Trust and the Ingonyama Trust Board as well as the finalisation of the labour tenants' application and the role of the Special Master of Labour Tenants. <ul style="list-style-type: none"> • Consideration and adoption of the outstanding minutes

No.	Meeting date	Committee	Agenda items
40	21/10/2022	Portfolio Committee on Agriculture, Land Reform and Rural Development	Final consideration and adoption of the Joint Report of the Portfolio Committee on Agriculture, Land Reform and Rural Development and Portfolio Committee on Employment and Labour on the living and working conditions of farmworkers, farm dwellers and farmers
41	25/10/2022	Portfolio Committee on Agriculture, Land Reform and Rural Development	Consideration and adoption of the BRRR
42	26/10/2022	Portfolio Committee on Public Service and Administration	Briefing on payment of invoices within 30 days
43	01/11/2022	Portfolio Committee on Agriculture, Land Reform and Rural Development	Public Hearings on the Agricultural Product Standards Amendment Bill [B15–2021] Section 76
44	08/11/2022	Portfolio Committee on Agriculture, Land Reform and Rural Development	Public Hearings on the Agricultural Product Standards Amendment Bill and response by DALRRD on the public comments
45	15/11/2022	Portfolio Committee on Agriculture, Land Reform and Rural Development	MOD and formal deliberations (A-list)
46	22/11/2022	Portfolio Committee on Agriculture, Land Reform and Rural Development	Formal deliberations (A-list and B-Bill)
47	29/11/2022	Portfolio Committee on Agriculture, Land Reform and Rural Development	Formal deliberations (Consideration and adoption of the Amended Bill and Committee Report)
48	30/11/2022	Portfolio Committee on Environment, Forestry and Fisheries	Briefing on service delivery issues raised during the public hearings on the Veld Fire Amendment Bill
49	14 February 2023	Portfolio Committee on Agriculture, Land Reform and Rural Development	Rescheduled for Friday, 17 February 2023 Briefing on the preservation and development of Agricultural Land Bill [B8–2021] Section 76
50	17 February 2023	Portfolio Committee on Agriculture, Land Reform and Rural Development	Briefing on the preservation and development of Agricultural Land Bill [B8–2021] Section 76
51	21 February 2023	Portfolio Committee on Agriculture, Land Reform and Rural Development	Briefing on the Animal Protection Bill [B1–2021] section 76 (Private Members Bill)
52	24 February 2023	Portfolio Committee on Agriculture, Land Reform and Rural Development	<ul style="list-style-type: none"> Submission by DALRRD on the Animals Protection Amendment Bill [B1–2021]; Briefing by the minister on engagements with agricultural stakeholders on the impact of electricity blackouts on the sector.
53	28 February 2023	Portfolio Committee on Agriculture, Land Reform and Rural Development	DALRRD responses to the SONA and Budget Vote (2023/24)
54	7 March 2023	Portfolio Committee on Agriculture, Land Reform and Rural Development	Progress report by DALRRD on the previous SONA pronouncements
55	6–7 March 2023	Portfolio Committee on Agriculture, Land Reform and Rural Development	<ul style="list-style-type: none"> Strategic Planning Workshop to review the work of the committee and map focus areas and strategies for 2023/24 Stakeholder engagement: <ul style="list-style-type: none"> Streamlining the implementation of AAMP Agro-ecology Strategy and plan for South Africa
56	14 March 2023	Portfolio Committee on Agriculture, Land Reform and Rural Development	<p>Briefing by DALRRD on the impact of recent floods on the agricultural sector and interventions to assist affected farmers.</p> <p>Briefing by the DALRRD on how it is responding to the public outcry on the pit bull attacks that are affecting society.</p>
57	27–31 March 2023	Portfolio Committee on Agriculture, Land Reform and Rural Development	<p>Oversight visit to MP:</p> <ul style="list-style-type: none"> Assessment of mechanisms and interventions to improve surveillance and control of disease outbreaks (e.g., FMD); Assess the impact of PESI on emerging farmers and the role of DALRRD in distribution of the resources and support; Impact of the recent floods on the agricultural sector and farming communities as well as government response to the disaster.

No.	Meeting date	Committee	Agenda items
NCOP MEETINGS			
58	19/04/2022	Select Committee on Land Reform, Environment, Mineral Resources and Energy	Briefing on DALRRD Annual Performance Plan
59	03/05/2022	Select Committee on Land Reform, Environment, Mineral Resources and Energy	DALRRD briefing on Sectional Titles Amendment Bill with deputy minister
60	17/05/2022	Select Committee on Land Reform, Environment, Mineral Resources and Energy	AFCFTA market expansion for domestic production; Sectional titles A/B: Tagging
61	31/05/2022	Select Committee on Land Reform, Environment, Mineral Resources and Energy	Briefing by DALRRD on the introduction to provincial level planning, beneficiary selection and projected timelines for the settlement of small-scale farmers in poultry, livestock, fruit and vegetables on State Land as proposed in the 2022 SONA
62	07/06/2022	Select Committee on Land Reform, Environment, Mineral Resources and Energy	Postponement of the above-mentioned meeting. Briefing by DALRRD on the introduction to provincial level planning, beneficiary selection and projected timelines for the settlement of small-scale farmers in poultry, livestock, fruit and vegetables on State Land as proposed in the 2022 SONA.
63	07/06/2022	Select Committee on Land Reform, Environment, Mineral Resources and Energy	Briefing by ALEXKOR on upgrading the Richtersveld infrastructure to municipal standards and the establishment of the Communal Property Association for the implementation/completion of the Deed of Settlement
64	14/06/2022	Select Committee on Land Reform, Environment, Mineral Resources and Energy	State land allocation and support to small-scale farmers: update; NCOP Committee quorum
65	02/08/2022	Select Committee on Land Reform, Environment, Mineral Resources and Energy	Sectional Title Amendment Bill: DALRRD response to submissions, WC
66	03/08/2022	Select Committee on Land Reform, Environment, Mineral Resources and Energy	Pre-hearing: Public hearings on Sectional Titles Amendment Bill, 2020 (B 31B–2020)
67	04/08/2022	Select Com on Land Reform, Environment, Mineral Resources and Energy	Sectional Titles Amendment Bill [B 31B–2020], LP
68	11/08/2022	Select Committee on Land Reform, Environment, Mineral Resources and Energy	Undertakings made at the NCOP plenary, 09 and 11 March 2021, undertakings made at the NCOP
69	15–19 August 2022	Select Committee on Land Reform, Environment, Mineral Resources and Energy	Oversight visit to NC (Khatu and Upington)
70	16 and 23 August 2022	Select Committee on Land Reform, Environment, Mineral Resources and Energy	Provincial briefing by NCOP permanent delegate on the Sectional Titles Amendment Bill [B 31B–2020]
71	22–26 August 2022	Select Committee on Land Reform, Environment, Mineral Resources and Energy	Sectional Titles Amendment Bill: Public hearings programme, EC
72	30/08/2022	Select Committee on Land Reform, Environment, Mineral Resources and Energy	Sectional Titles Amendment Bill: Negotiating mandates
73	30/08/2022	Select Committee on Land Reform, Environment, Mineral Resources and Energy	Negotiating mandate meeting on the Sectional Titles Amendment Bill [B31B–2020] Section 76
74	31/08/2022	Select Committee on Land Reform, Environment, Mineral Resources and Energy	Hearing on Land Care Programme Grant expenditure (Quarter 4, 2021/22 and Quarter 1, 2022/23)
75	01/09/2022	Select Committee on Land Reform, Environment, Mineral Resources and Energy	Undertakings made at the NCOP plenary, 09 and 11 March 2021
76	13/09/2022	Select Committee on Land Reform, Environment, Mineral Resources and Energy	Final mandate on the Sectional Titles Amendment Bill [B31B–2020] Section 76
77	11/10/2022	Select Committee on Land Reform, Environment, Mineral Resources and Energy	Sectional Titles Amendment Bill: Final mandates
78	25/10/2022	Select Committee on Land Reform, Environment, Mineral Resources and Energy	Second round of land claims 2014–2016: Way forward (postponed)
79	22/11/2022	Select Committee on Land Reform, Environment, Mineral Resources and Energy	Recapitalisation and Development Programme (RECAP): Cost and successes

8. Scopa resolutions

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

9. Prior modifications to audit reports

9.1 DALRRD

During 2021/22, the department obtained a qualified audit opinion with material misstatements. To address prior-year audit findings, an audit action plan has been developed which will be monitored by the Internal Audit Chief Directorate, through the external audit findings register. The goal is to ensure that audit findings raised by the external auditors are adequately addressed and to assess if the internal control measures, implemented to prevent these findings from recurring, are effective.

In addition, the external audit findings register will be presented to the quarterly Audit Committee that will hold managers accountable to the audit findings action plan, particularly in relation to audit findings where deadlines for resolution have not yet been met. The purpose is to ensure adequate follow-through and finalisation of corrective measures within the agreed timeframes.

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*
Qualified Opinion – Prepayments (Expensed)	2021/22	<p>The modification relates to having insufficient supporting documents that prove that beneficiaries of Presidential Employment Stimulus (PES) have received their goods (agricultural inputs). The department has, in the 2022/23 financial year, commenced with verification of goods received by beneficiaries through alternative means including physical visits to concerned beneficiaries.</p> <p>The process has resulted in the confirmation of goods received, however, not all beneficiaries were concluded. The progress made resulted in the removal of the qualification in the 2022/23 financial year. The process of concluding the verification will be completed in the 2023/24 financial year.</p>
Non-Compliance - Annual Financial Statements	2021/22	<p>Non-compliance relates to material misstatement effected on the Annual Financial Statement during the Audit. An audit action plan was developed, and major emphasis have been on ensuring constant, timely and detailed review of financial statement inputs</p>
Non-Compliance -Procurement and contract management	2021/22	<p>Non-compliance relates to some of the bid documentation/invitation to tender for procurement of commodities designated for local content and production did not stipulate the minimum threshold for local production and content as required by the 2017 Procurement Regulation 8(2).</p> <p>Processes have been put in place to ensure that the finding did not recur in the 2023/24 financial year.</p>
Non-Compliance- Consequence Management	2021/22	<p>In some instances, disciplinary steps were not taken against the officials who had incurred and/or permitted irregular expenditure as required by section 38(1) (h) (iii) of the PFMA.</p> <p>Financial Compliance Committee has been established to manage assessment, determination and investigation of instances of irregular expenditures. Transgressions identified were referred Employee Relations Management for consequence management. A process to expedite implementation of consequence management is further monitored by the committee prior to clearing of irregular expenditure as per National Treasury's Framework.</p>

9.2. AGRICULTURAL LAND HOLDINGS ACCOUNT (ALHA)

During 2019/20, the Trading Entity obtained a qualified audit opinion with material misstatements. To address prior-year audit findings, an audit action plan has been developed which will be monitored by the Internal Audit Chief Directorate, through the external audit findings register. The goal is to ensure that audit findings raised by the external auditors are adequately addressed and to assess if the internal control measures, implemented to prevent these findings from recurring, are effective.

In addition, the external audit findings register will be presented to the quarterly Audit Committee, that will hold managers accountable to the audit findings action plan, particularly in relation to audit findings where deadliness for resolution have not yet been met. The purpose is to ensure adequate follow-through and finalization of corrective measures within the agreed timeframes.

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*
Qualified Opinion - Limitation of scope – Trade Receivable Non-Exchange	2019/20	<p>Management has subsequently requested a legal opinion from State Attorney on how to legally interpret the contracts and remedies applicable in cases of breach where beneficiaries have failed to submit necessary supporting documents to account for the grant funds transferred to them. Management further requested an accounting opinion from National Treasury regarding the accounting treatment of the unaccounted funds considering remedies applied.</p> <p>To remedy the non-accounting of RADP grants by beneficiaries, management has issued letters of claiming for specific performance and subjected some transactions to forensic investigation and recovery through litigation. Management has further raised a debt for balance of funds that were proven to have been spent outside the legal contract. A total of R4,9m has been recovered in some cases.</p> <p>The modification will be resolved upon reaching an agreement with the AGSA office and Office of the Accountant General on how to account for cases where representations are being made by beneficiaries including disputes and re-submission of supporting documents after Department having issued letter of demand and/or taken the beneficiaries for a legal action. Both the National Treasury opinion and State Attorney opinion indicate that the process outlined in the contract cannot be bypassed.</p>
Non-Compliance - Annual Financial Statements	2021/22	Limitation of scope on unaccounted RADP grant funds has resulted in non-compliance when compiling financial statements. The matter will be resolved on conclusion of the limitation of scope as indicated above.
Non-Compliance - Expenditure Management	2021/22	The contract with the implementing agent has since been terminated and the irregular expenditure for Land Development Support has been subjected for Forensic Audit.

9.3. DEEDS REGISTRATION TRADING ENTITY (DEEDS)

During 2021/22, the Trading Entity obtained an unqualified audit opinion with material non-compliance. To address prior-year audit findings, an audit action plan has been developed which will be monitored, through the external audit findings register. The goal is to ensure that audit findings raised by the external auditors are adequately addressed and to assess if the internal control measures, implemented to prevent these findings from recurring, are effective.

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*
Irregular Expenditure Non-compliance. Effective and appropriate steps were not taken to prevent irregular expenditure of R4 843 000, as required by section 38(1) (c) (ii) of the PFMA and treasury regulation 9.1.1. The irregular expenditure resulted from expenditure incurred on information technology expenses without the necessary approval.	2021/22	<p>Daily monitoring of contract end dates on the register has been implemented for early detection and prevention of late approval. Contract management unit sends reminder emails to end-users 6 months prior and monthly regarding expiry date of the contract as part of internal control. Deeds Registration Trading Entity did not incur non-compliance irregular expenditure due to expenses without the necessary approval in financial year 2022/23 because of strengthened controls put in place.</p> <p>The delegation of authority has been amended to include only the Chief Financial Officer and Accounting Officer for approval which will mitigate the route cause of delays in approvals.</p>

10. Internal Control Unit

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

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

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

11. Internal audit and audit committees

Key activities and objectives of Chief Directorate: Internal Audit

Internal Audit assists the Department to accomplish its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the department's governance, risk management and internal control. The Chief Directorate: Internal Audit performs independent and objective assurance and consulting assignments, in accordance with a risk-based internal audit approach. These assignments are delivered by means of financial audits, performance audits, operational and compliance audits, information technology audits and audits focussing on the risk of fraud and irregularities. Assignments may also combine two or more audit types into the delivery of comprehensive audit assignments. The scope of assurance and consulting assignments excludes legal entities such as CPAs and trusts, as the Chief Directorate: Internal Audit's focus is restricted to internal processes and therefore does not have the mandate to audit and review external entities.

Summary of audit work done by internal audit

The Chief Directorate: Internal Audit performed 24 audits and consultations defined on the 2022/2023 DALRRD Annual Internal Audit Plan, including:

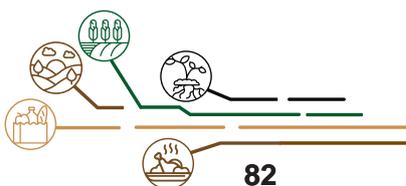
- Audits on the internal control processes falling within specific branches of the DALRRD and its trading entities;
- Audits on the financial processes of the department and its trading entities;
- Audits on the governance and risk management processes of the department;
- Audits on the processes governing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

Key activities and objectives of the Audit Committee

The Audit Committee provides independent oversight over the DALRRD's governance, risk management, and internal control practices as prescribed in the Public Finance Management Act (PFMA) and the prevailing Treasury Regulations.

The Audit Committee assists the Executive Authority and Accounting Officer by providing advice and guidance on the adequacy and effectiveness of the DALRRD's :

- Values and Ethics;
- Governance;
- Risk Management function;
- Internal Control Framework;
- Internal Audit Activity;
- External Audit Activity;
- Combined Assurance;
- Compliance Management processes,
- Fraud Prevention processes;
- Information and Communication Technology processes;
- Financial Statements and Reporting; and
- Performance Information and Reporting.



Attendance of Audit Committee meetings by audit committee members

Name	Qualifications	Internal or external member	If internal, position in the department	Date appointed	Date resigned	No. of meetings attended
Ms S P Mzizi	<ul style="list-style-type: none"> B.Com. Hons in Transport Economics CA (SA) BCompt Hon CTA BBusSci Finance Hon 	External	N/A	25 March 2022	N/A	12
Ms S J Sekgobela	<ul style="list-style-type: none"> Executive Leadership Programme Certificate on Corporate Governance MSc (Economics) in Public Policy BCom Hon Economics BCom General, Economics and Commercial Law Senior Secondary Teachers' Certificate 	External	N/A	25 March 2022	N/A	12
Ms K G Mbonambi	<ul style="list-style-type: none"> B. Accountancy B.Com Honours (CTA) Cert: Board Governance Cert: Risk Management 	External	N/A	25 March 2022	N/A	12
Ms A M M Badimo	<ul style="list-style-type: none"> B.Sc Computer Science B.Sc Hons Computer Science Master in Business Administration (MBA) Master of Science (M.Sc) CISM (Certified Information Security Manager) CGEIT (Certified in the Governance of Enterprise IT) CISA (Certified Information Systems Auditor) CRISC (Certified in Risk and Information Systems Control) Cobol Programming Diploma PMP (Project Management Professional) Cert. IT Auditing COBIT 5 ITIL Foundation Certified ISO 22301 Lead Implementer Certified ISO 22301 BCMS Lead Auditor Certified ISO 27001 ISMS Lead Auditor Certified Blockchain Expert (CBE) F. Inst D (IoDSA) 	External	N/A	25 March 2022	N/A	12

12. Audit Committee Report

The Department of Agriculture, Land Reform and Rural Development Audit Committee is pleased to present its report for the financial year ended 31 March 2023. This report also includes the Deeds Registration Trading Account and the Agricultural Land Holdings Account.

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

Audit Committee members and attendance

During the year under review the Audit Committee consisted of four members. The Audit Committee had six Standard Audit Committee meetings (five of the meetings were scheduled over two days), four Forensic Investigations Audit Committee In-committee meetings and two Special Audit Committee Meetings, as indicated in the table hereunder. The Audit Committee is constituted of persons who possess the correct mix of experience, qualifications, and skills to carry out its responsibilities.

Name of member	Number of Standard AC Meetings attended	Number of Forensic Audit Committee In-committee Meetings attended	Number of Special Audit Committee Meetings Attended
Ms P Mzizi (Chairperson)	6	4	2
Ms S Sekgobela (Member)	6	4	2
Ms AMM Badimo (Member)	6	4	2
Ms K Mbonambi (Member)	6	4	2

Audit Committee Responsibility

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

Duties and responsibilities

The duties and responsibilities of the Audit Committee are detailed in the Audit Committee Charter and can be summarised as entailing reviews and the dispensing of other pertinent functions in respect of the following areas:

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

The effectiveness of internal control

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

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

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

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

Internal Audit

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

The Audit Committee is satisfied that the Internal Audit function is operating effectively, has properly discharged its functions and responsibilities during the year under review and that it has taken into consideration the risks pertinent to the Department of Agriculture, Land Reform and Rural Development in its audits.

Risk Management

The Risk Management Committee has been appointed and is chaired by an independent chairperson and advises the Accounting Officer. Based on the follow up on previously reported Internal Audit finding, the Audit Committee concludes that the departmental risk and fraud management system still requires improvement.

In-Year Monitoring and Reporting

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

Evaluation of Financial Statements and Performance Reports

The Audit Committee reviewed and discussed:

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

Auditor General South Africa

The Audit Committee has reviewed the Department's implementation plan for audit issues raised in the previous year and based on the interaction with the Department, Internal Audit reports and the Auditor-General South Africa's audit reports, not all significant matters have been adequately addressed. More specifically, the Audit Committee expresses concern with the qualified audit opinion for Agricultural Land Holdings Account and will continue to engage the Auditor-General South Africa, Office of the Accountant-General and Management. To effectively address and prevent repeat audit outcomes this must be a high priority for the Department in the 2023/2024 financial year.

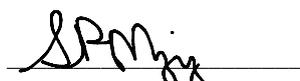
The Audit Committee acknowledges and commends the unqualified audit opinion for the Department of Agriculture, Land Reform and Rural Development and the Deeds Registration Trading Account.

The Audit Committee has met with the Auditor-General South Africa to ensure that there were no unresolved differences for the Department of Agriculture, Land Reform and Rural Development and the Deeds Registration Trading Account. However, with regards to the Agricultural Land Holdings Account there are unresolved differences which the Audit Committee will still discuss with the Auditor-General South Africa, Office of the Accountant-General and Management.

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

Conclusion

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


Ms P Mzizi CA(SA)

Chairperson of the Audit Committee

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

Date: 11 December 2023

13. B-BBEE compliance performance information

The following table was completed in accordance with the compliance to the BBBEE requirements as required by the BBBEE Act and as determined by DTIC.

Has the department/public entity applied any relevant Code of Good Practice (B-BBEE certificate levels 1–8) regarding 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?	Yes	The department developed AgriBEE Enforcement Guidelines, which guide the affected internal directorates on how to implement Section 10(1) of the B-BBEE Act. So far, the department has included B-BBEE status as part of criteria to award trade permits under the Preferential Market Access Programme under the W.T.O; SADC-EU EPA and SACUM-UK EPA agreements.
Developing and implementing a preferential procurement policy?	Yes	In terms of the Preferential Procurement Policy Framework Act and Regulations, all suppliers doing business with the department, must submit their valid B-BBEE status certificates and/or sworn affidavits.
Determining qualification criteria for the sale of state-owned enterprises?	No	AgriBEE Enforcement Guidelines do not cover criteria for the sale of state-owned enterprises.
Developing criteria for entering into partnerships with the private sector?	Yes	The department developed AgriBEE Enforcement Guidelines, which guide the affected internal directorates on how to implement Section 10(1) of the B-BBEE Act.
Determining criteria for the awarding of incentives, grants and investment schemes in support of B-BBEE?	Yes	The department developed AgriBEE Enforcement Guidelines, which guide the affected internal directorates on how to implement Section 10(1) of the B-BBEE Act. The department's programmes mainly benefit black commercial farmers, smallholder farmers, cooperatives, and black-owned agribusinesses, which are defined as B-BBEE beneficiaries. The B-BBEE status of applicants forms part of the criteria of the programmes.





PART D

Human resource management



1. Legislation that governs HR Management

The information provided in this part is prescribed in the Public Service Regulations, 2016 (as amended) (Chapter 1, Part III J.3 and J.4), taking into account the provisions of the following legislative frameworks:

- Public Service Act, 1994 (Act No. 103 of 1994);
- Labour Relations Act, 1995 (Act No. 66 of 1995);
- Basic Conditions of Employment Act, 1997 (Act No. 75 of 1997);
- Employment Equity Act, 1998 (Act No. 55 of 1998);
- Skills Development Act, 1998 (Act No. 97 of 1998);
- Skills Development Levies Act, 1999 (Act No. 9 of 1999); and
- Public Finance Management Act, 1999 (Act No. 1 of 1999).

2. Introduction

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

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

The post establishment of the department totalled 8 174, with 7 091 positions filled, 1 083 vacant and 638 employees appointed additional to the post establishment as at 31 March 2023. During the period under review, the vacancy rate of the department decreased to 13,2% in 2022/23 from 19,6% at the end of the 2021/2022 financial year. (Please note the figures were as on PERSAL on the 31 March 2023).

The staff turnover rate increased by 2,1% from 4,1% during the 2021/2022 financial year, to 6,2% during the 2022/2023 financial year. The staff turnover rate remains within the generally acceptable norm of 15% in the public service. This status reflects the available institutional memory and intelligence necessary to the realisation of the department's mandate.

Overview

Human Resources Priorities

Human resource planning at its core ensures the department's capacity to deliver on its mandate and strategic objectives. In light of the above, the department continued to pursue its mandate and driving the transformation of the sector, as well as implementation of the National Development Plan 2030, through implementation and monitoring the Human Resource Plan (HR Plan).

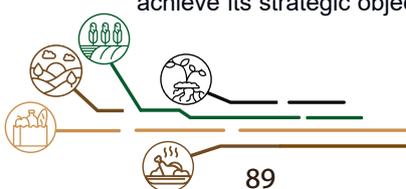
The period under review was the third and final year of implementation of the MTEF HR Plan 2020/2023, which had identified the following HR Plan priorities:

- (1) Development and retention of scarce and critical skills;
- (2) Review, implementation, and monitoring of HR policies, practices and procedures;
- (3) Transformation and diversity management;
- (4) Manage the recruitment and selection process for the department;
- (5) Foster sound labour relations in the department; and
- (6) Creation and maintenance of approved organisational structure to ensure alignment with the MTEF.

The monitoring of implementation and reporting on the MTEF HR Plan was done on a quarterly basis. The quarterly reports on the implementation of the HR Plan were developed and submitted to the head of HR for consideration.

Quarterly reports on the implementation of the HR Plan are incorporated in the Annual HR Planning Implementation Report that is sent to DPSA each year over the MTEF HR Plan period. The vision of strategic partnering with line function remains central to the human resources service delivery model, which is aimed at maximising compliance to the regulatory framework, consistent application of best practices on people management, as well as a high performing organisational culture.

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



roadmap of the HR strategic intent.

Organisational Development

Following the implementation of the National Macro Organisation of the State Project, 11 SMS members remained super-numerary. These employees were appointed additional to the post establishment and specific projects were allocated to them.

374 employees in Programme 2 were transferred from the Directorate: Inspections Services to the Border Management Authority. These employees work at the ports of entry. The department has 11 foreign mission offices and currently has representatives in China, Addis Ababa and Brussels.

To ensure alignment of the organisational structure to the strategic mandates of the department, a service provider appointed the service provider to design a Fit-for-Purpose Organisational Structure over a period of 12 months. The Fit-for-Purpose project commenced where only five branches and Office of the Director-General were completed during information gathering sessions with the expected completion date of 31 July 2023; however, the project was suspended due to further consultations between the department and Organised Labour during the first phase.

The following milestones will still be achieved when the project resumes:

The Fit-for-Purpose Organisational Structure Project milestones:

Phase 1: Strategically aligned organisational structure

- Milestone 1: Current state assessment;
- Milestone 2: Communication Strategy;
- Milestone 3: Mapped business processes pertaining to level 1 to level 5 processes;
- Milestone 4: Service Delivery Model;
- Milestone 5: Span of control, number of posts required, including ratio for support posts vs line-function posts and reporting lines;
- Milestone 6: Migration Strategy and Change Management Strategy; and
- Milestone 7: Designed proposed fit-for purpose (FFP) organisational structure and post establishment aligned to the department's strategic mandate.

Phase 2: Job descriptions and job evaluations

- Milestone 1: Job requirements;
- Milestone 2: Job descriptions developed;
- Milestone 3: Grading of jobs.

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

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

Recruitment

There are 460 senior management positions on the start-up macro structure. Of this number, 373 Senior Management Services (SMS) positions are filled and 87 are still vacant. The majority of these SMS positions are located in the provinces.

During the reporting period, the executive leadership echelon of the department was strengthened through appointments of the following executive positions:

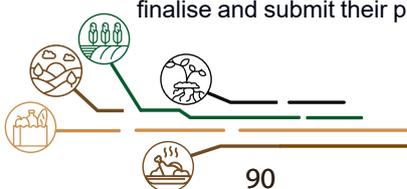
- Deputy Director-General: Economic Development, Trade and Marketing; and
- Deputy Director-General: National Geomatics Management Services (Chief Surveyor-General).

In addition to the above, the filling of the following remaining two vacant deputy director-general positions has commenced:

- Deputy Director-General: Agricultural Production, Health and Food Safety, Natural Resources and Disaster Management; and
- Deputy Director-General: Corporate Support Services vacated at the end of the current financial year.

Performance Management

Compliance to the regulatory framework is ensured through issuing of departmental circulars. Employees are reminded of Chapter 4 of the SMS handbook and the submission of the performance agreements, as well as the finalisation and submission of mid-term reviews for the 2022/23 performance cycle and annual assessment reports for the 2021/2022 performance cycle. Departmental Circular 31 of 2022 was issued to sensitise SMS members and their relevant supervisors to finalise and submit their performance agreements for the 2022/2023 performance cycle. The overall compliance on signing



of performance agreements by SMS members for the 2022/2023 performance cycle was 70% by the due date of 1 June 2022, and 86% by the end of the 2022/2023 performance cycle.

Workshops on Chapter 4 of the SMS handbook were conducted from April to May 2022 and from September to October 2022 to raise awareness on compliance and institutionalise a performance culture at leadership level so that this category serves as an example for the rest of the employees. The workshop key focus areas were to share the challenges identified on the implementation of the system and solutions; raise awareness on how the system, if correctly implemented, can be a tool to improve organisational effectiveness; raise awareness on the SMS members' role in the implementation of the Performance Management and Development System (PMDS), as well as the implications for non-compliance to individual SMS members in the department. A total of 151 SMS members attended the workshop.

The backlog of the moderation process for the SMS members' annual assessments for the 2018/2019, 2019/2020 and 2020/2021 performance cycles were finalised. Altogether 70% of the branches have finalised the moderation process of the directors' annual assessments for the 2021/2022 performance cycle.

To improve the administration efficiency of the PMDS, the department embarked on the development of an e-Performance Management System. The business case and process have been developed and approved by the delegated authority. This intervention will enhance compliance and monitoring of performance management culture in the department.

Employee Health And Wellness

A hybrid service delivery model to employee health and wellness has been adopted. A well-being service provider ICAS was appointed on 20 June 2022 for a period of three years to increase employees' access to the health and wellness services. ICAS services were marketed to all employees virtually, through ICM articles and pop-up messages. Physical sessions and posters were availed nationally. Fatigue management tips were given to employees through pop-up messages. Two hundred and forty (240) employees and 55 family members contacted ICAS through the 24-hour toll free number.

Managers were workshopped on referral procedures for challenged staff members with poor performance/attendance. Lastly, life skills programmes were conducted on burn-out prevention, stress and depression management and work/life balance management towards improvement of employee productivity.

Employee Development

Capacity development

The department identified a need to conduct a skills audit and utilise the report for the following:

- To determine whether the employees have appropriate skills to perform the functions of the posts to which they have been appointed;
- To correct placement of employees or deployment in appropriate posts;
- To develop training interventions to capacitate employees to perform their functions effectively and efficiently; and
- To match employees' skills to the post requirements and assist them in determining appropriate career paths or development.

The skills audit will be conducted for all permanently employed officials in national and provincial offices. It is a project that will be rolled out for 12 months. Services of an external service provider will be sourced. The skills audit will be used as a tool to capacitate the officials in the department.

Internship programme

The department appointed over 500 interns, inclusive of national and provincial offices, for a period of 24 months. Over 16 423 applications were received from young graduates with various qualifications. Seventy (70) interns resigned owing to accepting permanent job offers from both public and private sectors. Four interns are persons with disabilities. On appointment, the interns are provided with mentors who are subject matter experts in their related fields. They also enjoy the benefits of capacity development. Furthermore, the department has put a support structure in place to assist interns to register with professional bodies to be recognised as professionals in their fields.

In preparing for the future or new intake, the department will embark on an early recruitment drive in 2023 to appoint new interns. An advert will be prepared, and it will be published on social media to attract graduates for these opportunities.

Human Resource Planning

In reporting on the implementation of the MTEF HR Plan, the directive on the development of and reporting on HR plans in the public service requires the annual HR Planning Implementation Report (HRPIR) to be submitted to the MPSA by 31 May each year. DALRRD has effectively implemented the HR Plan for the 2022/23 financial year, which was the final financial year of the three-year MTEF HR Plan that expired on 31 March 2023. The HRPIR was submitted to MPSA on time.

Implementation of the HR Plan was monitored through quarterly key performance indicators and annual reports in terms of the amended directive approved by MPSA on 25 April 2021.

Human Resource Policies

The director-general approved 30 HR and related policies that were consulted with relevant stakeholders and implement-

ed. Following this, the component commenced with information sharing sessions of the approved policies.

A further three policies (Termination of Services, Interim Special Leave and Sport and Recreation) were finalised and are en route to the DG for consideration and possible approval. Another four policies (Resettlement, Shift, Working Hours and Dress Code) are still in the process of being finalised.

A new set of HR delegations was approved and implemented during October 2022, replacing the October 2020 delegations.

The departmental HR policies and delegations were developed to ensure a legally compliant and consistent standard way of managing employee engagement throughout the department.

Labour Relations

Misconduct

A total of 233 cases were reported from 1 April 2022 to March 2023. Fourteen (14) of these cases were finalised and the rest are pending. Three employees were placed on precautionary suspension.

Causes for non-finalisation of misconduct cases

Fifty-five (55) cases are from the Special Investigating Unit (SIU) and Forensic Investigation Directorate (FID) projects. The minister placed a moratorium on dealing with SIU and FID cases. Subsequent to the merger of the two departments, a directive was given to proceed with the cases. Since these cases emanate from farm projects, witnesses are mostly community personnel and it takes time to get hold of them, which delays the finalisation of the cases.

Employer representatives, therefore, could only proceed with cases as and when all relevant parties were available. At times, difficulties were experienced regarding the unavailability of departmental witnesses. Some external witnesses prioritised their personal matters over departmental disciplinary matters. The lack of human resources within the directorate owing to the suspension of the filling of vacancies further contributed to the inability to meet the required target.

Grievances

A total number of 193 cases were reported from 1 April 2022 to March 2023. One hundred and nine (109) of these cases were finalised and 84 cases remain pending. The increase in the number of grievances resulted from employees' dissatisfaction regarding the alleged incorrect translation into Occupation Specific Dispensation (OSD) categories contrary to the provision of the GPSSBC Resolution 3 of 2009 and Recruitment and Selection Process.

Disputes

A total of 68 cases were reported from 1 April 2022 to March 2023. Nineteen (19) of these cases were finalised and 49 are pending.

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

Electronic Deeds Registration System (E-DRS);

The placement of employees on the start-up macrostructure has been finalised and the FFP organisational structure is in the process of discussion at the DBC.

Organised labour put the process of the development of the FFP structure on hold until the consultation and placement of SMS members in the preferred posts is finalised; the matter is still an agenda item at the DBC.

This approach has necessitated the DG to intervene and hold a meeting with organised labour. He conceded that the department erred to consult with the supernumerary SMS members after the conclusion of the close-up report on the placement, in terms of the PSCBC Resolution 1 of 2019.

The transfer of colleges affects multiple departments, therefore, the process must be led by the DPSA.

The DPSA demanded to be updated with the proclamation by the president to transfer the colleges; none of the departments have managed to secure the proclamation which has delayed the conclusion of the collective agreement on the transfer of colleges at PSCBC level.

The Legal Services Unit is currently preparing the Service Level Agreement to be signed by all directors-general and HODs of the provinces where the colleges are located.

The Department of Higher Education must publish the Gazette about the transfer of colleges.

Diversity Management And Transformation Strategies

Gender and disability mainstreaming report

Hundred and forty-five (145) senior managers were trained on departmental customised gender and disability (GEDI) mainstreaming. The GEDI mainstreaming audit was conducted, and the report was presented and approved by EXCO in

March 2023 to implement the outcomes of the Gender and Disability Mainstreaming, develop an Internal Gender and Disability Mainstreaming Strategy.

Vigorous advocacy to implement the decision for all the departmental SMS members to have a transformation indicator in their performance agreements key focus areas has been facilitated and SMS members' performance indicators will include the transformation indicator.

SMS Women's Forum

Nineteen (19) women were selected to serve on this forum. The forum was established with representatives from all the departmental branches and its focus is the development of a programme of action, which will include women below SMS level.

The functions of each senior manager within the forum will be to:

- monitor gender mainstreaming indicators and ensure that they are clearly pronounced in the APPs of their branches;
- ensure that 50/50 representativity is met within their branches for women in decision making;
- develop an action plan to mainstream women empowerment in all branches;
- represent women's interests and be advocates of women empowerment in all branches, structures, programmes and processes;
- facilitate the provision of mentoring and coaching, advocacy and career development for women;
- assist in transforming the department into a non-sexist responsive workplace and vigorously improve the representation of women and women with disabilities in the department's managerial levels;
- provide opportunities for women to network with their peers, exchange views on current trends and identify opportunities to improve service delivery.

Departmental Disability Forum (DDF)

Four meetings were held during the financial year under review, and the forum also commemorated the International Disability Day. The forum's mandate is to protect the rights of persons with disabilities, advocate for the 2% quota to be met within the department and to advocate for reasonable accommodation for persons with disabilities.

Public service management meetings

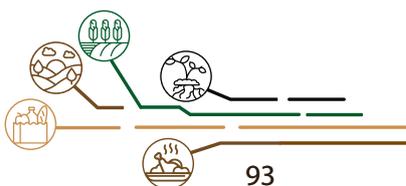
The department held its Public Service Women Management Meeting on 30 August 2022 and commemorated Women's Month by inviting all women to an event that was held on 29 August 2022.

Compliance reports

- Gender Equality Strategic Framework was submitted to DPSA;
- Job Access Strategic Framework was submitted to DPSA;
- The Public Service Senior Women Progress Report on the implementation of the 8-point Plan on Women Empowerment and Gender Equality in the Workplace was submitted to DPSA;
- The compliance reports were submitted to the Department of Women, Youth and Persons with Disabilities;
- Departmental self-assessment on the implementation of the Framework for GDRPBME&A and the survey, which was conducted by the Human Science Research Council;
- The National Strategic Plan on Gender-based Violence and Femicide was submitted monthly;
- Gender-based Violence and Femicide was submitted to the Department of Monitoring and Evaluation; and
- The department also participated in a survey on GEDI mainstreaming, which was conducted by the Commission on Gender Equality.

An in-depth policy analysis was done to assess the inclusion of women and persons with disabilities' rights, access to services and control of resources on the following policies: Occupational Health and Safety (OHS) Policy, Recruitment and Selection Policy, Resettlement with Relocation Policy, National Beneficiary Selection and Land Allocation Policy—Implementation and Monitoring Framework, Transfer Policy, Demand and Acquisition Policy and Working Hours and Remote Working Policy.

Ten (10) other policies will be analysed to ensure accounting for gender and disability planning and budgeting. Diversity management training has been conducted at the Office of the Surveyor-General and National Geomatics Management



Services in Cape Town. The department will continue to roll out this diversity management project in all provinces in the 2023/24 financial year.

The department's progress on employment equity (EE) as at 31 March 2023 is summarised as follows:

SMS MEMBERS' EE PROFILE			
STATUS	MALE	FEMALE	WITH DISABILITY
Target	50%	50%	2%
Current	59%	41%	2%
TOTAL GENDER PROFILE IN THE DEPARTMENT			
	MALE	FEMALE	WITH DISABILITY
Target	55%	45%	2%
Current	47%	53%	1,5%

The table above indicates the progress made to achieve the 50/50 representation target as set by Cabinet for employees at SMS levels in the Public Service. Although the implementation of the transformation agenda of government by DALRRD is on track, efforts continue to be implemented to ensure that the 50/50 target is ultimately achieved in the department. Focused interventions towards achieving the 2% target in respect to the representation of persons with disabilities continues to be a priority in the department.

The department is struggling to achieve the 50% representation of women at SMS level; current representation at SMS level is 59% males and 41% females. The department is improving in recruiting persons with disabilities as stipulated in the EE Plan.

Establishment of the EE consultative forums

Workplace EE consultative forums were established in all provinces; and

Provincial EE consultative forums and the National EE Consultative Forum will be established in the 2023/2024 financial year.

3. Human Resource Oversight Statistics

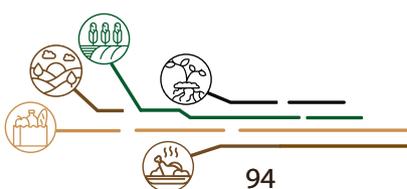
Please take note that the post establishment statistics were extracted from PERSAL on 31 March 2023. The establishment statistics differ from the approved structure statistics because the department created only the funded posts on PERSAL.

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 (HOA) and medical aid.

Table 3.1.1: Personnel expenditure by programme for the period 1 April 2022 to 31 March 2023

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services (R'000)	Personnel expenditure as % of total expenditure	Average personnel cost per employee (R'000)
Administration	3 211 804	1 958 479	20 972	8 708	61,0	284
Agricultural Production, Health, Food Safety, Natural Resources and Disaster Management	3 123 100	838 481	643	384 254	26,8	515
Food Security, Land Reform and Restitution	8 709 812	656 532	685	69 401	7,5	363
Rural Development	579 514	46 693	47 252	2 179	8,1	27
Economic Development, Trade and Marketing	833 983	134 315	6 988	18 104	16,1	814
Land Administration	647 547	440 078	0	27 739	68,0	629
Total	17 105 760	4 074 578	76 540	510 384	23,8	316



Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services (R'000)	Personnel expenditure as % of total expenditure	Average personnel cost per employee (R'000)
Deeds Registration Trading Entity	825 588	593 238	6 578	37 657	71,8	559
Total	825 588	593 238	6 578	37 657	71,8	559

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

Salary band	Personnel expenditure (R'000)		% of total personnel cost		Average personnel cost per employee (R'000)	
	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS
Lower skilled (levels 1–2)	50 669	0	1.1	-	248	-
Skilled (levels 3–5)	228 232	25 931	4.9	4.6	292	291
Highly skilled production (levels 6–8)	1 266 699	290 603	27.2	22.8	472	457
Highly skilled supervision (levels 9–12)	1 625 696	224 030	35.0	36.1	816	794
Senior management (levels 13–16)	423 767	50 582	9.1	9.0	1 261	1 234
Contract (levels 1-2)	232	0	0.0	0	116	0
Contract (levels 3-5)	1 958	44	0.0	0	178	0
Contract (levels 6-8)	13 677	633	0.3	0.10	684	0
Contract (levels 9-12)	164 739	1 415	3.5	0.30	849	0
Contract (levels 13-16)	17 123	0	0.4	0	1 007	0
Contract Other	40 771	0	0.9	0	97	0
Periodical remuneration	378	0	0.0	0	16	0
Abnormal appointment	240 637	0	5.2	0	39	0
Total	4 074 578	593 238	23.8	71.8	316	559

Table 3.1.3: Salaries, overtime, HOA and medical aid by programme for the period 1 April 2022 to 31 March 2023

Programme	Salaries		Overtime		Home Owners Allowance		Medical aid	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical aid as a % of personnel cost
Administration	1 725 593	88.1	27 948	1.4	45 721	2.3	84 141	4.2
Agricultural Production, Health, Food Safety, Natural Resources and Disaster Management	741 449	88.4	7 671	0.6	21 860	1.8	37 197	3.0
Food Security, Land Reform and Restitution	567 071	86.4	3 673	0.5	18 023	2.5	34 033	4.8
Rural Development	41 270	88.4	118	0.1	684	0.7	1 336	1.4
Economic Development, Trade and Marketing	116 563	86.8	216	0.1	2 801	1.8	5 194	3.3
Land Administration	380 729	86.6	12 813	2.7	10 876	2.3	20 239	4.3
Total	3 572 675	87.9	52 439	1.1	99 965	2.1	182 140	3.9

Programme	Salaries		Overtime		Home Owners Allowance		Medical aid	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical aid as a % of personnel cost
Deeds Registration Trading Entity	402 961	67.9	57 186	9.6	19 150	3.7	32 604	6.4
Total	402 961	67.9	57 186	9.6	19 150	3.7	32 604	6.4

Table 3.1.4: Salaries, overtime, HOA and medical aid by salary band for the period 1 April 2022 to 31 March 2023

Salary bands	Salaries		Overtime		Home Owners Allowance		Medical aid	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical aid as a % of personnel cost
Lower skilled (levels 1–2)	35 270	67.3	491	0.9	4 300	8.2	6 118	11.7
Skilled (levels 3–5)	180 434	77.2	6 986	3.0	13 908	6.0	25 131	10.8
Highly skilled production (levels 6–8)	993 307	60.9	32 552	2.0	47 904	2.9	96 725	5.9
Highly skilled supervision (levels 9–12)	1 495 554	83.8	11 936	0.7	27 902	1.6	50 312	2.8
Senior management (levels 13–16)	394 891	86.6	1	0	5 684	1.2	3 803	0.8
Contract (level 1-2)	232	100	0	0	0	0	0	0
Contract (level 3-5)	1 946	99.1	2	0.1	0	0	0	0
Contract (level 6-8)	12 962	94.3	17	0.1	0	0	0	0
Contract (level 9-12)	164 271	98.1	0	0	0	0	0	0
Contract (level 13-16)	18 369	98.3	0	0	267	1.4	51	0.3
Contract Other	40 319	90.9	454	1	0	0	0	0
Abnormal appointment	235 120	95.4	0	0	0	0	0	0
Total	3 572 675	76.8	52 439	1.1	99 965	2.1	182 140	3.9

Deeds office

Salary bands	Salaries		Overtime		HOA		Medical aid	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical aid as a % of personnel cost
Lower skilled (Levels 1–2)	0	0	0	0	0	0	0	0
Skilled (Levels 3–5)	19 176	65,8	2 829	10,8	1 346	5,2	2 471	9,5
Highly skilled production (Levels 6–8)	188 657	57,2	36 692	11,7	10 419	3,5	21 333	7,2
Highly skilled supervision (Levels 9–12)	149 026	60,7	17 490	7,8	5 494	2,5	8 382	3,7
Senior management (Levels 13–16)	44 320	85,2	0	0	1 888	3,6	394	0,8
Contract (Levels 1–2)	0	0	0	0	0	0	0	0
Contract (Levels 3–5)	32	71,1	9	20,0	0	0	0	0
Contract (Levels 6–8)	507	80,1	81	12,8	3	0,5	17	2,7
Contract (Levels 9–12)	1 243	87,9	85	6,0	0	0	7	0,5
Contract (Levels 13–16)	0	0	0	0	0	0	0	0
Contract, other	0	0	0	0	0	0	0	0
Abnormal appointment	0	0	0	0	0	0	0	0
Total	402 961	67,9	57 186	9,6	19 150	3,7	32 604	6,4

3.2 Employment and vacancies

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

Table 3.2.1 Employment and vacancies by programme as on 31 March 2023

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy rate %	Number of employees additional to the establishment
Administration	3 150	2 753	12,6	415
Agricultural Production, Health, Food Safety, Natural Resources and Disaster Management	1 411	1 268	10,1	157
Food Security, Land Reform and Restitution	1 226	1 079	12,0	63
Rural Development	69	61	11,6	2
Economic Development, Trade and Marketing	187	165	11,8	0
Land Administration	793	699	11,9	1
Total	*6 836	*6 025	11,9	638

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

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy rate %	Number of employees additional to the establishment
Deeds Registration Trading Entity	1 338	1 066	20,3	0
Total	*1 338	*1 066	20,3	0

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

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

Salary band	Number of posts on approved establishment		Number of posts filled		Vacancy rate %		Number of employees additional to the establishment	
	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS
Lower skilled (Levels 1–2)	377	0	341	0	9,5	0	421	0
Skilled (Levels 3–5)	1 269	179	1 123	126	11,5	29,6	2	0
Highly skilled production (Levels 6–8)	2 367	730	2 123	623	10,3	14,7	18	0
Highly skilled supervision (Levels 9–12)	2 420	368	2 101	278	13,2	24,5	190	0
Senior management (Levels 13–16)	403	61	337	39	16,4	36,1	7	0
Total	*6 836	*1 338	*6 025	*1 066	11,9	20,3	638	0

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

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

Occupation	Number of posts on approved establishment		Number of posts filled		Vacancy rate %		Number of employees additional to the establishment	
	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS
Administrative related	256	24	220	2	14,1	91,7	3	0
Agricultural animal, oceanography, forestry and other science	199	0	175	0	12,1	0	0	0
Agriculture related	223	0	199	0	10,8	0	0	0

Occupation	Number of posts on approved establishment		Number of posts filled		Vacancy rate %		Number of employees additional to the establishment	
	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS
Aircraft pilot and related associate professional	1	0	0	0	100,0	0	0	0
All artisans in the building, metal, machinery, etc.	14	0	9	0	35,7	0	0	0
Appraisers, valuers and related professionals	21	0	18	0	14,3	0	0	0
Architects, town and traffic planners	43	0	37	0	14,0	0	1	0
Artisan project and related superintendents	2	0	2	0	0	0	0	0
Auxiliary and related workers	278	0	248	0	10,8	0	0	0
Basic training	0	0	0	0	0	0	380	0
Biochemistry, pharmacology, zoology and life science technicians	36	0	33	0	8,3	0	0	0
Building and other property caretakers	15	0	13	0	13,3	0	0	0
Bus and heavy vehicle drivers	3	0	3	0	0	0	0	0
Cartographers and surveyors	292	0	256	0	12,3	0	3	0
Cartographic surveying and related technicians	40	0	33	0	17,5	0	0	0
Cleaners in offices, workshops, hospitals, etc.	62	0	55	0	11,3	0	0	0
Client information clerks (switchboard, reception and information clerks)	42	10	39	8	7,1	20,0	0	0
Communication and information related	20	0	17	0	15,0	0	0	0
Computer system designers and analysts	9	0	9	0	0	0	0	0
Draught and related trade	5	0	5	0	0	0	0	0
Economists	63	0	57	0	9,5	0	0	0
Engineers and related professionals	13	0	10	0	23,1	0	28	0
Farmhands and workers	96	0	86	0	10,4	0	0	0
Farming, forestry advisors and farm managers	7	0	5	0	28,6	0	0	0
Finance and economics related	114	11	97	8	14,9	27,3	0	0
Financial and related professionals	376	63	312	47	17,0	25,4	0	0
Financial clerks and credit controllers	175	43	152	36	13,1	16,3	0	0
Food services aids and waiters	39	2	30	2	23,1	0	0	0
General legal administration and related professionals	64	831	45	703	29,7	15,4	0	0
Head of department/chief executive officer	1	0	1	0	0	0	0	0
Health sciences related	10	0	10	0	0	0	0	0
Horticulturists, foresters and agricultural and forestry technicians	344	0	326	0	5,2	0	0	0
Household and laundry workers	13	0	12	0	7,7	0	0	0
Human resources and organisational development and related professionals	108	21	92	18	14,8	14,3	0	0
Human resources clerks	97	18	86	14	11,3	22,2	0	0
Human resources related	52	5	41	5	21,2	0	0	0

Occupation	Number of posts on approved establishment		Number of posts filled		Vacancy rate %		Number of employees additional to the establishment	
	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS
Information technology related	44	4	34	4	22,7	0	0	0
Language practitioners, interpreters and other communicators	49	0	46	0	6,1	0	0	0
Legal related	13	111	9	89	30,8	19,8	0	0
Librarians and related professionals	7	0	5	0	28,6	0	0	0
Library mail and related clerks	6	1	54	1	11,5	0	0	0
Light vehicle drivers	6	0	3	0	50,0	0	0	0
Logistical support personnel	108	40	97	31	10,2	22,5	0	0
Material-recording and transport clerks	184	9	165	4	10,3	55,6	0	0
Meteorologists	1	0	0	0	100,0	0	0	0
Meteorologists statistical and related technician	1	0	1	0	0	0	0	0
Messengers, porters and deliverers	116	3	95	0	18,1	100,0	0	0
Motor vehicle drivers	16	0	12	0	25,0	0	0	0
Motorised farm and forestry plant operators	2	0	2	0	0	0	0	0
Natural sciences related	1 106	0	1 012	0	8,5	0	13	0
Nature conservation and oceanographically related technicians	49	0	45	0	8,2	0	0	0
Other administrative and related clerks and organisers	697	47	636	28	8,8	40,4	1	0
Other administrative policy and related officers	115	0	103	0	10,4	0	1	0
Other information technology personnel	87	14	70	13	19,5	7,1	0	0
Printing and related machine operators	5	0	5	0	0	0	0	0
Printing planner and production controller	1	0	1	0	0	0	0	0
Rank: Deputy Minister	2	0	2	0	0	0	0	0
Rank: Minister	1	0	1	0	0	0	0	0
Risk management and security services	12	0	11	0	8,3	0	0	0
Road trade workers	4	0	3	0	25,0	0	0	0
Safety, health and quality inspectors	42	0	36	0	14,3	0	0	0
Secretaries and other keyboard operating clerks	277	21	241	14	13,0	33,3	4	0
Security officers	68	0	59	0	13,2	0	0	0
Senior managers	392	60	328	39	16,3	35,0	7	0
Social sciences related	1	0	1	0	0	0	0	0
Social work and related professionals	1	0	1	0	0	0	0	0
Statisticians and related professionals	16	0	16	0	0	0	0	0
Trade workers	178	0	166	0	6,7	0	0	0
Trainees	0	0	0	0	0	0	41	0
Veterinarians	37	0	28	0	24,3	0	156	0
Veterinary assistants	4	0	4	0	0	0	0	0
Total	6 836	1 338	6 025	1 066	11,9	20,3	638	0

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

3.3 Filling of SMS posts

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

Table 3.3.1 SMS posts information as on 31 March 2023

SMS level	Total number of funded SMS posts		Total number of SMS posts filled		% of SMS posts filled		Total number of vacant SMS posts		% of SMS posts vacant	
	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS
Director-general	1	0	1	0	0,3	0	0	0	0	0
Salary level 15	11	2	9	1	2,3	1,7	2	1	0,5	1,7
Salary level 14	78	15	65	10	16,3	16,7	13	5	3,3	8,3
Salary level 13	310	43	259	28	64,8	46,7	51	15	12,8	25,0
Total	400	60	334	39	83,5	65,0	66	21	16,5	35,0

Table 3.3.2 SMS posts information as on 30 September 2022

SMS level	Total number of funded SMS posts		Total number of SMS posts filled		% of SMS posts filled		Total number of vacant SMS posts		% of SMS posts vacant	
	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS
Director-general	1	0	1	0	0,2	0	0	0	0	0
Salary level 15	11	2	8	1	2,0	1,7	3	1	0,7	1,7
Salary level 14	79	14	67	12	16,6	20,7	12	2	3,0	3,4
Salary level 13	312	42	237	26	58,8	44,8	75	16	18,6	27,6
Total	403	58	313	39	77,7	67,2	90	19	22,3	32,8

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

SMS level	Advertising	Filling of posts	
	Number of vacancies per level advertised in six months of becoming vacant	Number of vacancies per level filled in six months after becoming vacant	Number of vacancies per level not filled in six months but filled in 12 months
Director-general	0	0	0
Salary level 15	2	0	0
Salary level 14	2	0	0
Salary level 13	14	0	2
Total	18	0	2

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

Reasons for vacancies not advertised within six months:
Many SMS posts have the vacant date as 1 April 2020. The department was still in the process of finalising the placement of employees on all levels. Approval to proceed with the advertisement of SMS posts was granted on 27 and 28 July 2021. The process to obtain approval of the application to fill a post forms, selection committees and draft advertisements also took time. Unavailability of approved job descriptions for many posts also delayed the advertisement process.

Reasons for vacancies not filled within 12 months:
A number of factors contributed to vacancies not being filled within 12 months and include delays in obtaining personnel suitability checks, delays in obtaining approval from the delegated authority and unavailability of the selection committee members.

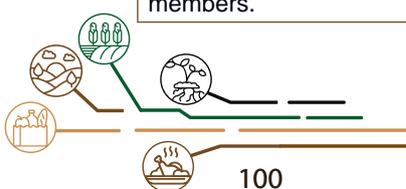


Table 3.3.5 Disciplinary steps taken for not complying with the prescribed time frames for filling SMS posts within 12 months for the period 1 April 2022 to 31 March 2023

None

3.4 Job evaluation

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

Table 3.4.1 Job evaluation by salary band for the period 1 April 2022 to 31 March 2023

Salary band	Number of jobs in the department	Number of jobs evaluated in benchmark process as per DPSA directive	% of jobs evaluated by salary bands	Posts upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (Levels 1–2)	12	7	58,3	0	0	0	0
Skilled (Levels 3–5)	75	26	34,7	0	0	0	0
Highly skilled production (Levels 6–8)	310	51	16,5	0	0	0	0
Highly skilled supervision (Levels 9–12)	639	88	13,8	0	0	0	0
Senior Management Service Band A	158	4	2,5	0	0	0	0
Senior Management Service Band B	47	0	0	0	0	0	0
Senior Management Service Band C	12	0	0	0	0	0	0
Senior Management Service Band D	1	0	0	0	0	0	0
TOTAL	1 254	176	14,0	0	0	0	0

*Please note the information on this table is for DALRRD and Deeds Office.

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

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2022 to 31 March 2023

Beneficiaries	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0
Employees with a disability					0

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

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2022 to 31 March 2023

Occupation	Number of employees		Job evaluation level		Remuneration level		Reason for deviation	
	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS
Administrative related	0	1	0	9	0	10	–	Out of adjustment
Administrative related	1	0	7	0	10	0	Retention	–
Administrative related	1	0	8	0	9	0	Retention	–
Administrative related	29	0	9	0	10	0	Grade progression	–
Administrative related	1	0	9	0	11	0	Retention	–

Occupation	Number of employees		Job evaluation level		Remuneration level		Reason for deviation	
	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS
Administrative related	35	0	11	0	12	0	Grade progression	–
Agricultural animal, oceanography, forestry and other sciences	1	0	8	0	10	0	Retention	–
Agricultural animal, oceanography, forestry and other sciences	4	0	8	0	11	0	OSD	–
Agricultural animal, oceanography, forestry and other sciences	2	0	9	0	10	0	Grade progression	–
Agricultural animal, oceanography, forestry and other sciences	1	0	9	0	11	0	Retention	–
Agricultural animal, oceanography, forestry and other sciences	2	0	11	0	12	0	Grade progression	–
Agriculture related	51	0	9	0	10	0	Grade progression	–
Agriculture related	2	0	10	0	11	0	OSD	–
Agriculture related	3	0	11	0	12	0	Grade progression	–
All artisans in the building, metal, machinery, etc.	2	0	6	0	7	0	Grade progression	–
All artisans in the building, metal, machinery, etc.	1	0	8	0	9	0	Retention	–
All artisans in the building, metal, machinery, etc.	1	0	7	0	8	0	Grade progression	–
Appraisers, valuers and related professionals	4	0	9	0	10	0	Grade progression	–
Appraisers, valuers and related professionals	2	0	11	0	12	0	Grade progression	–
Auxiliary and related workers	18	1	6	6	7	7	Grade progression	Grade progression
Auxiliary and related workers	1	0	4	0	5	0	Grade progression	–
Auxiliary and related workers	10	0	5	0	5	0	Grade progression	–
Auxiliary and related workers	1	0	5	0	7	0	Grade progression	–
Auxiliary and related workers	1	0	6	0	8	0	Out of adjustment	–
Building and other property caretakers	3	0	2	0	3	0	Grade progression	–
Bus and heavy vehicle drivers	1	0	3	0	4	0	Grade progression	–
Bus and heavy vehicle drivers	2	0	3	0	5	0	Grade progression	–
Cartographers and surveyors	4	0	6	0	8	0	Grade progression	–
Cartographers and surveyors	6	0	7	0	8	0	Grade progression	–
Cartographers and surveyors	1	0	9	0	10	0	Grade progression	–
Cartographers and surveyors	3	0	9	0	11	0	Retention	–
Cartographers and surveyors	9	0	10	0	11	0	Retention	–
Cartographers and surveyors	3	0	11	0	12	0	Grade progression	–

Occupation	Number of employees		Job evaluation level		Remuneration level		Reason for deviation	
	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS
Cartographic surveying and related technicians	2	0	5	0	7	0	Grade progression	–
Cartographic surveying and related technicians	1	0	9	0	10	0	Grade progression	–
Cartographic surveying and related technicians	2	0	10	0	11	0	Retention	–
Cartographic surveying and related technicians	1	0	10	0	12	0	Grade progression	–
Cartographic surveying and related technicians	2	0	11	0	12	0	Grade progression	–
Cleaners in offices, workshops, hospitals, etc.	14	0	2	0	3	0	Grade progression	–
Client information clerks (switchboard, reception and information clerks)	2	1	6	6	7	7	Grade progression	Grade progression
Client information clerks (switchboard, reception and information clerks)	1	0	4	0	5	0	Grade progression	–
Client information clerks (switchboard, reception and information clerks)	2	0	4	0	6	0	Grade progression	–
Client information clerks (switchboard, reception and information clerks)	2	0	4	0	7	0	Grade progression	–
Client information clerks (switchboard, reception and information clerks)	7	0	5	0	6	0	Grade progression	–
Communication and information related	4	0	11	0	12	0	Grade progression	–
Community development workers	2	0	5	0	6	0	Grade progression	–
Community development workers	1	0	6	0	7	0	Grade progression	–
Community development workers	3	0	7	0	8	0	Grade progression	–
Community development workers	1	0	8	0	9	0	Retention	–
Community development workers	5	0	9	0	10	0	Grade progression	–
Community development workers	1	0	11	0	12	0	Grade progression	–
Computer system designers and analysts	4	0	11	0	12	0	Grade progression	–
Draught and related trade	1	0	7	0	8	0	Grade progression	–
Economists	2	0	10	0	12	0	JE	–
Engineers and related professionals	2	0	11	0	12	0	Grade progression	–
Farmhands and labourers	23	0	2	0	3	0	Grade progression	–
Farmhands and labourers	1	0	2	0	5	0	Out of adjustment	–
Finance and economics related	6	2	9	9	10	10	Grade progression	Grade progression
Finance and economics related	1	0	10	0	12	0	Retention	–
Finance and economics related	22	3	11	11	12	12	Grade progression	JE
Financial and related professionals	5	0	7	0	8	0	Grade progression	–

Occupation	Number of employees		Job evaluation level		Remuneration level		Reason for deviation	
	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS
Financial and related professionals	1	0	8	0	9	0	Retention	–
Financial and related professionals	27	0	9	0	10	0	Grade progression	–
Financial clerks and credit controllers	57	15	5	5	6	6	Grade progression	Grade progression
Financial clerks and credit controllers	10	1	5	5	7	7	Grade progression	JE
Financial clerks and credit controllers	6	2	7	7	8	8	Grade progression	Grade progression
Financial clerks and credit controllers	1	0	9	0	10	0	Grade progression	–
Food services aids and waiters	5	0	2	0	3	0	Grade progression	–
General legal administration and related professionals	0	1	0	3	0	6	–	Out of adjustment
General legal administration and related professionals	0	4	0	5	0	6	–	Grade progression
General legal administration and related professionals	0	29	0	6	0	7	–	Grade progression
General legal administration and related professionals	0	42	0	7	0	8	–	Grade progression
General legal administration and related professionals	0	12	0	9	0	10	–	Grade progression
General legal administration and related professionals	1	0	5	0	10	0	Retention	–
General legal administration and related professionals	1	0	6	0	10	0	Retention	–
General legal administration and related professionals	2	0	8	0	9	0	Retention	–
General legal administration and related professionals	1	0	10	0	12	0	Retention	–
Health sciences related	2	0	9	0	10	0	Grade progression	–
Horticulturists, foresters and agricultural and forestry technicians	2	0	7	0	8	0	Grade progression	–
Horticulturists, foresters and agricultural and forestry technicians	3	0	7	0	11	0	OSD	–
Horticulturists, foresters and agricultural and forestry technicians	1	0	8	0	10	0	OSD	–
Horticulturists, foresters and agricultural and forestry technicians	6	0	8	0	11	0	OSD	–
Horticulturists, foresters and agricultural and forestry technicians	1	0	9	0	11	0	OSD	–
Household and laundry workers	7	0	2	0	3	0	Grade progression	–
Human resources and organisational development and related	1	1	7	7	8	8	Grade progression	Grade progression
Human resources and organisational development and related	8	0	9	0	10	0	Grade progression	–
Human resources clerks	10	4	5	5	6	6	Grade progression	Grade progression
Human resources clerks	4	0	5	0	7	0	Grade progression	–

Occupation	Number of employees		Job evaluation level		Remuneration level		Reason for deviation	
	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS
Human resources clerks	5	0	7	0	8	0	Grade progression	–
Human resources clerks	1	0	9	0	10	0	Grade progression	–
Human resources related	14	1	11	11	12	12	Grade progression	Grade progression
Human resources related	11	0	9	0	10	0	Grade progression	–
Information technology related	9	1	11	11	12	12	Grade progression	Grade progression
Information technology related	1	0	9	0	10	0	Grade progression	–
Language practitioners, interpreters and other communicators	11	0	9	0	10	0	Grade progression	–
Legal related	1	12	11	11	12	12	Grade progression	Grade progression
Legal related	1	0	12	0	13	0	OSD	–
Library mail and related clerks	8	0	5	0	6	0	Grade progression	–
Library mail and related clerks	7	0	5	0	7	0	Grade progression	–
Library mail and related clerks	1	0	5	0	11	0	Retention	–
Logistical support personnel	29	2	5	5	6	6	Grade progression	Grade progression
Logistical support personnel	3	0	5	0	7	0	Grade progression	–
Logistical support personnel	2	0	7	0	8	0	Grade progression	–
Logistical support personnel	2	0	9	0	10	0	Grade progression	–
Logistical support personnel	1	0	11	0	12	0	Grade progression	–
Material-recording and transport clerks	33	4	5	5	6	6	Grade progression	Grade progression
Material-recording and transport clerks	4	0	2	0	3	0	Grade progression	–
Material-recording and transport clerks	4	0	2	0	4	0	Grade progression	–
Material-recording and transport clerks	12	0	4	0	6	0	Grade progression	–
Material-recording and transport clerks	5	0	5	0	7	0	Grade progression	–
Material-recording and transport clerks	3	0	7	0	8	0	Grade progression	–
Messengers, porters and deliverers	24	0	2	0	3	0	Grade progression	–
Messengers, porters and deliverers	1	0	2	0	4	0	Out of adjustment	–
Messengers, porters and deliverers	3	0	3	0	4	0	Grade progression	–
Messengers, porters and deliverers	1	0	4	0	5	0	Grade progression	–
Messengers, porters and deliverers	1	0	4	0	7	0	Retention	–

Occupation	Number of employees		Job evaluation level		Remuneration level		Reason for deviation	
	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS
Motor vehicle drivers	2	0	4	0	5	0	Grade progression	–
Motorised farm and forestry plant operators	2	0	3	0	4	0	Grade progression	–
Natural sciences related	1	0	6	0	7	0	Grade progression	–
Natural sciences related	4	0	7	0	8	0	Grade progression	–
Natural sciences related	2	0	8	0	10	0	OSD	–
Natural sciences related	8	0	9	0	10	0	Grade progression	–
Natural sciences related	1	0	10	0	11	0	Out of adjustment	–
Natural sciences related	2	0	10	0	12	0	Out of adjustment	–
Natural sciences related	61	0	11	0	12	0	Grade progression	–
Natural sciences related	1	0	12	0	13	0	Retention	–
Nature conservation and oceanographically related technicians	1	0	8	0	9	0	Retention	–
Nature conservation and oceanographically related technicians	8	0	9	0	10	0	Grade progression	–
Other administrative policy and related officers	6	0	7	0	8	0	Grade progression	–
Other administrative policy and related officers	2	0	9	0	10	0	Grade progression	–
Other administrative and related clerks and organisers	115	6	5	5	6	6	Grade progression	Grade progression
Other administrative and related clerks and organisers	5	1	6	6	7	7	Grade progression	Grade progression
Other administrative and related clerks and organisers	7	4	7	7	8	8	Grade progression	Grade progression
Other administrative and related clerks and organisers	8	1	9	9	10	10	Grade progression	Grade progression
Other administrative and related clerks and organisers	1	0	4	0	5	0	Grade progression	–
Other administrative and related clerks and organisers	2	0	4	0	6	0	Grade progression	–
Other administrative and related clerks and organisers	1	0	4	0	7	0	Grade progression	–
Other administrative and related clerks and organisers	17	0	5	0	7	0	Grade progression	–
Other information technology personnel	0	1	0	6	0	9	–	Out of adjustment
Other information technology personnel	6	1	9	9	10	10	Grade progression	Grade progression
Other information technology personnel	4	0	11	0	12	0	Grade progression	–
Other information technology personnel	1	0	6	0	7	0	Grade progression	–
Secretaries and other keyboard operating clerks	102	3	5	5	6	6	Grade progression	Grade progression
Secretaries and other keyboard operating clerks	13	1	7	7	8	8	Grade progression	Grade progression

Occupation	Number of employees		Job evaluation level		Remuneration level		Reason for deviation	
	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS
Secretaries and other keyboard operating clerks	3	0	5	0	7	0	Grade progression	–
Secretaries and other keyboard operating clerks	2	0	5	0	8	0	Grade progression	–
Secretaries and other keyboard operating clerks	2	0	6	0	7	0	Grade progression	–
Secretaries and other keyboard operating clerks	1	0	8	0	9	0	Retention	–
Secretaries and other keyboard operating clerks	1	0	8	0	10	0	Retention	–
Security officers	1	0	3	0	5	0	Grade progression	–
Security officers	3	0	3	0	6	0	Grade progression	–
Security officers	4	0	3	0	7	0	Grade progression	–
Security officers	7	0	5	0	6	0	Grade progression	–
Security officers	2	0	7	0	8	0	Grade progression	–
Security officers	7	0	5	0	7	0	Grade progression	–
Senior managers	3	0	12	0	13	0	Foreign representation	–
Senior managers	1	0	12	0	13	0	Out of adjustment	–
Senior managers	1	0	12	0	14	0	Foreign representation	–
Senior managers	4	0	13	0	14	0	Retention	–
Social sciences related	6	0	11	0	12	0	Grade progression	–
Statisticians and related professionals	3	0	9	0	10	0	Grade progression	–
Statisticians and related professionals	4	0	11	0	12	0	Grade progression	–
Statisticians and related professionals	1	0	13	0	14	0	Retention	–
Trade labourers	49	0	2	0	3	0	Grade progression	–
Veterinarians	5	0	11	0	12	0	Grade progression	–
Veterinarians	1	0	11	0	13	0	Retention	–
Total number of employees whose salaries exceeded the level determined by job evaluation							1 178	168
% of total employed							19,6	15,8

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

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2022 to 31 March 2023

Beneficiary	African	Asian	Coloured	White	Total
Female	464	14	67	102	647
Male	416	11	43	61	531
Total	880	25	110	163	1 178

Beneficiary	African	Asian	Coloured	White	Total
Employees with a disability	14	1	1	9	25

Deeds office

Beneficiary	African	Asian	Coloured	White	Total
Female	49	4	11	49	113
Male	33	2	2	18	55
Total	82	6	13	67	168
Employees with a disability	2	0	1	3	6

3.5 Employment changes

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

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2022 to 31 March 2023

Salary band	Number of employees at beginning of period April 2022		Appointments and transfers into the department		Terminations and transfers out of the department		Turnover rate (%)	
	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS
Lower skilled (levels 1–2)	247	0	7	0	5	0	2,2	0
Skilled (levels 3–5)	787	90	49	26	67	10	8,5	11,2
Highly skilled production (levels 6–8)	2 759	634	82	64	149	34	5,5	5,3
Highly skilled supervision (levels 9–12)	2 012	291	78	13	103	43	5,1	15,1
Senior Management Service Band A	234	35	24	0	12	10	4,8	31,3
Senior Management Service Band B	70	12	2	0	5	3	7,2	27,3
Senior Management Service Band C	12	1	0	0	1	0	7,7	0
Senior Management Service Band D	4	0	0	0	0	0	0	0
Total	6 125	1 063	242	103	342	100	5,5	9,4

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

Occupation	Number of employees at beginning of period 1 April 2022		Appointments and transfers into the department		Terminations and transfers out of the department		Turnover rate (%)	
	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS
Administrative related	219	25	11	0	13	21	6,0	140,0
Agricultural, animal, oceanography, forestry and other sciences	155	0	4	0	5	0	3,2	0
Agriculture related	201	0	3	0	6	0	3,0	0
Aircraft pilot and related associate professional	0	0	0	0	0	0	0	0
All artisans in building, metal, machinery, etc.	9	0	1	0	1	0	11,1	0
Appraisers, valuers and related professionals	12	0	0	0	1	0	8,3	0

Occupation	Number of employees at beginning of period 1 April 2022		Appointments and transfers into the department		Terminations and transfers out of the department		Turnover rate (%)	
	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS
Architects, town and traffic planners	34	0	0	0	3	0	9,4	0
Artisan, project and related superintendents	2	0	0	0	0	0	0	0
Auxiliary and related workers	245	2	5	0	19	0	8,0	0
Binding and related workers	3	0	0	0	0	0	0	0
Biochemistry, pharmacology, zoology and life science technicians	31	0	0	0	0	0	0	0
Building and other property caretakers	15	0	0	0	2	0	14,3	0
Bus and heavy vehicle drivers	3	0	0	0	0	0	0	0
Cartographers and surveyors	284	0	2	0	19	0	6,9	0
Cartographic surveying and related technicians	58	0	0	0	1	0	1,7	0
Cleaners in offices, workshops, hospitals, etc.	60	1	2	0	5	0	8,8	0
Client information clerks	36	8	0	0	0	1	0	12,5
Communication and information related	20	0	0	0	2	0	10,5	0
Community development workers	102	0	0	0	6	0	6,1	0
Computer programmers	1	0	0	0	0	0	0	0
Computer system designers and analysts	14	0	0	0	1	0	7,1	0
Draught and related trades	5	0	0	0	0	0	0	0
Economists	56	0	2	0	3	0	5,4	0
Engineers and related professionals	7	0	4	0	0	0	0	0
Farmhands and labourers	87	0	5	0	6	0	7,0	0
Farming, forestry advisors and farm managers	6	0	0	0	1	0	16,7	0
Finance and economics related	89	10	11	0	6	2	6,4	20,0
Financial and related professionals	286	35	19	5	23	1	8,0	2,6
Financial clerks and credit controllers	171	34	9	6	7	2	4,1	5,7
Food services aids and waiters	33	1	0	0	2	0	6,1	0
General legal administration and related professionals	54	693	3	64	3	34	5,8	4,9
Head of department/chief executive officer	1	0	0	0	0	0	0	0
Health sciences related	8	1	3	0	0	0	0	0
Horticulturists, foresters and agricultural and forestry technicians	339	0	8	0	7	0	2,1	0
Household and laundry workers	9	0	1	0	0	0	0	0
Human resources and organisational development and related professionals	83	14	9	4	10	1	11,9	6,7

Occupation	Number of employees at beginning of period 1 April 2022		Appointments and transfers into the department		Terminations and transfers out of the department		Turnover rate (%)	
	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS
Human resources clerks	89	13	5	0	9	0	10,5	0
Human resources related	57	4	2	2	6	0	10,9	0
Information technology related	34	3	2	1	4	0	12,1	0
Language practitioners, interpreters and other communicators	49	0	2	0	2	0	4,1	0
Legal related	11	69	0	1	3	7	30,0	10,0
Librarians and related professionals	5	0	0	0	0	0	0	0
Library, mail and related clerks	56	0	2	1	5	0	9,1	0
Light vehicle drivers	3	0	0	0	0	0	0	0
Logistical support personnel	100	14	8	11	8	3	7,8	16,7
Material-recording and transport clerks	175	13	6	0	11	0	6,4	0
Messengers, porters and deliverers	99	2	5	0	12	1	12,6	50,0
Meteorologists statistical and related	3	0	0	0	0	0		0
Motor vehicle drivers	14	0	0	0	2	0	15,4	0
Motorised farm and forestry plant operators	2	0	0	0	0	0		0
Natural sciences related	891	1	34	0	30	1	3,4	100,0
Nature conservation and oceanography related technicians	47	0	0	0	0	0		0
Other administrative and related clerks and organisers	629	36	18	5	30	9	4,8	26,5
Other administrative policy and related officers	103	0	2	0	7	0	7,0	0
Other information technology personnel	73	13	5	1	8	0	11,0	0
Printing and related machine operators	5	0	0	0	0	0		0
Printing planners and production controllers	1	0	0	0	0	0	0	0
Rank: Minister	1	0	0	0	0	0	0	0
Rank: Deputy Minister	2	0	0	0	0	0	0	0
Regulatory inspector	4	0	0	0	1	0	25,0	0
Risk management and security services	12	1	3	0	1	0	7,7	0
Road trade workers	3	0	0	0	0	0	0	0
Safety health and quality inspectors	34	0	5	0	3	0	8,6	0
Secretaries and other keyboard operating clerks	279	25	8	2	14	4	5,1	1,5
Security officers	62	0	1	0	4	0	6,7	0
Senior managers	303	45	23	0	17	13	5,4	31,7
Social sciences related	18	0	0	0	1	0	5,9	0

Occupation	Number of employees at beginning of period 1 April 2022		Appointments and transfers into the department		Terminations and transfers out of the department		Turnover rate (%)	
	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS
Statisticians and related professionals	20	0	0	0	3	0	15,8	0
Trade labourers	173	0	4	0	9	0	5,3	0
Veterinarians	26	0	4	0	0	0	0	0
Veterinary assistants	4	0	0	0	0	0	0	0
Total	6 125	1 063	242	103	342	100	5.6	9,4

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

Table 3.5.3 Reasons why members of staff left the department for the period 1 April 2022 to 31 March 2023

Termination type	Number		% of total resignations	
	DALRRD	DEEDS	DALRRD	DEEDS
Death	24	5	7,0	5,0
Resignation	157	32	45,9	32,0
Expiry of contract	2	3	0,6	3,0
Dismissal operational changes	0	0	0	0
Dismissal misconduct	15	2	4,4	2,0
Dismissal inefficiency	0	0	0	0
Discharged because of ill health	2	0	0,6	0
Retirement	83	16	24,3	16,0
Transfer to other public service departments	59	42	17,2	42,0
Other	0	0	0	0
Total	342	100	100	100
Total number of employees who left as a percentage of total employment			5,7	9,4

Table 3.5.4 Promotions by occupation for the period 1 April 2022 to 31 March 2023

Occupation	Employees: 1 April 2022		Promotions to another salary level		Salary level promotions as a % of employees by occupation		Progressions to another notch within a salary level		Notch progression as a % of employees by occupation	
	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS
Administrative related	219	25	10	0	4,6	0	86	5	39,3	20,0
Agricultural, animal, oceanography, forestry and other sciences	155	0	2	0	1,3	0	59	0	38,1	0
Agriculture related	201	0	4	1	2,0	0	80	0	39,8	0

Occupation	Employees: 1 April 2022		Promotions to another salary level		Salary level promotions as a % of employees by occupation		Progressions to another notch within a salary level		Notch progression as a % of employees by occupation	
	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS
Aircraft pilot and related associate professional	0	0	0	0	0	0	0	0	0	0
All artisans in building, metal, machinery, etc.	9	0	0	0	0	0	3	0	33,3	0
Appraisers, valuers and related professionals	12	0	1	0	8,3	0	5	0	41,7	0
Architects, town and traffic planners	34	0	0	0	0	0	24	0	70,6	0
Artisan project and related superintendent	2	0	0	0	0	0	2	0	100,0	0
Auxiliary and related workers	245	2	2	0	0,8	0	169	1	69,0	50,0
Binding and related workers	3	0	0	0	0	0	0	0	0	0
Biochemistry, pharmacology, zoology and life science technicians	31	0	0	0	0	0	7	0	22,6	0
Building and other property caretakers	15	0	0	0	0	0	10	0	66,7	0
Bus and heavy vehicle drivers	2	0	0	0	0	0	1	0	33,3	0
Cartographers and surveyors	284	0	4	0	1,4	0	198	0	69,7	0
Cartographic surveying and related technicians	58	0	0	0	0	0	46	0	79,3	0
Cleaners in offices, workshops, hospitals, etc.	60	1	0	0	0	0	25	0	41,7	0
Client information clerks (switchboard, reception and information clerks)	36	8	0	0	0	0	24	6	66,7	75,0
Communication and information related	20	0	0	0	0	0	8	0	40,0	0
Community development workers	102	0	1	0	1,0	0	18	0	17,6	0
Computer programmer	1	0	0	0	0	0	0	0	0	0
Computer system designers and analysts	14	0	0	0	0	0	7	0	50,0	0
Draught and related trade	5	0	0	0	0	0	4	0	80,0	0
Economists	56	0	3	0	5,4	0	6	0	10,7	0
Engineers and related professionals	7	0	0	0	0	0	7	0	100,0	0
Farmhands and workers	87	0	0	0	0	0	19	0	21,8	0
Farming, forestry advisors and farm managers	6	0	0	0	0	0	1	0	16,7	0
Finance and economics related	89	10	7	1	7,9	10,0	38	7	42,7	70,0
Financial and related professionals	286	35	31	5	10,8	14,3	144	34	50,3	97,1
Financial clerks and credit controllers	171	34	1	0	0,6	0	88	26	51,5	76,5
Food services aids and waiters	33	33	1	0	0	0	13	1	39,4	100,0

Occupation	Employees: 1 April 2022		Promotions to another salary level		Salary level promotions as a % of employees by occupation		Progressions to another notch within a salary level		Notch progression as a % of employees by occupation	
	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS
General legal administration and related professionals	54	693	2	43	3,7	6,2	36	444	66,7	64,1
Head of department/chief executive officer	1	0	0	0	0	0	0	0	0	0
Health sciences related	8	1	1	0	12,5	0	3	0	37,5	0
Horticulturists, foresters and agricultural and forestry technicians	339	0	1	0	0,3	0	192	0	56,6	0
Household and laundry workers	9	0	0	0	0	0	0	0	0	0
Human resources, organisation development and related professionals	83	14	7	0	8,4	0	52	12	62,7	85,7
Human resources clerks	89	13	3	0	3,4	0	62	11	69,7	84,6
Human resources related	57	4	3	1	5,3	25,0	26	4	45,6	100,0
Information technology related	34	3	1	0	2,9	0	3	2	8,8	66,7
Language practitioners, interpreters and other communicators	49	0	0	0	0	0	20	0	40,8	0
Legal related	11	69	0	16	0	23,2	4	59	36,4	85,5
Librarians and related professionals	5	0	0	0	0	0	0	0	0	0
Library, mail and related clerks	56	0	1	0	1,8	0	28	0	50,0	0
Light vehicle drivers	3	0	0	0	0	0	1	0	33,3	0
Logistical support personnel	100	14	2	2	2,0	14,3	45	11	45,0	78,6
Material-recording and transport clerks	175	13	2	0	1,1	0	93	9	53,1	69,2
Messengers, porters and deliverers	99	2	0	0	0	0	39	1	39,4	50,0
Meteorologists statistical and related technicians	3	0	0	0	0	0	2	0	66,7	0
Motor vehicle drivers	14	0	0	0	0	0	5	0	35,7	0
Motorised farm and forestry plant operators	2	0	0	0	0	0	0	0	0	0
Natural sciences related	891	1	21	0	2,4	0	680	0	76,3	0
Nature conservation and oceanography related technicians	47	0	2	0	4,3	0	0	0	0	0
Other administrative and related clerks and organisers	629	36	15	0	2,4	0	307	22	48,8	61,1
Other administrative policy and related officers	103	0	3	0	2,9	0	48	0	46,6	0
Other information technology personnel	73	13	2	0	2,7	0	33	13	45,2	100,0
Printing and related machine operators	5	0	0	0	0	0	3	0	60,0	0
Printing planners and production controller	5	0	0	0	0	0	0	0	0	0

Occupation	Employees: 1 April 2022		Promotions to another salary level		Salary level promotions as a % of employees by occupation		Progressions to another notch within a salary level		Notch progression as a % of employees by occupation	
	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS
Rank: Minister	1	0	0	0	0	0	0	0	0	0
Rank: Deputy Minister	2	0	0	0	0	0	0	0	0	0
Regulatory inspectors	4	0	0	0	0	0	0	0	0	0
Risk management and security services	12	1	1	0	8,3	0	0	0	0	0
Road trade worker	3	0	0	0	0	0	0	0	0	0
Safety, health and quality inspectors	34	0	0	0	0	0	8	0	23,5	0
Secretaries and other keyboard operating clerks	279	25	2	0	0,7	0	122	16	43,7	64,0
Security officers	62	0	0	0	0	0	28	0	45,2	0
Senior managers	303	45	25	3	8,3	6,7	7	3	2,3	6,7
Social sciences related	18	0	0	0	0	0	8	0	44,4	0
Statisticians and related professionals	20	0	0	0	0	0	0	0	0	0
Trade workers	173	0	0	0	0	0	40	0	23,1	0
Veterinarians	26	0	1	0	3,8	0	7	0	26,9	0
Veterinary assistants	4	0	0	0	0	0	1	0	25,0	0
Total	*6 125	*1 063	161	71	2,6	6,7	2 995	687	48,9	64,8

*Number of employees, including the minister and deputy minister

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

Salary band	Employees: 1 April 2022		Promotions to another salary level		Salary bands promotions as a % of employees by salary level		Progressions to another notch within salary level		Notch progression as a % of employees by salary band	
	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS
Lower skilled (Levels 1–2)	247	0	0	0	0	0	61	0	24,7	0
Skilled (Levels 3–5)	787	90	7	1	0,9	1,1	397	53	50,4	58,9
Highly skilled production (Levels 6–8)	2 759	634	49	29	1,8	4,6	1 502	421	54,4	66,4
Highly skilled supervision (Levels 9–12)	2 012	291	76	37	3,8	12,7	1 030	212	51,2	72,9
Senior Management (Levels 13–16)	320	48	29	4	9,1	8,3	5	1	1,6	2,1
TOTAL	6 125	1 063	161	71	2,6	6,7	2 995	687	48,9	64,8

3.6 Employment equity

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as of 31 March 2023

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	165	12	11	13	107	5	4	13	330
Professionals	703	38	14	83	675	37	23	81	1 654
Technicians and associate professionals	903	55	5	43	914	56	16	82	2 074
Clerks	400	31	7	10	735	99	20	92	1 394
Service and sales workers	33	6	1	15	16	3	0	1	75
Craft and related trade workers	10	2	1	6	1	1	0	2	23
Plant, machine operators and assemblers	17	4	0	1	3	0	0	0	25
Elementary occupations	276	32	0	4	117	21	0	0	450
TOTAL	2 507	180	39	175	2 568	222	63	271	6 025

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

Deeds office

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	17	3	0	1	8	2	1	4	36
Professionals	347	31	8	36	318	48	19	70	877
Technicians and associate professionals	17	1	1	0	8	1	0	0	28
Clerks	34	0	0	2	69	10	1	6	122
Service and sales workers	0	0	0	0	0	0	0	0	0
Craft and related trade workers	0	0	0	0	0	0	0	0	0
Plant, machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	3	0	0	0	0	0	0	0	3
TOTAL	418	35	9	39	403	61	21	80	1 066

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

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

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management (Levels 15–16)	7	0	0	2	8	0	0	0	17
Senior management (Level 13–14)	163	12	11	14	104	6	4	15	329
Professionally qualified and experienced specialists and mid-management (Levels 9–12)	844	51	19	96	820	47	23	97	1 997
Skilled technical and academically qualified workers, junior management, supervisors, foremen (Levels 6–8)	1 012	51	7	55	1 269	108	33	150	2 685

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Semiskilled and discretionary decision making (Levels 3–5)	357	59	2	8	300	53	3	9	791
Unskilled and defined decision making (Levels 1–2)	124	7	0	0	67	8	0	0	206
Total	2 507	180	39	175	2 568	222	63	271	6 025

Please note these are employees' levels, not job post levels.

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

Deeds office

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management (Levels 15–16)	0	0	0	0	0	0	0	1	1
Senior management (Level 13–14)	21	3	0	1	8	2	1	3	39
Professionally qualified and experienced specialists and mid-management (Levels 9–12)	118	9	3	17	89	10	6	27	279
Skilled technical and academically qualified workers, junior management, supervisors, foremen (Levels 6–8)	239	17	5	17	275	44	14	49	660
Semiskilled and discretionary decision making (Levels 3–5)	40	6	1	4	31	5	0	0	87
Unskilled and defined decision making (Levels 1–2)	0	0	0	0	0	0	0	0	0
Total	418	35	9	39	403	61	21	80	1 066

Please note these are employees' levels, not job post levels.

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

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

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	0	0	0	0	0	0	0	0	0
Senior management	14	0	1	0	10	1	0	0	26
Professionally qualified and experienced specialists and mid-management	40	2	0	1	30	2	1	2	78
Skilled technical and academically qualified workers, junior management, supervisors and foremen	56	3	0	0	20	1	2	0	82
Semiskilled and discretionary decision making	19	2	0	1	26	1	0	0	49
Unskilled and defined decision making	2	0	0	0	5	0	0	0	7
Total	131	7	1	2	91	5	3	2	242
Employees with disabilities	0	0	0	0	3	0	0	0	3

Deeds office

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	0	0	0	0	0	0	0	0	0
Senior management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	6	0	0	0	7	0	0	0	13

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Skilled technical and academically qualified workers, junior management, supervisors, foremen	34	1	1	0	27	1	0	0	64
Semiskilled and discretionary decision making	13	1	0	0	9	3	0	0	26
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	53	2	1	0	43	4	0	0	103
Employees with disabilities	1	0	0	0	2	0	0	0	3

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

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	1	0	0	0	1	0	0	0	2
Senior management	11	2	2	1	8	1	0	2	27
Professionally qualified and experienced specialists and mid-management	36	2	0	1	31	2	3	1	76
Skilled technical and academically qualified workers, junior management, supervisors, foremen	28	0	0	0	20	1	0	0	49
Semiskilled and discretionary decision making	4	0	0	0	3	0	0	0	7
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	80	4	2	2	63	4	3	3	161
Employees with disabilities	2	0	0	0	0	0	0	0	2

Deeds office

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	0	0	0	0	0	0	0	0	0
Senior management	4	0	0	0	0	0	0	0	4
Professionally qualified and experienced specialists and mid-management	13	0	0	0	20	2	0	2	37
Skilled technical and academically qualified workers, junior management, supervisors, foremen	14	0	0	1	13	1	0	0	29
Semiskilled and discretionary decision making	0	0	0	0	1	0	0	0	1
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	31	0	0	1	34	3	0	2	71
Employees with disabilities	0	0	0	0	1	0	0	0	1

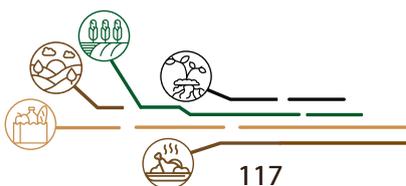


Table 3.6.5 Terminations for the period 1 April 2022 to 31 March 2023

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	1	0	0	0	0	0	0	0	1
Senior management	4	1	0	1	8	0	2	1	17
Professionally qualified and experienced specialists and mid-management	50	4	1	13	27	3	1	4	103
Skilled technical and academically qualified workers, junior management, supervisors, foremen	61	3	1	4	57	1	3	19	149
Semiskilled and discretionary decision making	35	8	0	0	22	2	0	0	67
Unskilled and defined decision making	5	0	0	0	0	0	0	0	5
Total	156	16	2	18	84	6	6	24	342
Employees with disabilities	2	0	0	1	1	0	0	2	6

Deeds office

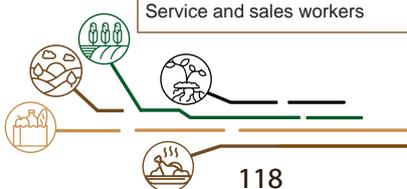
Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	0	0	0	0	0	0	0	0	0
Senior management	6	0	1	0	6	0	0	0	13
Professionally qualified and experienced specialists and mid-management	18	1	0	1	19	0	0	4	43
Skilled technical and academically qualified workers, junior management, supervisors, foremen	13	2	0	2	13	0	0	4	34
Semiskilled and discretionary decision making	6	1	0	0	3	0	0	0	10
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	43	4	1	3	41	0	0	8	100
Employees with disabilities	1	1	0	1	0	0	0	1	4

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

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Disciplinary action	11	0	0	0	3	0	0	0	14

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

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	141	4	8	12	83	4	1	9	262
Professionals	627	69	14	104	636	58	23	142	1 673
Technicians and associate professionals	852	35	9	30	878	57	18	50	1 929
Clerks	1 062	85	19	78	1 310	126	44	181	2 905
Service and sales workers	51	7	0	5	55	13	1	12	144



Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Craft and related trade workers	112	3	1	1	21	1	0	0	139
Plant, machine operators and assemblers	77	12	0	8	35	7	0	2	141
Elementary occupations	74	13	0	2	59	16	1	5	170
Total	2 996	228	51	240	3 077	282	88	401	7 363
Employees with disabilities	45	4	1	15	40	4	1	22	132

3.7 Signing of performance agreements by SMS members

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

Table 3.7.1 Signing of performance agreements by members of the SMS as 31 May 2022

SMS level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-general	1	1	1	100
Salary level 15	13	8	8	100
Salary level 14	96	75	65	87
Salary level 13	355	288	175	61
TOTAL	465	372	249	67

Table 3.7.2 Reasons for not having concluded performance agreements for all members of the SMS as on 31 May 2022

- Non-compliance by members of the SMS and the relevant supervisor.

Table 3.7.3 Disciplinary steps taken against members of the SMS for not concluding performance agreements by 31 May 2022

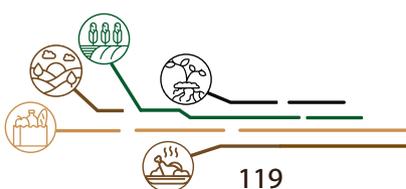
- None

3.8 Performance rewards

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

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

Race, gender and disability	Beneficiary profile						Cost			
	Number of beneficiaries		Number of employees		% of total within group		Cost (R'000)		Average cost per employee	
	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS
African	81	13	5 011	805	1,6	1,6	2 095	308	25 864	23 692
Male	45	6	2 474	411	1,8	1,5	1 200	116	26 667	19 333
Female	36	7	2 537	394	1,4	1,8	895	193	24 861	27 429
Asian	0	0	101	29	0	0	0	0	0	0



Race, gender and disability	Beneficiary profile						Cost			
	Number of beneficiaries		Number of employees		% of total within group		Cost (R'000)		Average cost per employee	
	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS
Male	0	0	39	8	0	0	0	0	0	0
Female	0	0	62	21	0	0	0	0	0	0
Coloured	5	0	399	91	1,3	0	146	0	29 200	0
Male	4	0	179	33	2,2	0	128	0	32 000	0
Female	1	0	220	58	0,5	0	18	0	18 000	0
White	5	1	422	116	1,2	0,9	141	14	28 200	14 000
Male	3	1	165	39	1,8	2,6	83	14	27 667	14 000
Female	2	0	257	77	0,8	0	58	0	29 000	0
Employees with disabilities	1	0	92	25	1,1	0	15	0	15 000	0
Total	92	14	6 025	1 066	1,5	1,3	2 397	323	26 054	23 000

**Source: Information indicated on the table is from PERSAL. It differs from the information on annual financial statements (AFS) because AFS include transactions that were captured on BAS. Totals on BAS also include payments of employees who left the department after the financial year, as well as other manual transactions.

Table 3.8.2: Performance rewards by salary band for personnel below SMS level for the period 1 April 2022 to 31 March 2023

Salary band	Beneficiary profile						Cost					
	Number of beneficiaries		Number of employees		% of total within salary bands		Total cost (R'000)		Average cost per employee		Total cost as a % of the total personnel expenditure	
	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS
Lower skilled (Levels 1–2)	0	0	206	0	0	0	0	0	0	0	0	0
Skilled (levels 3–5)	3	1	791	126	0,4	0,8	14	6	4 667	6 000	0	0
Highly skilled production (Levels 6–8)	27	3	2 685	623	1,0	0,5	388	46	14 370	15 333	0	0
Highly skilled supervision (Levels 9–12)	61	9	1 997	278	3,1	3,2	1 941	202	31 820	22 444	0,1	0
Total	91	13	5 679	1 027	1,6	1,3	2 343	254	25 747	19 538	0,1	0

Table 3.8.3: Performance rewards by occupation for the period 1 April 2022 to 31 March 2023

Occupation	Beneficiary profile						Cost			
	Number of beneficiaries		Number of employees		% of total within occupation		Total cost (R'000)		Average cost per employee	
	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS
Administrative related	5	7	216	2	2,3	350	159	164	31 800	23 429
Agricultural animal, oceanography, forestry and other sciences	2	0	153	0	1,3	0	52	0	26 000	0
Agriculture related	3	0	199	0	1,5	0	193	0	64 333	0
Aircraft pilot and related associate professionals	0	0	0	0	0	0	0	0	0	0
All artisans in building, metal, machinery, etc.	0	0	9	0	0	0	0	0	0	0
Appraisers, valuers and related professionals	0	0	11	0	0	0	0	0	0	0
Artisan project and related	0	0	2	0	0	0	0	0	0	0
Architects, town and traffic planners	0	0	30	0	0	0	0	0	0	0
Auxiliary and related workers	0	0	229	0	0	0	0	0	0	0
Binding and related workers	0	0	3	0	0	0	0	0	0	0
Biochemistry, pharmacology, zoology and life science technicians	0	0	31	0	0	0	0	0	0	0
Building and other property caretakers	0	0	13	0	0	0	0	0	0	0
Bus and heavy vehicle drivers	0	0	3	0	0	0	0	0	0	0
Cartographers and surveyors	1	0	266	0	0,4	0	28	0	28 000	0
Cartographic surveying and related technicians	1	0	57	0	1,8	0	14	0	14 000	0
Cleaners in offices, workshops, hospitals, etc.	0	0	54	0	0	0	0	0	0	0
Client information clerks (switchboard, reception and information clerks)	1	0	38	0	2,6	0	15	0	15 000	0
Communication and information related	2	0	18	0	11,1	0	74	0	37 000	0
Community development workers	1	0	95	0	1,1	0	18	0	18 000	0
Computer programmer	1	0	1	0	100,0	0	17	0	17 000	0
Computer system designers and analysts	5	0	13	0	38,5	0	185	0	37 000	0
Draught and related trades	0	0	5	0	0	0	0	0	0	0
Economists	3	0	56	0	5,4	0	97	0	32 333	0
Engineers and related professional	0	0	11	0	0	0	0	0	0	0
Farmhands and workers	0	0	84	0	0	0	0	0	0	0

Occupation	Beneficiary profile						Cost			
	Number of beneficiaries		Number of employees		% of total within occupation		Total cost (R'000)		Average cost per employee	
	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS
Farming, forestry advisors and farm managers	0	0	5	0	0	0	0	0	0	0
Finance and economics related	1	0	98	0	1,0	0	14	0	14 000	0
Financial and related professionals	8	0	287	0	2,8	0	64	0	8 000	0
Financial clerks and credit controllers	0	0	167	0	0	0	0	0	0	0
Food services aids and waiters	0	0	32	0	0	0	0	0	0	0
General legal administration and related professionals	0	0	49	703	0	0,1	0	14	0	14 000
Head of department/ chief executive officer	0	0	1	0	0	0	0	0	0	0
Health sciences related	0	0	11	0	0	0	0	0	0	0
Horticulturists, foresters and agricultural and forestry technicians	1	0	339	0	0,3	0	20	0	20 000	0
Household and laundry workers	0	0	10	0	0	0	0	0	0	0
Human resources and organisational development and related professionals	3	0	85	0	3,5	0	59	0	19 667	0
Human resources clerks	1	0	83	0	1,2	0	17	0	17 000	0
Human resources related	0	0	52	0	0	0	0	0	0	0
Information technology related	12	0	32	0	37,5	0	431	0	35 917	0
Language practitioners, interpreters and other communicators	7	0	49	0	14,3	0	171	0	24 429	0
Legal related	0	0	8	0	0	0	0	0	0	0
Librarians and related professionals	0	0	5	0	0	0	0	0	0	0
Library, mail and related clerks	0	0	54	0	0	0	0	0	0	0
Light vehicle drivers	0	0	3	0	0	0	0	0	0	0
Logistical support personnel	1	0	105	0	1,0	0	3	0	3 000	0
Material-recording and transport clerks	2	0	168	0	1,2	0	11	0	5 500	0
Messengers, porters and deliverers	6	1	90	0	6,7	0	162	6	27 000	6 000
Meteorologist statistical and related technician	0	0	3	0	0	0	0	0	0	0
Minister/Deputy Minister	0	0	3	0	0	0	0	0	0	0
Motor vehicle drivers	0	0	12	0	0	0	0	0	0	0
Motorised farm and forestry plant operators	0	0	2	0	0	0	0	0	0	0

Occupation	Beneficiary profile						Cost			
	Number of beneficiaries		Number of employees		% of total within occupation		Total cost (R'000)		Average cost per employee	
	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS
Natural science related	0	0	897	0	0	0	0	0	0	0
Nature conservation and oceanography related technicians	0	0	45	0	0	0	0	0	0	0
Other administrative and related clerks and organisers	0	4	618	28	0	14,3	0	71	0	17 750
Other administrative policy and related officers	4	0	97	0	4,1	0	44	0	11 000	0
Other information technology personnel	11	0	73	0	15,1	0	328	0	29 818	0
Printing and related machine operators	0	0	5	0	0	0	0	0	0	0
Printing planners and production controllers	1	0	1	0	100,0	0	21	0	21 000	0
Regulatory inspector	0	0	3	0	0	0	0	0	0	0
Risk management and security services	0	0	14	0	0	0	0	0	0	0
Road trade workers	0	0	3	0	0	0	0	0	0	0
Safety health and quality inspectors	0	0	36	0	0	0	0	0	0	0
Secretaries and other keyboard operating clerks	4	0	266	0	1,5	0	60	0	15 000	0
Security officers	3	0	58	0	5,2	0	55	0	18 333	0
Senior managers	1	1	327	39	0,3	2,6	53	68	53 000	68 000
Social sciences related	0	0	15	0	0	0	0	0	0	0
Statisticians and related professionals	1	0	17	0	5,9	0	31	0	31 000	0
Trade workers	0	0	167	0	0	0	0	0	0	0
Veterinarians	0	0	29	0	0	0	0	0	0	0
Veterinary assistants	0	0	4	0	0	0	0	0	0	0
Total	92	14	6 025	1 066	1,5	1,3	2 397	323	26 054	23 071

* Number of employees, excluding the minister and deputy minister

**Source: Information indicated on the table is from PERSAL. It differs from the information on AFS because AFS includes transactions that were captured on BAS. Totals on BAS also include payments of employees who left the department after the financial year, as well as other manual transactions.

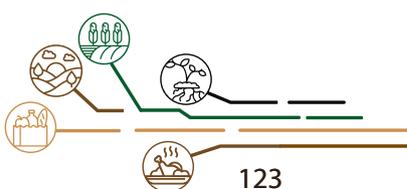


Table 3.8.4 Performance related rewards (cash bonus) by salary band for SMS for the period 1 April 2022 to 31 March 2023

Salary band	Beneficiary profile						Cost					
	Number of beneficiaries		Number of employees		% of total within salary band		Total cost (R'000)		Average cost per employee		Total cost as a % of the total personnel expenditure	
	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS
Band A	1	0	261	28	0,4	0	53	0	53 000	0	0	0
Band B	0	1	68	10	0	10,0	0	68	0	68 000	0	0,1
Band C	0	0	13	1	0	0	0	0	0	0	0	0
Band D	0	0	4	0	0	0	0	0	0	0	0	0
Total	1	1	346	39	0,3	2,6	53	68	53 000	68 000	0	0,1

3.9 Foreign workers

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

Table 3.9.1 Foreign workers by salary band for the period 1 April 2022 and 31 March 2023

Salary band	1 April 2022				31 March 2023				Change			
	Number		% of total		Number		% of total		Number		% change	
	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS
Lower skilled (Levels 1–2)	0	0	0	0	0	0	0	0	0	0	0	0
Skilled (Level 3–5)	0	0	0	0	0	0	0	0	0	0	0	0
Highly skilled production (Level 6–8)	1	1	5,0	33,3	1	1	7,1	50,0	0	0	0	0
Highly skilled supervision (Level 9–12)	18	1	9,0	33,3	11	0	78,6	0	+7	1	87,5	100,0
Senior management (Levels 13–16)	1	1	5,0	33,3	2	1	14,3	50,0	-1	0	12,5	0
Total	20	3	100	100	14	2	100	100	6	1	100	100

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

Major occupation	1 April 2022				31 March 2023				Change			
	Number		% of total		Number		% of total		Number		% change	
	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS
Architects, town and traffic planners	1	0	5,0	0	1	0	7,1	0	0	0	0	0
Cartographic surveying and related technicians	1	0	5,0	0	1	0	7,1	0	0	0	0	0
Engineers and related professional	1	0	5,0	0	2	0	14,4	0	+1	0	10,0	0

Major occupation	1 April 2022				31 March 2023				Change			
	Number		% of total		Number		% of total		Number		% change	
	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS
General legal administration and related professionals	0	1	0	33,3	0	1	0	50,0	0	0	0	0
Information technology related	0	1	0	33,3	0	0	0	0	0	-1	0	100
Natural science related	1	0	5,0	0	1	0	7,1	0	0	0	0	0
Other administrative and related clerks and organisers	1	0	5,0	0	1	0	7,1	0	0	0	0	0
Senior Managers	0	1	0	33,3	1	1	7,1	50,0	+1	0	10,0	0
Social sciences related	1	0	5,0	0	1	0	7,1	0	0	0	0	0
Veterinarians	14	0	70,0	0	6	0	43,0	0	-8	0	80,0	0
Total	20	3	100	100	14	2	100	100	6	1	100	100

3.10 Leave utilisation

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

Table 3.10.1 Sick leave for the period 1 January 2022 to 31 December 2022

Salary band	Total days	% days with medical certification	Number of employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated cost (R'000)
Lower skilled (Levels 1–2)	2 401	72,9	378	7,6	6	1 227
Skilled (Levels 3–5)	6 352	78,2	657	13,2	10	6 082
Highly skilled production (Levels 6–8)	18 885	75,2	2 210	44,6	9	30 659
Highly skilled supervision (Levels 9–12)	11 241	77,3	1 540	31,0	7	33 420
Senior management (Levels 13–16)	1 379	85,7	176	3,6	8	6 571
Total	40 258	76,5	4 961	100	8	77 959

Deeds office

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)	0	0	0	0	0	0
Skilled (Levels 3–5)	908	75,8	94	9,3	10	817
Highly skilled production (Levels 6–8)	7 004	74,0	621	61,6	11	10 255
Highly skilled supervision (Levels 9–12)	2 473	73,1	264	26,2	9	6 646
Senior management (Levels 13–16)	232	78,9	29	2,9	8	1 121
Total	10 617	74,0	1 008	100	11	18 839

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

Salary band	Total days	% days with medical certification	Number of employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated cost (R'000)
Lower skilled (Levels 1–2)	53	100	2	3,9	27	32
Skilled (Levels 3–5)	715	100	11	21,6	65	642
Highly skilled production (Levels 6–8)	1 211	100	19	37,3	64	1 969
Highly skilled supervision (Levels 9–12)	732	100	15	29,4	49	2 129
Senior management (Levels 13–16)	223	100	4	7,8	56	1 071
Total	2 934	100	51	100	58	5 843

Deeds office

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)	0	0	0	0	0	0
Skilled (Levels 3–5)	0	0	0	0	0	0
Highly skilled production (Levels 6–8)	458	100	12	80,0	38	636
Highly skilled supervision (levels 9–12)	25	100	3	20,0	8	58
Senior management (levels 13–16)	0	0	0	0	0	0
Total	483	100	15	100	32	694

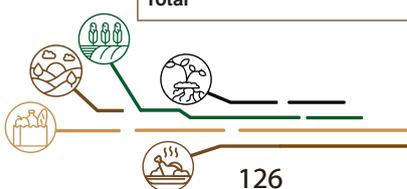
The table below summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

Table 3.10.3 Annual leave for the period 1 January 2022 to 31 December 2022

Salary band	Total days taken		Number of employees using annual leave		Average per employee	
	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS
Lower skilled (Levels 1–2)	11 639	0	786	0	15	0
Skilled (Levels 3–5)	19 904	2 171	841	98	24	22
Highly skilled production (Levels 6–8)	73 549	17 554	2 877	685	26	26
Highly skilled supervision (Levels 9–12)	54 185	7 740	2 346	324	23	24
Senior management (Levels 13–16)	7 310	1 101	348	49	21	22
Total	166 587	28 566	7 198	1 156	23	25

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

Salary band	Total days of capped leave taken	Number of employees using capped leave	Average number of days taken per employee	Average capped leave per employee as of 31 December 2022
Lower skilled (Levels 1–2)	0	0	0	13
Skilled (Levels 3–5)	25	5	5	28
Highly skilled production (Levels 6–8)	116	13	9	25
Highly skilled supervision (Levels 9–12)	31	11	3	25
Senior management (Levels 13–16)	6	1	6	37
Total	178	30	6	26



Deeds office

Salary band	Total days of capped leave taken	Number of employees using capped leave	Average number of days taken per employee	Average capped leave per employee as of 31 December 2022
Lower skilled (Levels 1–2)	0	0	0	0
Skilled (Levels 3–5)	0	0	0	13
Highly skilled production (Levels 6–8)	1	1	1	18
Highly skilled supervision (Levels 9–12)	3	1	3	28
Senior management (Levels 13–16)	8	1	8	17
Total	12	3	4	21

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

Table 3.10.5 Leave pay-outs for the period 1 April 2022 to 31 March 2023

Reason	Total amount (R'000)		Number of employees		Average per employee (R)	
	DALRRD	DEEDS	DALRRD	DEEDS	DALRRD	DEEDS
Leave pay-outs for 2022/23 owing to non-utilisation of leave for the previous cycle	2 733	87	51	2	53 588	43 500
Capped leave pay-outs on termination of service for 2022/23	8 185	394	266	7	30 771	56 286
Current leave pay-outs on termination of service for 2022/23	3 484	1 122	69	40	50 493	28 050
Total	14 402	1 603	386	49	37 311	32 714

3.11 HIV/Aids and health promotion programmes

Table 3.11.1 Steps taken to reduce the risk of occupational exposure

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

Table 3.11.2 Details of health promotion and HIV/Aids programmes

Questions	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	√		Ms Mmapitso Mashela—Director: Employee Relations
2. Does the department have a designated unit, or have you designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	√		Subdirector: Employee Health and Wellness Management (EHWM): 1 x deputy director; 3 x national coordinators (ASDs); 2x national practitioners; 2 x occupational/health promotion specialist (ASD); and 7 x provincial coordinators (ASDs), with MP and GP being vacant.
3. Has the department introduced an employee assistance or health promotion programme for your employees? If so, indicate the key elements/services of the programme.	√		Psycho-social services; Physical wellness; Health and productivity management (Disease management, health management); Promotion/awareness and health screening; Life-skills programmes; and HIV/AIDS, TB and STIs, including HIV counselling and testing.

Questions	Yes	No	Details, if yes
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	√		9 x provincial EHWM committees have been established; Committee members have been appointed formally as per the Employee Assistance Programme Association (EAPA) Standards and DPSA Framework; and Representation includes EHWM coordinators, HR managers and communication, spiritual and union representatives.
5. Has the department reviewed its employment policies and practices of your department to ensure that these do not unfairly discriminate against employees based on their HIV status? If so, list the employment policies/practices so reviewed.	√		HIV/AIDS, TB and STI Policy; Wellness Policy; and Health productivity management.
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/AIDS Policy is being implemented; Awareness and education on HIV/AIDS management; Provision of care and support by in-house EHWM Specialists; and Service providers through psycho-social services.
7. Does the department encourage its employees to undergo voluntary counselling and testing? If so, list the results that you have achieved.	√		HIV counselling and testing (HCT) is incorporated into Health and Wellness events/office-based services; World AIDS Day and Sexually Transmitted Infections/Condom Week; and Post COVID-19 Lockdown, GEMS has not been able to provide services adequately/as per the requests.
8. Has the department developed measures/indicators to monitor and evaluate the impact of your health promotion programme? If so, list these measures/indicators.	√		Analysis of health screening (Chronic conditions and HIV/AIDS and TB) results; Analysis of evaluation forms by participants.

3.12 Labour relations

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

Subject matter	Date
None	N/A

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

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

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0
Verbal warning	0	0
Written warning	0	0
Final written warning	3	21,43
Suspended without pay	1	7,14
Dismissal	7	50,0
Not guilty	1	7,14
Resignation owing to misconduct	0	0
Retired	1	7,14
Case withdrawn	0	0
Transferred	1	7,14
Total	14	100

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

Type of misconduct	Number	% of total
Misuse of government vehicle	6	2,6
Abscondments/absent without authorisation	7	3,0
Failure to follow process	0	0
Fraud	5	2,1
Non-financial disclosure	141	60,5
Assault/threats to assault	2	0,9
Poor performance	2	0,9
Irregularities in handling projects	55	23,6
Unacceptable conduct	15	6,4
Total	233	100

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

Grievances	Number	% of total
Number of grievances resolved	109	56,5
*Number of grievances not resolved	84	43,5
Total number of grievances lodged	193	100

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

Table 3.12.5 Disputes logged with councils for the period 1 April 2022 to 31 March 2023

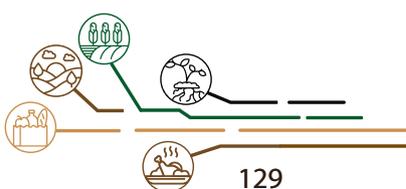
Disputes	Number	% of total
Number of disputes upheld	5	7,4
Number of disputes dismissed	14	20,6
Matter settled	0	0
Still pending	49	72,0
Total number of disputes lodged	68	100

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

Strike actions
Three

Table 3.12.7 Precautionary suspensions for the period 1 April 2022 to 31 March 2023

Precautionary suspensions	Total
Number of people suspended	3
Number of people whose suspension exceeded 30 days	1
Average number of days suspended	365
Cost of suspension	R1 081 952,50



3.13 Skills development

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

Table 3.13.1 Training needs identified for the period 1 April 2022 to 31 March 2023

Occupational category	Gender	Number of employees as of 1 April 2022	Training needs identified at start of the reporting period				Total
			Learnerships	Skills programmes and other short courses	Other forms of training ABET	Internal bursaries	
Legislators, senior officials and managers	Female	147	0	80	0	0	80
	Male	207	0	136	0	0	136
Professionals	Female	1 257	0	722	0	0	722
	Male	1 274	0	688	0	0	688
Technicians and associate professionals	Female	1 099	0	842	0	0	842
	Male	1 032	0	767	0	0	767
Clerks	Female	1 070	0	1 372	0	0	1 372
	Male	494	0	982	0	0	982
Service and sales workers	Female	22	0	71	0	0	71
	Male	57	0	59	0	0	59
Craft and related trade workers	Female	3	0	22	0	0	22
	Male	20	0	100	0	0	100
Plant and machine operators and assemblers	Female	3	0	36	0	0	36
	Male	24	0	79	0	0	79
Elementary occupations	Female	140	0	81	0	0	81
	Male	339	0	84	0	0	84
Gender subtotals	Female	3 741	0	3 226	0	0	3 226
	Male	3 504	0	2 895	0	0	2 954
Total		7 245	0	6 180	0	0	6 180

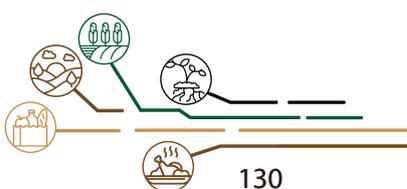


Table 3.13.2 Training provided for the period 1 April 2022 to 31 March 2023

Occupational category	Gender	Number of employees as of 1 April 2022	Training provided within the reporting period				
			Learnerships	Skills programmes and other short courses	Other forms of training		Total
					Bursaries	ABET	
Legislators, senior officials and managers	Female	147	0	127	2	0	129
	Male	207	0	90	9	0	99
Professionals	Female	1 257	0	443	46	0	489
	Male	1 274	0	530	53	0	583
Technicians and associate professionals	Female	1 099	0	897	76	0	973
	Male	1 032	0	748	58	0	806
Clerks	Female	1 070	0	989	44	0	1 033
	Male	494	0	998	36	0	1 034
Service and sales workers	Female	22	0	448	1	0	449
	Male	57	0	224	4	0	228
Craft and related trades workers	Female	3	0	192	0	0	192
	Male	20	0	97	0	0	97
Plant and machine operators and assemblers	Female	3	0	227	1	0	228
	Male	24	0	56	0	0	56
Elementary occupations	Female	140	0	462	0	0	462
	Male	339	0	253	1	0	254
Gender subtotals	Female	3 741	0	3 785	170	0	3 995
	Male	3 447	0	2 996	161	0	3 157
Total		7 188	0	6 781	331	0	7 112

3.14 Injury on duty

The following tables provide basic information on injury on duty.

Table 3.14.1 Injury on duty for the period 1 April 2022 to 31 March 2023

Nature of injury on duty	Number	% of total
Required basic medical attention only	1	100
Temporary total disablement	0	0
Permanent disablement	0	0
Fatal	0	0
Total	1	100

3.15 Utilisation of consultants

Table 3.15.1 Report on consultant appointments using appropriated funds

Project title	Total number of consultants who worked on the project	Duration Work days	Contract value in Rand (R'000)
1. Ikamva Verification Services (D: BBEECC)	3	4 months	129
2. Review of Commodity Clearance applications (D: BS)	6	6	53
3. Review of General Release applications (D: BS)	5	13	106
4. Review of Trail Release applications (D: BS)	11	6	49
5. Review of Facility Registration applications (D: BS)	3	2	14

Project title	Total number of consultants who worked on the project	Duration Work days	Contract value in Rand (R'000)
CPA Study (D: PMS)	3	8 months	12 270
CPA Annual Report (D: PMS)	1	3 months	586
Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand (R'000)
7	32	16 months	13 207

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

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Ikamva Verification Services (D: BBBEECC)	100%	100%	2
Review of commodity clearance applications (D: BS)	0	0	0
Review of general release applications (D: BS)	0	0	0
Review of trail release applications (D: BS)	0	0	0
Review of facility registration applications (D: BS)	0	0	0
CPA Study (D: PMS)	0	0	0
CPA Annual Report (D: PMS)	0	0	0

Table 3.15.3 Report on consultant appointments using donor funds

No consultants were appointed by using donor funds.

Table 3.15.4 Analysis of consultant appointments using donor funds in terms of HDIs

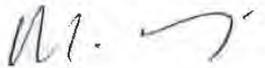
No consultants were appointed by using donor funds.

3.16 Severance packages

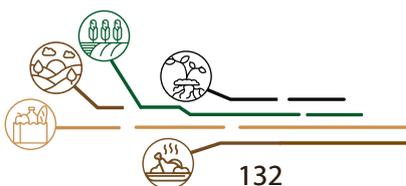
Table 3.16.1 Granting of employee-initiated severance packages for the period 1 April 2022 to 31 March 2023

No employees were granted severance packages for the period 1 April 2022 to 31 March 2023.

Signed off by acting Deputy Director-General: Corporate Services



Date: 12/01/2024





PART E

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

**Public Finance
Management Act
(PFMA) Compliance
Report**

Public Finance Management Act (PFMA) Compliance Report

PART E: PFMA COMPLIANCE REPORT

Information on Irregular, Fruitless and Wasteful and Unauthorised Expenditure

IRREGULAR EXPENDITURE

RECONCILIATION OF IRREGULAR EXPENDITURE

	2022/23	2021/22
	R'000	R'000
Opening Balance	208 816	203 297
Add: Irregular expenditure confirmed	15 369	5 519
Less: Irregular expenditure condoned	-	-
Less: Irregular expenditure not condoned and removed	-	-
Less: Irregular expenditure recoverable	(35)	-
Less: Irregular expenditure not recovered and written off	-	-
Closing balance	224 150	208 816

The irregular expenditure confirmed amounted to R15 369 and it was due to proper supply chain management processes not being followed.

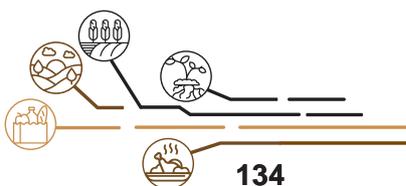
Reconciling notes

Description

	2022/23	2021/22
	R'000	R'000
Irregular expenditure that was under assessment in 2021/22	-	5 519
Irregular expenditure that relates to 2021/22 and identified in 2022/23	15 061	-
Irregular expenditure for the current year	308	-
Total	15 369	5 519

DETAILS OF CURRENT AND PREVIOUS YEAR IRREGULAR EXPENDITURE (UNDER ASSESSMENT, DETERMINATION, AND INVESTIGATION)

Description	2022/23	2021/22
	R'000	R'000
Irregular expenditure under assessment	-	33 578
Irregular expenditure under determination	712	5 519
Irregular expenditure under investigation	111 901	-
Total	112 613	39 097



Public Finance Management Act (PFMA) Compliance Report

DETAILS OF CURRENT AND PREVIOUS YEAR IRREGULAR EXPENDITURE CONDONED

Description	2022/23 R'000	2021/22 R'000
Irregular expenditure condoned	-	-
Total	-	-

DETAILS OF CURRENT AND PREVIOUS YEAR IRREGULAR EXPENDITURE REMOVED – (NOT CONDONED)

Description	2022/23 R'000	2021/22 R'000
Irregular expenditure not condoned and removed	-	-
Total	-	-

DETAILS OF CURRENT AND PREVIOUS YEAR IRREGULAR EXPENDITURE RECOVERED

Description	2022/23 R'000	2021/22 R'000
Irregular expenditure recovered	35	-
Total	35	-

DETAILS OF CURRENT AND PREVIOUS YEAR IRREGULAR EXPENDITURE WRITTEN OFF (IRRECOVERABLE)

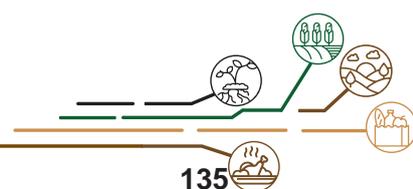
Description	2022/23 R'000	2021/22 R'000
Irregular expenditure written off (irrecoverable)	-	-
Total	-	-

Additional disclosure relating to inter-institutional arrangements

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	2022/23 R'000	2021/22 R'000
Irregular expenditure written off (irrecoverable)	-	-
Total	-	-

Additional disclosure relating to inter-institutional arrangements



Public Finance Management Act (PFMA) Compliance Report

DETAILS OF NON-COMPLIANCE CASES WHERE AN INSTITUTION IS INVOLVED IN AN INTER-INSTITUTIONAL ARRANGEMENT (WHERE SUCH INSTITUTION IS RESPONSIBLE FOR THE NON-COMPLIANCE)

None

DETAILS OF CURRENT AND PREVIOUS YEAR DISCIPLINARY TAKEN AS A RESULT OF IRREGULAR EXPENDITURE

The disciplinary steps that has been taken by the Director General was that the warning letters were issued during 2021/22 to the respective transgressors for 11 cases amounting **R 43 721 945,38**.

FRUITLESS AND WASTEFUL EXPENDITURE

Reconciliation of fruitless and wasteful expenditure

DESCRIPTION	2022/23 R'000	2021/22 R'000
Opening balance	36 104	41 024
Add: Fruitless and Wasteful Expenditure confirmed	30 055	33
Less: Fruitless and Wasteful Expenditure written off	(5 562)	(4 953)
Less: Fruitless and Wasteful Expenditure recoverable	(6)	-
Closing balance	60 591	36 104

RECONCILING NOTE

DESCRIPTION	2022/23 R'000	2021/22 R'000
Fruitless and wasteful expenditure that was under assessment in 2021/22	-	-
Fruitless and wasteful expenditure that relates to 2021/22 and identification in 2022/23	-	-
Fruitless and wasteful expenditure current year	30 055	33
Total	30 055	33

Fruitless and Wasteful expenditure current year 2022/23

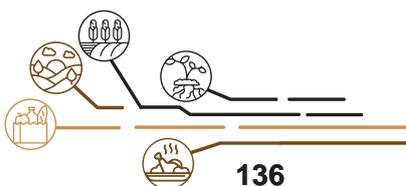
The total amount of R30 055 is made up of the following:

- The amount of R30 055 million was identified by the Forensic Investigation Directorate during 2022/23 financial year as the expenditure could have been avoided.
- Fruitless and Wasteful expenditure current year 2021/22
- The amount of R33 000 was due to interest charged on late payment of invoices

DETAILS OF CURRENT AND PREVIOUS YEAR FRUITLESS AND WASTEFUL EXPENDITURE (UNDER ASSESSMENT, DETERMINATION AND INVESTIGATION)

DESCRIPTION	2022/23 R'000	2021/22 R'000
Fruitless and wasteful expenditure under assessment	234 505	-
Fruitless and wasteful expenditure under determination	-	56 586
Fruitless and wasteful expenditure under investigation	-	-
Total	-	56 586

PESI vouchers totalling R234 505 000 will be subjected to assessment for Fruitless and Wasteful expenditure.



Public Finance Management Act (PFMA) Compliance Report

DETAILS OF CURRENT AND PREVIOUS YEAR FRUITLESS AND WASTEFUL EXPENDITURE RECOVERED

DESCRIPTION	2022/23 R'000	2021/22 R'000
Fruitless and wasteful expenditure recovered	6	-
Total	6	-

DETAILS OF CURRENT AND PREVIOUS YEAR FRUITLESS AND WASTEFUL EXPENDITURE NOT RECOVERED AND WRITTEN OFF

DESCRIPTION	2022/23 R'000	2021/22 R'000
Fruitless and wasteful expenditure written off	5 562	4 953
Total	5 562	4 953

DETAILS OF CURRENT AND PREVIOUS YEAR DISCIPLINARY STEPS TAKEN AS A RESULT OF FRUITLESS AND WASTEFUL EXPENDITURE

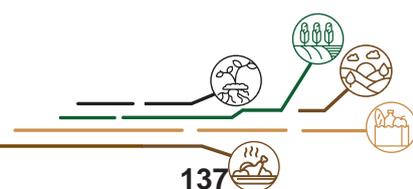
The Director General issued warning letters to the transgressors.

UNAUTHORISED EXPENDITURE

None

Information on late and/ or non-payment of suppliers

Details	Number of invoices	Consolidated Value
	R'000	R'000
Valid invoices received	73 564	13 281 474
Invoices paid within 30 days or agreed period	71 108	12 734 197
Invoices after 30 days or agreed period	2 456	452 579
Invoices older than 30 days or agreed period (unpaid and without dispute)	169	94 699
Invoices older than 30 days or agreed period (unpaid and in dispute)	-	-



Public Finance Management Act (PFMA) Compliance Report

Information on Supply Chain Management

The department received 73 564 invoices for payment as per the above table, 97 percent of the invoices were paid within 30 days. A total number of 169 invoices were not paid to suppliers at reporting date.

Reasons for not effecting payment within 30 days are system challenges experienced and delays in verification of invoices.

Procurement by other means

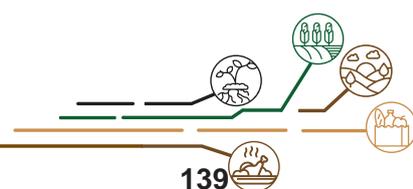
No	Project Description	Name of Supplier	Type of procurement by other means	Contract Number	Value of Contract R'000
1	Request for approval for the procurement of 38 000 litres of liquid insecticide (Sumi Alpha) for the control of the current huge brown locust outbreak under emergency cases.	Philagro South Africa	Deviation	N/A	2 404
2	Request for approval for the procurement of 200 000 litres of liquid insecticide (Sumi Alpha) for the control of the current huge brown locust outbreak under emergency cases.	Philagro South Africa	Deviation	N/A	13 800
3	Procurement of Esoft Electronic Document Management System (EDMS) software licenses and customisation from a sole supplier.	Edge Consulting	Deviation	N/A	9 798
4	Procurement of avicide (Falcolan) for the control of Quelea birds.	Philagro South Africa	Deviation	N/A	8 000
5	Request to obtain approval to deviate from the prescribed Supply Chain Management process for bids and quotations to procure bacterial larvicide for the control of blackfly outbreaks.	Philagro South Africa	Deviation	N/A	4 817
6	Request for approval for deviation from the normal bidding process to procure the insecticide for the control of the current locust outbreak through limited bidding.	Avima	Deviation	N/A	219 000
7	Request for approval for deviation from prescribed Supply Chain Management processes for bids and quotations to procure larvicide (Vectobac) for the control of blackfly larvae outbreaks for a sole supplier.	Philagro South Africa	Deviation	N/A	11 903
8	Request for approval for deviation from prescribed Supply Chain Management processes for bids and quotations to procure avicide for the control of Quelea birds from a sole supplier.	Philagro South Africa	Deviation	N/A	8 786

Contract variations and expansions

No	Project description	Name of supplier	Contract modification type (Expansion of Variation)	Contract number	Original contract value R'000	Value of previous contract expansion/s or variation/s (if applicable) R'000	Value of current contract expansion or variation R'000
1	Request for the National Bid Adjudication Committee (NBAC) to approve the variation (Extension of delivery Period for Vodacom Services for implementation of the Presidential Employment Stimulus (PES).	Vodacom	Variation	N/A	23 000	N/A	5 484

Public Finance Management Act (PFMA) Compliance Report

2	Request to approve the extension of appointment of service provider Ernest & Young Advisory Services (Pty) LTD for the design of a Fit-For Purpose organisational structure aligned to the Departmental strategic mandates and the MTEF for the Department of Agriculture, Land Reform and Rural Development until 15 December 2023	Ernest & Young	Expansion	DALRRD 0042 (2021/2022)	7 390	N/A	2 168
3	Request to obtain approval from the National Bid Adjudication Committee (NBAC) for a variance of the current internet contract in excess of 15% for the amount of R812 007.96.	Vox	Variation	8/4/1 Internet Services	10 554	N/A	812
4	Quelea Request approval for a variation of purchase order due to the increase of support required by the farmers.	GW Civils	Variation	9/2/2/2 Quelea Services	8 000	N/A	157 Per Rate
5	Request for the National Bid Adjudication Committee (NBAC) to approve the variation (extension of delivery period) for Vodacom services for the implementation of the Presidential Employment Stimulus (PES).	Vodacom	Variation	N/A	23 000	N/A	8 720
6	Request to obtain approval for the variation of contract: Travel management services at the Department of Agriculture, Land Reform and Rural Development (DALRRD), Region 3 Eastern Cape and Kwa-Zulu Natal for a period of six (6) months.	Travel With Flair	Variation	5/2/2/1 DAL-RRD 0030 (2021/2022)	Rate Based	N/A	Rate Based
7	Request for approval to extend a contract with Baker Baynes (Pty) Ltd to renew the AutoCAD MAP 3D Annual License subscription for a period of 12 months, commencing from 22 January 2024 to 21 January 2025, for the National Geomatics Management Service (NGMS), at a cost of R2 007 432.00 (VAT Incl.).	Baker Baynes	Expansion	5/2/2/1 DAL-RRD 0021 (2020/2021)	4 436	N/A	2 007





PART E
Agricultural
Land
Holdings
Account
Public Finance
Management Act
(PFMA) Compliance
Report

Agricultural Land Holdings Account:
Public Finance Management Act (PFMA) Compliance Report

IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

IRREGULAR EXPENDITURE

Reconciliation of irregular expenditure

DESCRIPTION	2022/23 R'000	2021/22 R'000
Opening balance	326 963	317 874
Prior period errors	-	-
Add: Irregular Expenditure confirmed	864	9 089
Less: Irregular Expenditure condoned	(1 120)	-
Less: Irregular Expenditure not condoned and removed	-	-
Less: Irregular Expenditure recoverable	-	-
Less: Irregular Expenditure not recovered and written off	-	-
Closing balance	326 707	326 963

The amounts disclosed in the current and prior financial year relates to irregular expenditure incurred as a result of contravention of Supply Chain Policy Regulations Policy:

Strengthening of Relative Rights (SRR) projects – Management Fees

SRR management fees amount to R41,805million, grant expenditure amounting to R37,508million. SRR forensic investigation has been completed and recovery of loss in process through the Prevention of Crime Act.

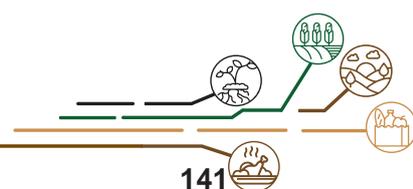
Appointment of business practitioner amounting to R1,120million matter was concluded and approval was granted for removal.

Land Development Support (LDS)

Land Development Support programme implementing agents procured goods and services of R236, 394million (inclusive of previous financial years) without following supply chain management prescripts. The current financial year irregular amounts to R864thousand is as a result of the finalization of work in progress and procurement commitments already issued to third parties. A forensic investigation is currently underway.

Recapitalisation and Development Programme (RADP) - Drought

Expenditure amounting to R11,000million was incurred during 2016/17 financial year through emergency deviation but work has not yet been completed. A forensic investigation has been concluded and the process of implementing the recommendation is underway.



Agricultural Land Holdings Account:
Public Finance Management Act (PFMA) Compliance Report

RECONCILING NOTES TO THE ANNUAL FINANCIAL STATEMENT DISCLOSURE

DESCRIPTION	2022/23 R'000	2021/22 R'000
Irregular Expenditure that was under assessment in 2021/22	-	-
Irregular Expenditure that relates to 2021/22 and identification in 2022/23	-	-
Irregular Expenditure for the current year	864	9 089

IRREGULAR EXPENDITURE - Continued

DETAILS OF CURRENT AND PREVIOUS YEAR IRREGULAR EXPENDITURE (UNDER ASSESSMENT, DETERMINATION AND INVESTIGATION)

DESCRIPTION	2022/23 R'000	2021/22 R'000
Irregular Expenditure under assessment		79 313
Irregular Expenditure under determination	864	235 530
Irregular Expenditure under investigation	-	-

DETAILS OF CURRENT AND PREVIOUS YEAR IRREGULAR EXPENDITURE CONDONED

DESCRIPTION	2022/23 R'000	2021/22 R'000
Irregular Expenditure condoned	1 120	-
Total	-	-

Business Rescue Practitioner appointment for Solms - Delta. The matter was concluded and approval for removal was done.

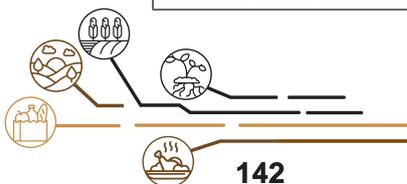
DETAILS OF CURRENT AND PREVIOUS YEAR IRREGULAR EXPENDITURE REMOVED – (NOT CONDONED)

DESCRIPTION	2022/23 R'000	2021/22 R'000
Irregular Expenditure NOT condoned and removed	-	-
Total	-	-

DETAILS OF CURRENT AND PREVIOUS YEAR IRREGULAR EXPENDITURE RECOVERED

DESCRIPTION	2022/23 R'000	2021/22 R'000
Irregular Expenditure recovered	-	-
Total	-	-

No irregular expenditure was recovered in the current financial year.



Agricultural Land Holdings Account:
Public Finance Management Act (PFMA) Compliance Report

DETAILS OF CURRENT AND PREVIOUS YEAR IRREGULAR EXPENDITURE WRITTEN OFF (IRRECOVERABLE)

DESCRIPTION	2022/23 R'000	2021/22 R'000
Irregular Expenditure written off	-	-
Total	-	-

DETAILS ON NON-COMPLIANCE CASES WHERE AN INSTITUTION IS INVOLVED IN AN INTER INSTITUTIONAL ARRANGEMENT (WHERE SUCH INSTITUTION IS NOT RESPONSIBLE FOR THE NON-COMPLIANCE).

Not Applicable

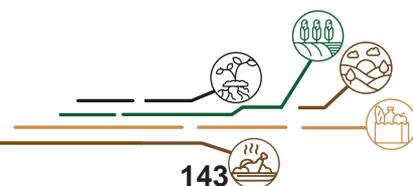
DETAILS ON NON-COMPLIANCE CASES WHERE AN INSTITUTION IS INVOLVED IN AN INTER INSTITUTIONAL ARRANGEMENT (WHERE SUCH INSTITUTION IS RESPONSIBLE FOR THE NON-COMPLIANCE).

Not Applicable

FRUITLESS AND WASTEFUL EXPENDITURE

Reconciliation of fruitless and wasteful expenditure

DESCRIPTION	2022/23 R'000	2021/22 R'000
Opening balance	200 891	103 705
Prior period errors	-	95 403
Add: Fruitless and Wasteful Expenditure confirmed	9 396	1 876
Less: Fruitless and Wasteful Expenditure condoned/written off	(53)	(84)
Less: Fruitless and Wasteful Expenditure recoverable	-	-
Closing balance	210 234	200 891



Agricultural Land Holdings Account: Public Finance Management Act (PFMA) Compliance Report

Fruitless and Wasteful expenditure relates to:

1. Strengthening of Relative Rights (SRR) projects

Fruitless and wasteful expenditure on SRR projects relates to the transfers of development funds on non-viable entities acquired. Grants amounting to R94,838million was provided to rescue the projects. An investigation by Forensic Investigation Unit (FIU) was conducted on Strengthening Relative Rights (SRR). The recommendation of the forensic audit is currently underway through a legal process and recovery of loss in process through the Prevention of Crime Act

2. Recapitalisation and Development Programme (RADP) projects

Fruitless and wasteful expenditure on RADP projects relates no value from funds transferred under land reform programmes (RADP and other related costs) amounting to R94,148million for the development of farms. An investigation concluded by SIU on three land reform projects.

3. Losses and damages

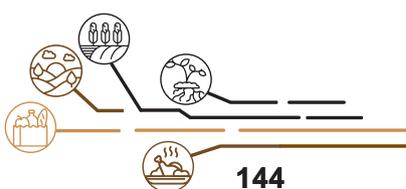
Fruitless and wasteful expenditure relates to a payment amounting to R8,500million on Losses and Damages relating to veld fire that occurred in one of the neighboring farms and the fire spread over into a PLAS farm where the proceeded into another farm. The matter was taken to court and a settlement was reached with the Plaintiffs.

4. Other Fruitless and Wasteful Expenditure

A total amount of R12,748million relates to interest paid on late payment of water rights and rates and taxes and during the current year.

RECONCILING NOTES TO THE ANNUAL FINANCIAL STATEMENT DISCLOSURE

DESCRIPTION	2022/23 R'000	2021/22 R'000
Fruitless and wasteful expenditure that was under assessment in 2021/22	-	-
Fruitless and wasteful expenditure that relates to 2021/22 and identification in 2022/23	-	-
Fruitless and wasteful expenditure current year	9 396	1 867



Agricultural Land Holdings Account:
Public Finance Management Act (PFMA) Compliance Report

FRUITLESS AND WASTEFUL EXPENDITURE - Continued

DETAILS OF CURRENT AND PREVIOUS YEAR FRUITLESS AND WASTEFUL EXPENDITURE (UNDER ASSESSMENT, DETERMINATION AND INVESTIGATION)

DESCRIPTION	2022/23 R'000	2021/22 R'000
Fruitless and wasteful expenditure under assessment	-	31 116
Fruitless and wasteful expenditure under determination	34	849
Fruitless and wasteful expenditure under investigation	9 327	4 611

DETAILS OF CURRENT AND PREVIOUS YEAR FRUITLESS AND WASTEFUL EXPENDITURE RECOVERED

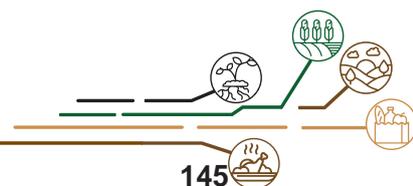
DESCRIPTION	2022/23 R'000	2021/22 R'000
Fruitless and wasteful expenditure recovered	-	-

DETAILS OF CURRENT AND PREVIOUS YEAR FRUITLESS AND WASTEFUL EXPENDITURE NOT RECOVERED AND WRITTEN OFF

DESCRIPTION	2022/23 R'000	2021/22 R'000
Fruitless and wasteful expenditure written off	-	66 724

DETAILS OF CURRENT AND PREVIOUS YEAR DISCIPLINARY OR CRIMINAL STEPS TAKEN AS A RESULT OF FRUITLESS AND WASTEFUL EXPENDITURE

Not Applicable



Agricultural Land Holdings Account:
Public Finance Management Act (PFMA) Compliance Report

INFORMATION ON LATE AND/OR NON-PAYMENT OF SUPPLIERS

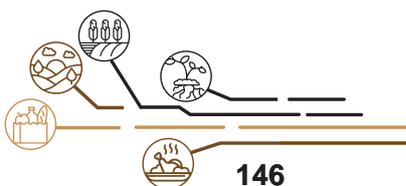
Information on the late and or non-payment of suppliers are listed below.

DESCRIPTION	NUMBER OF INVOICES	CONSOLIDATED VALUE
		R'000
Valid invoices received	353	235 125
Invoices paid within 30 days or agreed period	225	88 304
Invoices paid after 30 days or agreed period	87	58 321
Invoices older than 30 days or agreed period (unpaid and without dispute/ Non-Compliant)	-	-
Invoices older than 30 days or agreed period (unpaid and in dispute/Non-Compliant)	41	88 500

The Trading Entity in the current year under review received 353 invoices for payment and as per the above table, 88 percent of suppliers were paid within and after 30 days. A total number of 41 invoices were not paid to suppliers at reporting date.

Reasons for ALHA not to effect payment within 30 days is attributed below:

- Majority of payments done after 30 days are municipal rates and taxes and delays are due to non-compliant invoices. Some of the reasons provided by municipalities is the billing system, incorrect rates used, recognition of previous payments, manual billing and other important variables that must be cleared before processing a payment





PART E

Deeds Registration Trading Entity

Public Finance

Management Act

(PFMA) Compliance

Report



Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

Public Finance Management Act (PFMA) Compliance Report

IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

IRREGULAR EXPENDITURE

Reconciliation of irregular expenditure

DESCRIPTION	2022/23 R'000	2021/22 R'000
Opening balance	224 266	219 423
Prior period errors	-	-
Add: Irregular Expenditure confirmed	609	4 843
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	224 875	224 266

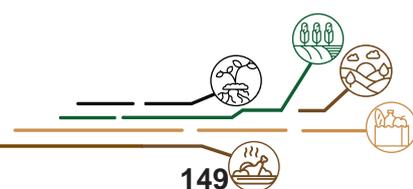
The amounts disclosed in the current and prior financial year relates to irregular expenditure incurred as a result of contravention of Supply Chain Management Policy and Treasury Regulations:

The amount of R6 789 was paid in November 2022 for printing solution prior to obtaining the necessary approval for the procurement/deviation.

The amount of R17 205 for training provided for commemoration of International Women's Day celebration prior to obtaining the necessary approval for the procurement/deviation.

The amount of R456 445 for PDF Licenses for Deeds Registration entity web services prior to obtaining the necessary approval for the procurement/deviation.

The amount of R128 968 for Uninterrupted Power Supply for a period of seven (7) months prior to obtaining the necessary approval for the procurement/deviation.



Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

RECONCILING NOTES TO THE ANNUAL FINANCIAL STATEMENT DISCLOSURE

DESCRIPTION	2022/23 R'000	2021/22 R'000
Irregular Expenditure that was under assessment in 2021/22	-	-
Irregular Expenditure that relates to 2021/22 and identification in 2022/23	-	-
Irregular Expenditure for the current year	609	4 843

IRREGULAR EXPENDITURE - Continued

DETAILS OF CURRENT AND PREVIOUS YEAR IRREGULAR EXPENDITURE (UNDER ASSESSMENT, DETERMINATION AND INVESTIGATION)

DESCRIPTION	2022/23 R'000	2021/22 R'000
Irregular Expenditure under assessment	-	-
Irregular Expenditure under determination	609	-
Irregular Expenditure under investigation	-	4 843

DETAILS OF CURRENT AND PREVIOUS YEAR IRREGULAR EXPENDITURE CONDONED

DESCRIPTION	2022/23 R'000	2021/22 R'000
Irregular Expenditure condoned	-	-
Total	-	-

DETAILS OF CURRENT AND PREVIOUS YEAR IRREGULAR EXPENDITURE REMOVED – (NOT CONDONED)

DESCRIPTION	2022/23 R'000	2021/22 R'000
Irregular Expenditure NOT condoned and removed	-	-
Total	-	-

DETAILS OF CURRENT AND PREVIOUS YEAR IRREGULAR EXPENDITURE RECOVERED

DESCRIPTION	2022/23 R'000	2021/22 R'000
Irregular Expenditure recovered	-	-
Total	-	-

No irregular expenditure was recovered in the current financial year.

Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

DETAILS OF CURRENT AND PREVIOUS YEAR IRREGULAR EXPENDITURE WRITTEN OFF (IRRECOVERABLE)

DESCRIPTION	2022/23 R'000	2021/22 R'000
Irregular Expenditure written off	-	-
Total	-	-

DETAILS ON NON-COMPLIANCE CASES WHERE AN INSTITUTION IS INVOLVED IN AN INTER INSTITUTIONAL ARRANGEMENT (WHERE SUCH INSTITUTION IS NOT RESPONSIBLE FOR THE NON-COMPLIANCE).

Not Applicable

DETAILS ON NON-COMPLIANCE CASES WHERE AN INSTITUTION IS INVOLVED IN AN INTER INSTITUTIONAL ARRANGEMENT (WHERE SUCH INSTITUTION IS RESPONSIBLE FOR THE NON-COMPLIANCE).

Not Applicable

FRUITLESS AND WASTEFUL EXPENDITURE

Reconciliation of fruitless and wasteful expenditure

DESCRIPTION	2022/23 R'000	2021/22 R'000
Opening balance	5 519	5 498
Prior period errors	-	-
Add: Fruitless and Wasteful Expenditure confirmed	37	22
Less: Fruitless and Wasteful Expenditure condoned/written off	-	-
Less: Fruitless and Wasteful Expenditure recoverable	-	(1)
Closing balance	5 556	5 519

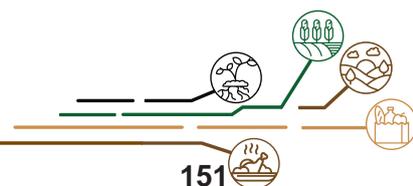
Current year fruitless expenditure consists of:

The amount of R12 674 for late cancellation of a booked flights.

The amount of R8 322 for a missed flight on an official authorized trip.

The amount of R10 170 for an official who did not show up at a booked accommodation.

The amount of R5 926 for accumulated penalty charge as a result of nonpayment of TV License.



Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

RECONCILING NOTES TO THE ANNUAL FINANCIAL STATEMENT DISCLOSURE

DESCRIPTION	2022/23 R'000	2021/22 R'000
Fruitless and wasteful expenditure that was under assessment in 2021/22	-	-
Fruitless and wasteful expenditure that relates to 2021/22 and identification in 2022/23	-	-
Fruitless and wasteful expenditure current year	37	22

FRUITLESS AND WASTEFUL EXPENDITURE - Continued

DETAILS OF CURRENT AND PREVIOUS YEAR FRUITLESS AND WASTEFUL EXPENDITURE (UNDER ASSESSMENT, DETERMINATION AND INVESTIGATION)

DESCRIPTION	2022/23 R'000	2021/22 R'000
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure under determination	-	-
Fruitless and wasteful expenditure under investigation	37	22

DETAILS OF CURRENT AND PREVIOUS YEAR FRUITLESS AND WASTEFUL EXPENDITURE RECOVERED

DESCRIPTION	2022/23 R'000	2021/22 R'000
Fruitless and wasteful expenditure recovered	-	-

DETAILS OF CURRENT AND PREVIOUS YEAR FRUITLESS AND WASTEFUL EXPENDITURE NOT RECOVERED AND WRITTEN OFF

DESCRIPTION	2022/23 R'000	2021/22 R'000
Fruitless and wasteful expenditure written off	-	-

DETAILS OF CURRENT AND PREVIOUS YEAR DISCIPLINARY OR CRIMINAL STEPS TAKEN AS A RESULT OF FRUITLESS AND WASTEFUL EXPENDITURE

Not Applicable

DETAILS OF CURRENT AND PREVIOUS YEAR DISCIPLINARY OR CRIMINAL STEPS TAKEN AS A RESULT OF FRUITLESS AND WASTEFUL EXPENDITURE

Disciplinary steps taken

These are cases under investigation. These could not be attended to due to competing operational requirement as the Office of the Chief Registrar of Deeds was preparing their move to the new building.

Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

INFORMATION ON LATE AND/OR NON-PAYMENT OF SUPPLIERS

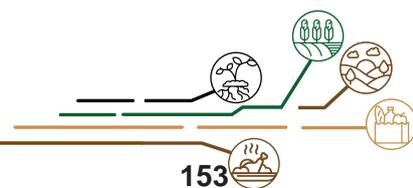
Information on the late and or non-payment of suppliers are listed below.

DESCRIPTION	NUMBER OF INVOICES	CONSOLIDATED VALUE
		R'000
Valid invoices received	7301	279 204
Invoices paid within 30 days or agreed period	7281	279 095
Invoices paid after 30 days or agreed period	1	43
Invoices older than 30 days or agreed period (unpaid and without dispute)	-	-
Invoices older than 30 days or agreed period (unpaid and in dispute)	19	66

Deeds Registration Trading Entity have payment of suppliers for the period under review. As per the table above, **0.01 per cent of suppliers** were paid after 30 days or agreed period.

This is attributed to the reasons listed below:

- Invoice delayed due to invalid bank account of supplier.
- Invoices disputed due to duplicates and incorrect amounts charged by Service providers.



Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

INFORMATION ON SUPPLY CHAIN MANAGEMENT: PROCUREMENT BY OTHER MEANS					
NO	PROJECT DESCRIPTION	NAME OF SUPPLIER	TYPE OF PROCUREMENT BY OTHER MEANS	CONTRACT NUMBER	AMOUNT R'000
1.	Parking services for the Office of the Chief Registrar of Deeds	Advance on point solutions parking	Single sourcing, most convenient in terms of proximity and space	N/A	1 148
2.	Removal of the household items	Abbey International Movers	Emergency, The furniture had to be removed due to heavy rainfall and cost flooding in KZN.	N/A	27
3.	Advertisement of Senior Managers Vacant Positions on the Sunday Times Newspapers	Arena Holdings (Pty) Ltd	Single Sourcing	N/A	166
4.	Supply and Delivery of Diesel for Generator at Bloemfontein Deeds Registry	Free ST8 of Minds Construction & General Trading (Pty) Ltd	Emergency, The office experienced shortage of diesel due to continuous loadshedding.	N/A	20
5.	Render repairs of faulty toilets cubical and blocked urinal services	DC Development and Construction (Pty) Ltd	Emergency	N/A	10
6.	Rental of Eleven (11) Parking Bays for a period of 12 Months (01 July 2022 to 30 June 2023)	Independent Eien-domsdienste CC T/A ERA Vryburg	Non-responsive supplier Database, less than 3 quotations were received	N/A	59
7.	Procurement of splicing tabs for Cape Town Deeds Registry	CSX Customer Services (Pty) Ltd	Non-responsive supplier Database, less than 3 quotations were received	N/A	30
8.	iText PDF Licences for Deeds Registration entity web services platforms from iText company	iTEXT Software BVBA	Single Sourcing, Itext is the existing PDF software license used by the Entity.	N/A	1 018
9.	Procurement of Stationery	Dual Dynamics Solutions	Non-responsive supplier Database, less than 3 quotations were received	N/A	37
10.	Supply and Delivery of Diesel for Generator at Bloemfontein Deeds Registry	Free ST8 of Minds Construction & General Trading (Pty) Ltd	Emergency	N/A	92
11.	Storage of furniture and household items for Mr Siyamdumisa Vilakazi	Khadzi Worx (Pty) Ltd	Direct Sourcing	N/A	31
12.	Supply and Delivery of Diesel for Generator at Bloemfontein Deeds Registry	LillyBay General Trading (Pty) Ltd	Emergency	N/A	12
13.	Procuring the services to repair the equipment in the server room after the flooding at the office of the Registrar of Deeds: King Williams Town	GX Technologies (Pty) Ltd	Emergency	N/A	20

Deeds Registration Trading Entity

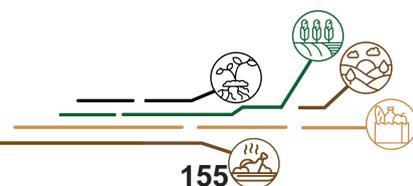
Audited Annual Financial Statements

for the year ended 31 March 2023

14.	Renewal of the Oracle software support and Maintenance for the period 12 Months starting from date of approval by the Director General	Oracle Corporation (South Africa) (Pty) Ltd	Sole Provider	5928731	10 885
15.	Repair the equipment in the server room after the flooding at the Office of the Registrar of Deeds: King Williams Town	GX Technologies (Pty) Ltd	Emergency	N/A	20
16.	Plumbing to unblock toilets, sewerage pipe and water leak in the server room	Patrick Human Plumbing CC T/A Patrick's Plumbing and Maintenance	Emergency	N/A	4
17.	Replace the faulty UPS in the Server Room at the office of the Registrar of Deeds Cape Town	XON Systems (Pty) Ltd	Emergency	N/A	63
18.	To replace and fix the faulty plumbing system in the toilets and kitchen on 11th, 12th, 13th and 14th floors at the office of the Registrar of Deeds: Cape Town	Leano Construction Solutions (Pty) Ltd	Emergency	N/A	289
19.	Appointment of a service provider to render parking services to senior managers and visitors of the Deeds Registry Cape Town	Truworths Limited	Single Sourcing, the parking is located close to the building	N/A	631
20.	Emergency procurement for a split unit air-conditioner for the microfilm storage room	Fine Air Heating & Cooling	Emergency	N/A	44
21.	Annual license renewal for Caseware software	Adapt IT Holdings Ltd	Sole Source	N/A	214
22.	Annual license renewal for Accpac Software assurance programme	Dotcolab (Pty) Ltd	Sole Source	N/A	1 008

CONTRACT VARIATIONS AND EXPANSIONS REGISTER FOR 2022/2023 FINANCIAL YEAR						
Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of the previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total						N/A

No contract variations and expansions above the thresholds prescribed in terms of SCM Instruction No 03 of 2021/2022 processed within annual financial year 2022/23





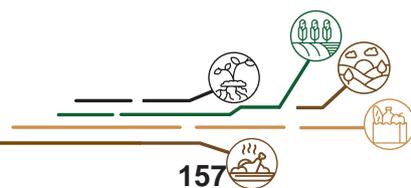
PART F

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

**Financial
Information**

Table of Contents

Report of the Auditor-General	158
Appropriation Statement	167
Notes to the Appropriation Statement	206
Statement of Financial Performance	209
Statement of Financial Position	210
Statement of Changes in Net Assets	211
Cash Flow Statement	212
Notes to the Annual Financial Statements (including Accounting Policies)	213
Annexures	301



REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE NO. 29: DEPARTMENT OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Department of Agriculture, Land Reform and Rural Development, set out on pages 167 to 300, which comprise the appropriation statement, statement of financial position as at 31 March 2023, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Agriculture, Land Reform and Rural Development as at 31 March 2023 and its financial performance and cash flows for the year then ended in accordance with Modified Cash Standard (MCS) prescribed by the National Treasury and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Division of Revenue Act of 9 of 2021.

Basis for opinion

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

Emphasis of matters

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

Restatement of prior year figures

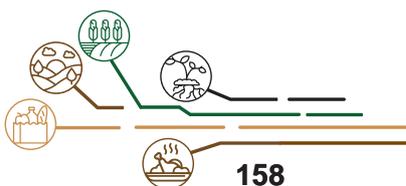
7. As disclosed in note 35 to the financial statements, the corresponding figures for 31 March 2022 were restated as a result of errors in the financial statements of the department for the year ended 31 March 2023.

Significant litigation uncertainties

8. As disclosed in note 20.1 to the financial statements, claims of R1 585 963 000 were instituted against the department. These claims are subject to the outcome of legal proceedings. The outcome of these matters cannot be determined at present. As a result, no provision for any liability that may result has been made in the department's financial statements.

Impairments

9. As disclosed in notes 25.3 and 12.5 to the financial statements, a provision has been made for impairment of R106 440 000 of accrued departmental revenue and R15 919 000 for the impairment of receivables.



National Treasury Instruction Note No. 4 of 2022-23: PFMA Compliance and Reporting Framework

10. On 23 December 2022 National Treasury issued Instruction Note No. 4: PFMA Compliance and Reporting Framework of 2022-23 in terms of section 76(1)(b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA, which came into effect on 3 January 2023. The PFMA Compliance and Reporting Framework also addresses the disclosure of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure. Among the effects of this framework is that irregular and fruitless and wasteful expenditure incurred in previous financial years and not addressed is no longer disclosed in the disclosure notes of the annual financial statements, only the current year and prior year figures are disclosed in note 30 to the financial statements. The movements in respect of irregular expenditure and fruitless and wasteful expenditure are no longer disclosed in the notes to the annual financial statements of Department of Agriculture Land Reform and Rural Development. The disclosure of these movements (e.g. condoned, recoverable, removed, written off, under assessment, under determination and under investigation) are now required to be included as part of other information in the annual report of the auditees. I do not express an opinion on the disclosure of irregular expenditure and fruitless and wasteful expenditure in the annual report.

Responsibilities of the accounting officer for the financial statements

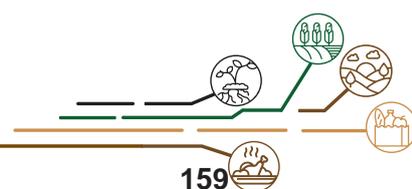
11. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS and the requirements of the PFMA and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
12. In preparing the financial statements, the accounting officer is responsible for assessing the department's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the auditor-general for the audit of the financial statements

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

Report on the audit of the annual performance report

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



Programme	Page numbers	Purpose
Programme 3: Food security, land reform and restitution	29 – 32	Acquire and redistribute land, promote food security and agrarian reform programmes.
Programme 4: Rural Development	32 – 34	Facilitates rural development strategies for socioeconomic growth.
Programme 5: Economic Development, Trade and Marketing	34 – 37	Promotes economic development, trade and market access for agriculture products and foster international relations for the sector.

17. 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.

18. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the department's mandate and the achievement of its planned objectives.
- the indicators are well defined and verifiable to ensure that they are easy to understand and apply consistently and that I can confirm the methods and processes to be used for measuring achievements.
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated.
- the indicators and targets reported on in the annual performance report are the same as what was committed to in the approved initial or revised planning documents.
- the reported performance information is presented in the annual performance report in the prescribed manner.
- there are adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

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

20. I did not identify any material findings on the reported performance information for the selected programmes.

Other matters

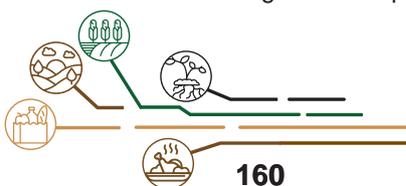
21. I draw attention to the matters below.

Achievement of planned targets

22. The annual performance report includes information on reported achievements against planned targets and provides explanations for over and under achievements.

Material misstatements

23. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of Programme 3: Food security, land reform and restitution; Programme 4: Rural Development and Programme 5: Economic Development, Trade and Marketing. Management subsequently corrected all the misstatements and I did not include any material findings in this report.



Report on compliance with legislation

Introduction and scope

24. 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.
25. 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.
26. 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.
27. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual financial statements

28. The financial statements submitted for auditing were not fully prepared in accordance with the prescribed financial reporting framework and/or supported by full and proper records as required by section 40(1) (a) and (b) of the PFMA.
29. Material misstatements of advances expensed, prepayments expensed, payables and contingent liabilities identified by the auditors in the submitted financial statements were corrected and the supporting records were provided subsequently, resulting in the financial statements receiving an unqualified opinion.

Expenditure management

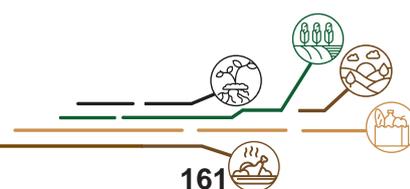
30. Effective steps were not taken to prevent fruitless and wasteful expenditure amounting to R30 055 000, as disclosed in note 26 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The majority of the fruitless and wasteful expenditure was caused by payment of invoices for services not received.

Consequence management

31. Disciplinary steps were not taken against the officials who had incurred and/or permitted irregular expenditure as required by section 38(1) (h) (iii) of the PFMA.

Revenue management

32. Effective and appropriate steps were not taken to collect all money due, as required by section 38(1) (c) (i) of the PFMA.



Other information in the annual report

33. 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.
34. 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.
35. 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.
36. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

37. 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.
38. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the unqualified opinion and the material findings on compliance with legislation included in this report.
39. Leadership did not implement adequate oversight controls to ensure that action plans to address prior year findings are monitored and addressed to facilitate reliable reporting.
40. Management did not implement effective monitoring of compliance with applicable legislation. Non-compliance with legislation processes could have been prevented if compliance had been properly reviewed and monitored.

Material irregularities

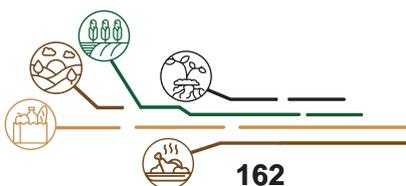
41. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit.

Material irregularities in progress

42. I identified a material irregularity during the audit and notified the accounting officer, as required by material irregularity regulation 3(2). By the date of this auditor's report, the response of the accounting officer was not yet due. This material irregularity will be included in next year's auditor's report.

Other reports

43. I draw attention to the following engagements conducted by various parties. These reports did not form part of my opinion on the financial statements or my findings on compliance with legislation.



44. The accounting officer commissioned a forensic investigation into allegations of maladministration into payments irregularities to service providers by senior officials. The investigation was finalised after 31 March 2023.
45. Proclamation Number R.36 of 2019 (GG 42577 dated 12 July 2019) was signed by the president for the Special Investigating Unit (SIU) to investigate matters related to maladministration in the affairs of the department relating to the mismanagement of the comprehensive agricultural support programme. Furthermore, Proclamation Number R.114 of 2023 was issued to amend Proclamation Number R.36 of 2019. The amendment was for the investigation to also cover Ilima Letsema support programme. The outcome of the SIU's investigation was pending at the time of this auditor's report.

Auditor-General

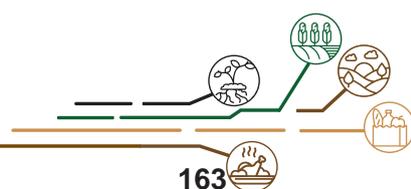
Pretoria

08 August 2023



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence



Annual Financial Statement of the Department of Agriculture, Land Reform and Rural Development

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

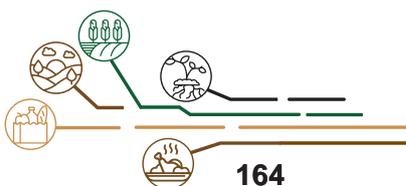
In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- 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 public entity'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

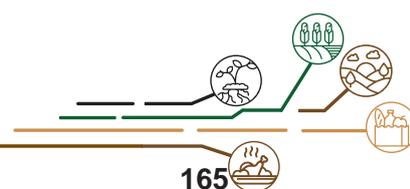
I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

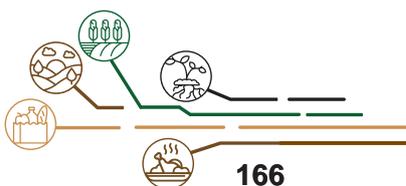


The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999 (PFMA)	Section 1 Section 38(1)(b), 38(1)(c)(i), 38(1)(c)(ii), 38(1)(d), 38(1)(h)(iii), 38(1)(a)(iv), 39(1)(a), 39(2)(a), 40(1)(c)(i), 40(1)(b), 40(1)(a), 40(1)(b); 40(1)(c)(i), 43(4), 45(b), 57(b), 44, 44 (1), (2), 50(3); 50(3)(a)
Treasury regulations	Treasury reg 7.2.1 , 10.1.1(a), 10.1.2, 11.4.1, 11.5.1, 12.5.1, 15.10.1.2(c), 16A3.2 (fairness), 16A3.2(a) and (b), 16A6.1, 16A6.2(a) and b), 16A6.4, 16A6.5, 16A6.6, 16A8.3, 16A6.3 (a), (b), (c), (e) and (i), 16A.7.1, 16A.7.3, 16A.7.6, 16A.7.7,16A8.4, 16A9.1(b)(ii), 16A9.1(b)(ii), (d), (e), (f), 16A9.2(a) (ii), 17.1.1, 18.2, 19.6.1, 19.8.4, 29.1.1(a),(c), 29.3.1, 30.1.1 , 30.1.3(a), (b), (d), 30.2.1, 31.1.2(c), 31.2.1, 31.3.3, 33.1.1, 33.1.3, 4.1.1, 4.1.3, 5.1.1, 5.2.1, 5.2.3(a), (b), 5.3.1, 6.3.1(a), (b), (c) and (d), 6.4.1(b), 8.1.1, 8.2.1, 8.2.1, 8.2.2, 8.2.3, 8.4.1, 9.1.1, 9.1.4
Public Service Act 103 of 1994 (PSA) and regulations issued in terms of the act	Section 30 (1) Public service regulation 13(c);18; 18 (1) and (2); 25(1)(e)(i); 25(1)(e)(iii)
Division of Revenue Act No. 5 of 2022	Section 16(1)
Prevention and Combating of Corrupt Activities Act No.12 of 2004 (PRECCA)	Section 29 Section 34(1)
Construction Industry Development Board Act 38 of 2000 and regulations issued in terms of the act	Section 18(1) CIDB regulation. 17; CIDB regulation. 25(1); 25 (5), 25(7A)
Preferential Procurement Policy Framework Act 5 of 2000	Definition, section 1; 2(1)(a); 2(1)(b); 2(1)(f)
Preferential procurement regulation of 2011 (PPR)	Regulation 9(1), 9(5)
Preferential procurement regulation of 2017 (PPR)	Paragraph 4.1; 4.2, 5.1; 5.3; 5.6; 5.7, 6.1; 6.2; 6.3; 6.5; 6.6; 6.8, 7.1; 7.2; 7.3; 7.5; 7.6; 7.8, 8.2; 8.5, 9.1; 9.2, 10.1; 10.2, 11.1; 11.2, 12.1 and 12.2
Preferential procurement regulation of 2022 (PPR)	Definition, paragraph 3.1, 4.1; 4.2; 4.3; 4.4, 5.1; 5.2; 5.3; 5.4
State Information Technology Agency Act 88 of 1998 and regulations issued in terms of the act	Section 7(3), 7(6)(b), 20(1)(a)(l)
SITA regulations	Regulation 8.1.1 (b); 8.1.4; 8.1.7, 9.6; 9.4, 12.3, 13.1 (a), 14.1; 14.2
PFMA SCM Instruction no. 09 of 2022/2023	Paragraph 3.1; 3.3 (b); 3.3 (c); 3.3 (e); 3.6
National Treasury Instruction No.1 of 2015/16	Paragraph 3.1; 4.1; 4.2,
NT SCM Instruction Note 03 2021/22	Definition, paragraph 4.1; 4.2 (b); 4.3; 4.4; 4.4(a); 4.4(c), 4.4(d); 4.6, 5.4, 7.2; 7.6
NT SCM Instruction 4A of 2016/17	Paragraph 6
NT SCM Instruction Note 03 2019/20	Par 5.5.1(vi); Paragraph 5.5.1(x);
NT SCM Instruction Note 11 2020/21	Paragraph 3.1; 3.4 (a) and (b); 3.9; 6.1; 6.2; 6.7
NT SCM Instruction note 2 of 2021/23	Paragraph 3.2.1; 3.2.2; 3.2.4(a) and (b) ; 3.3.1; 3.2.2, 3.2.4, 4.1
PFMA SCM Instruction 04 of 2022/23	Paragraph 4(1); 4(2); 4(4)
Practice Note 5 of 2009/10	Pararapgh.3.3



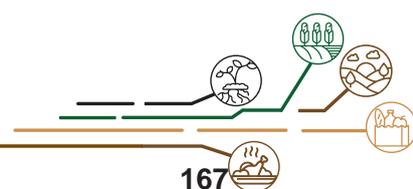
Legislation	Sections or regulations
PFMA SCM instruction 08 of 2022/23	Paragraph 3.2 Paragraph 4.3.2 and 4.3.3
NT instruction note 4 of 2015/16	Paragraph 3.4
NT instruction 3 of 2019/20 - Annexure A	Section 5.5.1 (iv) and (x)
NT SCM Instruction Note 05 2020/21	Paragraph 1; 2; 4.8; 4.9 & 5.3
Second amendment of NTI 05 of 2020/21	Paragraph , 4.8; 4.9 ; 5.1 ; 5.3
Erratum NTI 5 of 202/21	Paragraph 1
Erratum NTI 5 of 202/21	Paragraph 2
Practice note 7 of 2009/10	Paragraph 4.1.2
Practice note 11 of 2008/9	Paragraph 3.1 Paragraph 3.1 (b)
NT instruction note 1 of 2021/22	Paragraph 3.4, 4.1
NT Instruction 07 of 2017/18	Paragraph 4.3
SCM Instruction Note 3 of 2016	Note 3
SCM Instruction Note 3 of 2016	Note 6
SBD	SBD 6.2 issued in 2015/16



Appropriation Statement

for the year ended 31 March 2023

Appropriation per programme	2022/23							2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme									
1. Administration	3 427 228	-	(68 656)	3 358 572	3 211 804	146 768	95.6	3 303 858	3 303 826
2. Agricultural Production, Biosecurity and Resources Management	3 247 144	-	(104 034)	3 143 110	3 123 101	20 009	99.4	2 507 679	2 471 198
3. Food Security, Land Reform and Restitution	8 881 304	-	49 513	8 930 817	8 709 812	221 005	97.5	9 483 432	8 609 861
4. Rural Development	632 656	-	(19 031)	613 625	579 514	34 111	94.4	993 285	919 552
5. Economic Development, Trade and Marketing	678 726	-	160 537	839 263	833 982	5 281	99.4	994 394	804 453
6. Land Administration	666 585	-	(18 329)	648 256	647 547	709	99.9	740 612	651 040
Subtotal	17 533 643	-	-	17 533 643	17 105 760	427 883	97.6	18 023 260	16 759 930
Departmental receipts				364 131				311 952	
Aid assistance				133 036				77 227	
Actual amounts per statement of financial performance (total revenue)				18 030 810				18 412 439	
ADD									
Aid assistance					7 388				5 285
Actual amounts per statement of financial performance (total expenditure)					17 113 148				16 765 215



Appropriation Statement

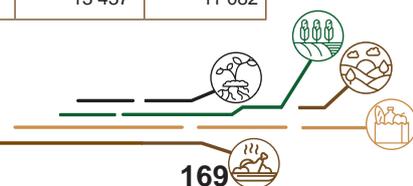
for the year ended 31 March 2023

Appropriation per economic classification	2022/23							2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	8 228 489	(85 536)	-	8 142 953	7 835 599	307 354	96.2	8 436 687	7 544 723
Compensation of employees	4 295 119	15	-	4 295 134	4 074 578	220 556	94.9	4 112 898	3 836 758
Salaries and wages	3 862 278	(69 844)	786	3 793 220	3 572 674	220 546	94.2	3 592 522	3 339 530
Social contributions	432 841	69 859	(786)	501 914	501 904	10	100.0	520 376	497 228
Goods and services	3 933 369	(85 582)	-	3 847 787	3 760 990	86 797	97.7	4 323 775	3 707 952
Administrative fees	26 292	26 012	48 401	100 705	100 108	597	99.4	34 589	34 209
Advertising	29 807	(18 805)	-	11 002	10 998	4	100.0	12 321	11 833
Minor assets	48 599	(40 195)	-	8 404	8 390	14	99.8	9 385	8 353
Audit costs: External	48 500	(29 289)	-	19 211	19 210	1	100.0	39 668	39 667
Bursaries: Employees	10 332	4 721	-	15 053	15 053	-	100.0	12 908	12 908
Catering: Departmental activities	9 485	1 844	-	11 329	11 325	4	100.0	2 545	2 417
Communication (G&S)	62 130	(10 651)	-	51 479	51 470	9	100.0	40 009	39 422
Computer services	317 747	(110 827)	(22 322)	184 598	146 293	38 305	79.2	240 251	239 312
Consultants: Business and advisory services	266 231	245 718	(636)	511 313	510 384	929	99.8	180 207	133 869
Infrastructure and planning Services	112 933	(94 260)	(16 756)	1 917	1 913	4	99.8	6 351	1 588
Laboratory services	57 372	(31 579)	-	25 793	25 792	1	100.0	434	434
Legal services	123 725	(23 897)	636	100 464	100 461	3	100.0	258 654	258 654
Contractors	101 209	(49 688)	(7 136)	44 385	44 376	9	100.0	65 626	56 633
Agency and support / outsourced services	92 030	(27 716)	6 503	70 817	70 791	26	100.0	45 076	44 924

Appropriation Statement

for the year ended 31 March 2023

Appropriation per economic classification	2022/23							2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Entertainment	25	(22)	-	3	3	-	100.0	2	2
Fleet services (including motor transport)	40 516	12 132	-	52 648	52 642	6	100.0	36 952	36 693
Inventory:	7 841	(3 157)	-	4 684	4 684	-	100.0	6 733	6 655
Clothing material and accessories									
Inventory: Farming supplies	643 126	31 938	101 802	776 866	776 861	5	100.0	1 521 386	992 753
Inventory: Food and food supplies	2 728	(776)	-	1 952	1 952	-	100.0	2 166	2 166
Inventory: Fuel, oil and gas	10 665	(358)	8 225	18 532	18 532	-	100.0	11 845	11 844
Inventory: Materials and supplies	13 563	(5 434)	6 571	14 700	14 699	1	100.0	25 730	22 561
Inventory: Medical supplies	5 122	(4 840)	-	282	281	1	99.6	1 117	1 117
Inventory: Medicine	499 200	(284 589)	-	214 611	213 262	1 349	99.4	31 793	29 527
Inventory: Other supplies	39 682	7 372	18 187	65 241	65 240	1	100.0	169 102	163 163
Consumable supplies	58 773	(37 843)	-	20 930	20 924	6	100.0	15 889	15 062
Consumable: stationery, printing and office supplies	33 822	(8 848)	-	24 974	24 960	14	99.9	28 885	27 544
Operating leases	270 856	7 851	(62 552)	216 155	216 151	4	100.0	469 688	469 561
Property payments	566 192	103 167	(96 978)	572 381	526 916	45 465	92.1	614 199	614 199
Transport provided:	2 799	(1 059)	-	1 740	1 739	1	99.9	37	37
Departmental activity									
Travel and subsistence	248 487	251 871	8 198	508 556	508 533	23	100.0	321 718	315 868
Training and development	70 944	(242)	5 840	76 542	76 540	2	100.0	65 827	65 154
Operating payment	40 740	(27 396)	2 017	15 361	15 352	9	99.9	13 437	11 082



Appropriation Statement

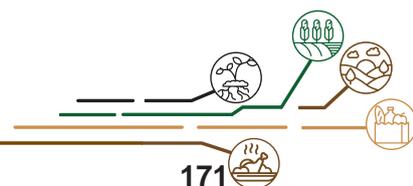
for the year ended 31 March 2023

Appropriation per economic classification	2022/23							2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Venues and facilities	68 390	33 741	-	102 131	102 128	3	100.0	38 715	38 384
Rental and hiring	3 506	(478)	-	3 028	3 027	1	100.0	530	357
Interest and rent on land	1	31	-	32	31	1	96.9	14	13
Interest (including interest on unitary payments (PPP))									
Rent on land	1	31	-	32	31	1	96.9	14	13
Transfers and subsidies	7 879 168	(508 384)	-	7 370 784	7 312 717	58 067	99.2	7 810 533	7 464 167
Provinces and municipalities	2 525 444	80 502	-	2 605 946	2 605 930	16	100.0	2 462 999	2 459 893
Provinces	2 294 412	-	-	2 294 412	2 294 412	-	100.0	2 238 030	2 235 264
Provincial revenue funds	1 684 134	-	-	1 684 134	1 684 134	-	100.0	2 238 030	2 235 264
Provincial agencies and funds	610 278	-	-	610 278	610 278	-	100.0	-	-
Municipalities	231 032	80 502	-	311 534	311 518	16	100.0	224 969	224 629
Municipal bank accounts	223 300	83 110	-	306 410	306 395	15	100.0	224 969	224 629
Municipal agencies and fund	7 732	(2 608)	-	5 124	5 123	1	100.0	-	-
Departmental agencies and accounts	1 971 895	1	-	1 971 896	1 971 656	240	100.0	2 429 025	2 428 821
Departmental agencies	1 971 895	1	-	1 971 896	1 971 656	240	100.0	2 429 025	2 428 821
Foreign governments and international organisations	48 550	-	-	48 550	43 181	5 369	88.9	45 638	36 301
Public corporations and private enterprises	449 050	150 114	-	599 164	599 162	2	100.0	565 820	564 194
Public corporations	449 050	140 856	-	589 906	589 905	1	100.0	565 818	564 193

Appropriation Statement

for the year ended 31 March 2023

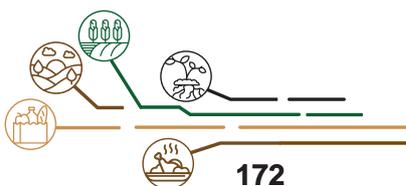
Appropriation per economic classification	2022/23							2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Subsidies on products and production (pc)	-	-	-	-	-	-	-	525 185	525 185
Other transfers to public corporations	449 050	140 856	-	589 906	589 905	1	100.0	40 633	39 008
Private enterprises	-	9 258	-	9 258	9 257	1	100.0	2	1
Subsidies on products and production (pe)	-	-	-	-	-	-	-	1	1
Other transfers to private enterprises	-	9 258	-	9 258	9 257	1	100.0	1	-
Non-profit institutions	4 263	-	-	4 263	4 263	-	100.0	4 140	4 140
Households	2 879 966	(739 001)	-	2 140 965	2 088 525	52 440	97.6	2 302 911	1 970 818
Social benefits	4 194	8 839	-	13 033	13 026	7	99.9	17 638	17 636
Other transfers to households	2 875 772	(747 840)	-	2 127 932	2 075 499	52 433	97.5	2 285 273	1 953 182
Payments for capital assets	1 425 986	586 254	-	2 012 240	1 949 783	62 457	96.9	1 773 807	1 748 807
Buildings and other fixed structures	533 091	7 910	-	541 001	493 025	47 976	91.1	1 055 019	1 048 211
Buildings	291 510	19 913	-	311 423	263 455	47 968	84.6	849 666	849 635
Other fixed structures	241 581	(12 003)	-	229 578	229 570	8	100.0	205 353	198 576
Machinery and equipment	148 085	45 980	(25 969)	168 096	153 616	14 480	91.4	102 059	84 096
Transport equipment	7 285	25 435	-	32 720	32 719	1	100.0	4 477	433
Other machinery and equipment	140 800	20 545	(25 969)	135 376	120 896	14 480	89.3	97 582	83 663
Heritage assets	159	(159)	-	-	-	-	-	-	-
Specialised military assets									
Biological assets									
Land and sub-soil assets	742 692	534 148	25 969	1 302 808	1 302 808	1	100.0	616 500	616 500



Appropriation Statement

for the year ended 31 March 2023

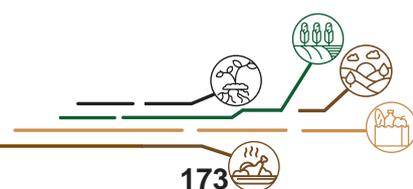
Appropriation per economic classification	2022/23							2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Software and other intangible assets	1 959	(1 625)	-	334	334	-	100.0	229	-
Payments for financial assets	-	7 666	-	7 666	7 661	5	99.9	2 233	2 233
Total	17 533 643	-	-	17 533 643	17 105 760	427 883	97.6	18 023 260	16 759 930



Appropriation Statement

for the year ended 31 March 2023

Programme 1: ADMINISTRATION									
Sub programme	2022/23							2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.1 Ministry	44 605	(1 653)	-	42 952	42 945	7	100.0	37 781	37 781
1.2 Department Management	114 517	(18 516)	-	96 001	95 985	16	100.0	113 732	113 731
1.3 Internal Audit	58 570	(4 956)	-	53 614	53 608	6	100.0	35 773	35 773
1.4 Financial Management Services	328 104	(46 859)	-	281 245	281 226	19	100.0	304 272	304 263
1.5 Corporate Support Services	906 837	(35 370)	(48 292)	823 175	770 829	52 346	93.6	797 726	797 710
1.6 Provincial Operations	1 154 643	107 200	139 802	1 401 645	1 401 617	28	100.0	892 357	892 351
1.7 Office Accommodation	819 952	154	(160 166)	659 940	565 594	94 346	85.7	1 122 217	1 122 217
Total for sub programmes	3 427 228	-	(68 656)	3 358 572	3 211 804	146 768	95.6	3 303 858	3 303 826



Appropriation Statement

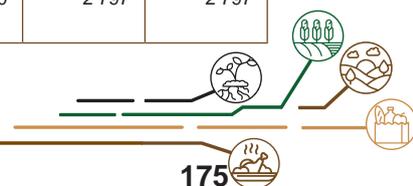
for the year ended 31 March 2023

Programme 1: ADMINISTRATION									
Economic classification	2022/23							2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	3 223 100	(6 082)	(42 687)	3 174 331	3 089 574	84 757	97.3	2 952 250	2 952 250
Compensation of employees	1 818 692	5	139 801	1 958 498	1 958 479	19	100.0	1 510 838	1 510 838
Salaries and wages	1 603 073	(17 264)	139 801	1 725 610	1 725 593	17	100.0	1 305 847	1 305 847
Social contributions	215 619	17 269	-	232 888	232 886	2	100.0	204 991	204 991
Goods and services	1 404 408	(6 100)	(182 488)	1 215 820	1 131 082	84 738	93.0	1 441 399	1 441 399
Administrative fees	7 018	(1 459)	-	5 559	5 542	17	99.7	4 375	4 375
Advertising	8 969	(6 103)	-	2 866	2 865	1	100.0	7 533	7 533
Minor assets	13 872	(10 650)	-	3 222	3 217	5	99.8	1 098	1 098
Audit costs: External	39 522	(21 557)	-	17 965	17 965	-	100.0	22 680	22 680
Bursaries: Employees	10 307	4 731	-	15 038	15 038	-	100.0	12 116	12 116
Catering: Departmental activities	1 482	120	-	1 602	1 602	-	100.0	454	454
Communication (G&S)	39 050	(9 211)	-	29 839	29 836	3	100.0	17 072	17 072
Computer services	241 493	(101 705)	(22 322)	117 466	79 162	38 304	67.4	192 485	192 485
Consultants: Business and advisory services	26 226	(15 957)	(636)	9 633	8 708	925	90.4	17 955	17 955
Legal services	19 833	12 901	-	32 734	32 733	1	100.0	18 595	18 595
Contractors	59 628	(37 696)	-	21 932	21 928	4	100.0	35 088	35 088
Agency and support / outsourced services	13 880	(4 513)	-	9 367	9 366	1	100.0	1 591	1 591
Entertainment	-	-	-	-	-	-	-	1	1

Appropriation Statement

for the year ended 31 March 2023

Programme 1: ADMINISTRATION									
Economic classification	2022/23							2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Fleet services (including motor transport)	10 776	3 342	-	14 118	14 117	1	100.0	9 633	9 633
Inventory: Clothing material and accessories	319	(268)	-	51	51	-	100.0	3	3
Inventory: Farming supplies	8	3	-	11	11	-	100.0	1	1
Inventory: Food and food supplies	-	1	-	1	1	-	100.0	-	-
Inventory: Fuel. Oil and gas	199	(195)	-	4	4	-	100.0	2	2
Inventory: Materials and supplies	18	(18)	-	-	-	-	-	-	-
Inventory: Other supplies	-	1	-	1	1	-	100.0	26	26
Consumable supplies	18 549	(13 866)	-	4 683	4 682	1	100.0	5 929	5 929
Consumable: Stationery, printing and office supplies	9 243	(1 179)	-	8 064	8 058	6	99.9	9 128	9 128
Operating leases	241 326	(574)	(62 552)	178 200	178 199	1	100.0	432 689	432 689
Property payments	516 110	114 816	(96 978)	533 948	488 491	45 457	91.5	536 467	536 467
Transport provided:	164	164	-	-	-	-	-	-	-
Departmental activity									
Travel and subsistence	72 547	83 078	-	155 625	155 617	8	100.0	92 472	92 472
Training and development	29 788	(8 817)	-	20 971	20 971	-	100.0	9 449	9 449
Operating payments	12 418	(7 975)	-	4 443	4 442	1	100.0	2 797	2 797



Appropriation Statement

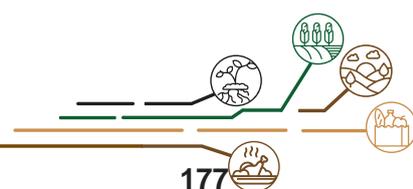
for the year ended 31 March 2023

Programme 1: ADMINISTRATION									
Economic classification	2022/23							2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Venues and facilities	11 350	17 120	-	28 470	28 468	2	100.0	11 655	11 655
Rental and hiring	313	(306)	-	7	7	-	100.0	105	105
Interest and rent on land	-	13	-	13	13	-	100.0	13	13
Rent on land	-	13	-	13	13	-	100.0	13	13
Transfers and subsidies	2 629	4 213	-	6 842	6 831	11	99.8	6 840	6 808
Provinces and municipalities	108	1	-	109	107	2	98.2	92	75
Provinces									
Municipalities	108	1	-	109	107	2	98.2	92	75
Municipal bank accounts	108	1	-	109	107	2	98.2	92	75
Departmental agencies and accounts	1 486	-	-	1 486	1 478	8	99.5	1 422	1 413
Departmental agencies	1 486	-	-	1 486	1 478	8	99.5	1 422	1 413
Higher education institutions								-	-
Foreign governments and international organisations									
Public corporations and private enterprises									
Non-profit institutions									
Households	1 035	4 212	-	5 247	5 246	1	100.0	5 326	5 320
Social benefits	1 035	4 212	-	5 247	5 246	1	100.0	5 321	5 320
Other transfers to households	-	-	-	-	-	-	-	5	-

Appropriation Statement

for the year ended 31 March 2023

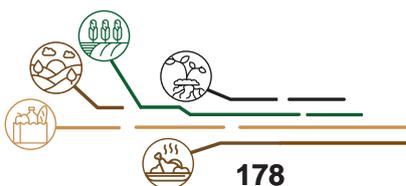
Programme 1: ADMINISTRATION									
Economic classification	2022/23							2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Payments for capital assets	201 499	-	25 969	175 530	113 531	61 999	64.7	343 861	343 861
Buildings and other fixed structures	126 996	-	-	126 996	79 032	47 964	62.2	310 737	310 737
Buildings	126 549	140	-	126 689	78 725	47 964	62.1	309 089	309 089
Other fixed structures	447	(140)	-	307	307	-	100.0	1 648	1 648
Machinery and equipment	74 473	(304)	(25 969)	48 200	34 165	14 035	70.9	33 124	33 124
Transport equipment	3 042	(3 042)	-	-	-	-	-	-	-
Other machinery and equipment	71 431	2 738	(25 969)	48 200	34 165	14 035	70.9	33 124	33 124
Heritage assets									
Specialised military assets									
Biological assets									
Land and subsoil assets									
Software and other intangible assets	30	304	-	334	334	-	100.0	-	-
Payments for financial assets	-	1 869	-	1 869	1 868	1	99.9	907	907
Total	3 427 228	-	(68 656)	3 358 572	3 211 804	146 768	95.6	3 303 858	3 303 826



Appropriation Statement

for the year ended 31 March 2023

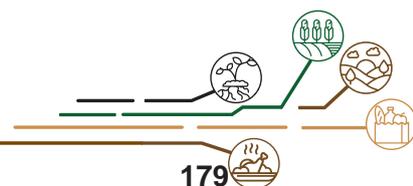
Programme 2: AGRICULTURAL PRODUCTION, BIOSECURITY AND RESOURCES MANAGEMENT									
Sub programme	2022/23							2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.1 Inspection and Quarantine Services	525 868	409 701	(63 975)	871 594	871 582	12	100.0	451 476	443 035
2.2 Plant Production and Health	171 326	42 238	-	129 088	129 076	12	100.0	132 850	114 513
2.3 Animal Production and Health	919 132	(386 758)	(6 939)	525 435	505 461	19 974	96.2	275 723	271 201
2.4 Natural Resources and Disaster Management	437 456	18 244	(33 120)	422 580	422 570	10	100.0	361 085	356 314
2.5 Biosecurity	4 042	1 051	-	5 093	5 092	1	100.0	3 913	3 503
2.6 Agricultural Research Council	1 189 320	-	-	1 189 320	1 189 320	-	100.0	1 282 632	1 282 632
Total for sub programmes	3 247 144	-	(104 034)	3 143 110	3 123 101	20 009	99.4	2 507 679	2 471 198



Appropriation Statement

for the year ended 31 March 2023

Programme 2: AGRICULTURAL PRODUCTION, BIOSECURITY AND RESOURCES MANAGEMENT									
	2022/23							2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	1 923 223	(10 372)	(104 034)	1 808 817	1 807 434	1 383	99.9	1 116 838	1 090 751
Compensation of employees	942 519	2	(104 034)	838 487	838 481	6	100.0	823 765	799 949
Salaries and wages	876 115	(30 627)	(104 034)	741 454	741 449	5	100.0	726 206	705 240
Social contributions	66 404	30 629	-	97 033	97 032	1	100.0	97 559	94 709
Goods and services	980 704	(10 374)	-	970 330	968 953	1 377	99.9	293 073	290 802
Administrative fees	1 275	(434)	-	841	840	1	99.9	63	63
Advertising	6 575	(5 288)	-	1 287	1 287	-	100.0	3	3
Minor assets	6 537	(5 185)	-	1 352	1 348	4	99.7	1 011	1 011
Bursaries: Employees	-	8	-	8	8	-	100.0	565	565
Catering: Departmental activities	1000	396	-	496	495	1	99.8	2	2
Communication (G&S)	2 204	(295)	-	1 909	1 908	1	99.9	2 072	2 072
Computer services	22 505	6 729	-	29 234	29 233	1	100.0	20 646	20 644
Consultants: Business and advisory services	88 891	295 363	-	384 254	384 254	-	100.0	15 715	15 715
Infrastructure and planning services	45	(45)	-	-	-	-	-	-	-
Laboratory services	57 367	(31 912)	-	25 455	25 454	1	100.0	434	434
Legal services	8 869	497	-	9 366	9 366	-	100.0	12 100	12 100
Contractors	9 403	(7 780)	-	1 623	1 622	1	99.9	1 426	1 426
Agency and support / outsourced services	40 094	(14 872)	-	25 222	25 221	1	100.0	27 939	27 938
Entertainment	2	(2)	-	-	-	-	-	-	-



Appropriation Statement

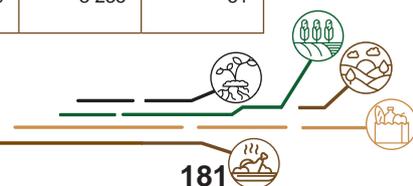
for the year ended 31 March 2023

Programme 2: AGRICULTURAL PRODUCTION, BIOSECURITY AND RESOURCES MANAGEMENT									
2022/23								2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Fleet services (including government motor transport)	9 062	9 682	-	18 744	18 742	2	100.0	14 527	14 527
Inventory: Clothing material and accessories	6 212	(3 234)	-	2 978	2 978	-	100.0	5 183	5 183
Inventory: Farming supplies	129 039	19 778	-	148 817	148 816	1	100.0	96 165	96 164
Inventory: Food and food supplies	-	-	-	-	-	-	-	1	1
Inventory: Fuel, oil and gas	2 015	(743)	-	1 272	1 272	-	100.0	319	318
Inventory: Materials and supplies	1 423	(611)	-	812	812	-	100.0	-	-
Inventory: Medical supplies	4 962	(4 730)	-	232	231	1	99.6	1 054	1 054
Inventory: Medicine	498 330	(285 915)	-	212 415	211 066	1 349	99.4	31 530	29 264
Inventory: Other supplies	6 859	(5 068)	-	1 791	1 791	-	100.0	1 054	1 054
Consumable supplies	19 223	(15 657)	-	3 566	3 563	3	99.9	2 632	2 632
Consumable: Stationery, printing and office supplies	3 739	(928)	-	2 811	2 810	1	100.0	3 018	3 018
Operating leases	274	(237)	-	37	37	-	100.0	64	64
Property payments	4 291	(2 068)	-	2 223	2 223	-	100.0	6 266	6 266
Travel and subsistence	41 891	38 611	-	80 502	80 495	7	100.0	43 501	43 501
Training and development	5 791	(5 147)	-	644	643	1	99.8	3 429	3 429
Operating payments	2 857	(733)	-	2 124	2 124	-	100.0	1 680	1 680
Venues and facilities	799	9 391	-	10 190	10 189	1	100.0	651	651
Rental and hiring	70	55	-	125	125	-	100.0	23	23

Appropriation Statement

for the year ended 31 March 2023

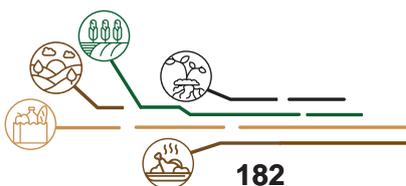
Programme 2: AGRICULTURAL PRODUCTION, BIOSECURITY AND RESOURCES MANAGEMENT									
2022/23								2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	1 294 927	3	-	1 294 930	1 276 307	18 623	98.6	1 371 636	1 368 747
Provinces and municipalities	84 980	247	-	85 227	85 225	2	100.0	83 827	80 938
Provinces	84 920	-	-	84 920	84 920	-	100.0	83 337	80 578
Provincial Revenue Funds	84 920	-	-	84 920	84 920	-	100.0	83 337	80 578
Municipalities	60	247	-	307	305	2	99.3	490	360
Municipal bank	60	247	-	307	305	2	99.3	490	360
Departmental agencies and accounts	1 189 551	-	-	1 189 551	1 189 320	231	100.0	1 282 753	1 282 753
Departmental agencies	1 189 551	-	-	1 189 551	1 189 320	231	100.0	1 282 753	1 282 753
Households	20 396	(244)	-	20 152	1 762	18 390	8.7	5 056	5 056
Social benefits	396	1 236	-	1 632	1 630	2	99.9	2 848	2 848
Other transfers to households	20 000	(1 480)	-	18 520	132	18 388	0.7	2 208	2 208
Higher education institutions									
Foreign governments and international organisations									
Public corporations and private enterprises									
Non-profit institutions									
Payments for capital assets	28 994	10 170	-	39 164	39 161	3	100.0	19 181	11 676
Buildings and other fixed structures	8 966	(7 232)	-	1 734	1 734	-	100.0	2 331	2 331
Other fixed structures	8 966	(7 232)	-	1 734	1 734	-	100.0	2 331	2 331
Machinery and equipment	18 099	19 331	-	37 430	37 427	3	100.0	16 621	9 345
Transport equipment	2 548	16 889	-	19 437	19 437	-	100.0	3 235	51



Appropriation Statement

for the year ended 31 March 2023

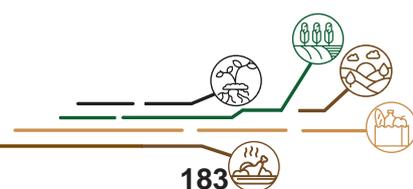
Programme 2: AGRICULTURAL PRODUCTION, BIOSECURITY AND RESOURCES MANAGEMENT									
	2022/23							2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Other machinery and equipment	15 551	2 442	-	17 993	17 990	3	100.0	13 386	9 294
Biological assets									
Land and subsoil assets									
Software and other intangible assets	1 929	(1 929)	-	-	-	-	-	229	-
Payments for financial assets	-	199	-	199	199	-	100.0	24	24
Total	3 247 144	-	(104 034)	3 143 110	3 123 101	20 009	99.4	2 507 679	2 471 198



Appropriation Statement

for the year ended 31 March 2023

Programme 3: FOOD SECURITY, LAND REFORM AND RESTITUTION									
Sub programme	2022/23							2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
3.1 Food Security and Agrarian Reform	2 141 177	70 615	45 207	2 256 999	2 256 413	586	100.0	3 130 250	2 532 747
3.2 Land Redistribution and Tenure Reform	764 705	(140 146)	-	624 559	624 514	45	100.0	807 864	753 775
3.3 National Extension Services and Sector Capacity Development	835 745	(38 261)	(22 299)	775 185	569 882	205 303	73.5	555 089	553 274
3.4 Land Development and post-settlement Support	626 292	(13 883)	-	612 409	612 407	2	100.0	598 033	598 032
3.5 Commission on the Restitution of Land Rights	11 611	3 567	-	15 178	15 157	21	99.9	-	-
3.6 Restitution	3 773 452	118 107	26 605	3 918 164	3 903 116	15 048	99.6	3 298 849	3 078 686
3.7 Agricultural Land Holdings Account	596 760	-	-	596 760	596 760	-	100.0	937 986	937 986
3.8 Ingonyama Trust Board	24 391	-	-	24 391	24 391	-	100.0	23 517	23 517
3.9 Office of the Valuer-General	107 171	1	-	107 172	107 172	-	100.0	131 844	131 844
Total for sub programmes	8 881 304	-	49 513	8 930 817	8 709 812	221 005	97.5	9 483 432	8 609 861



Appropriation Statement

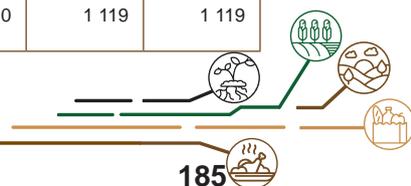
for the year ended 31 March 2023

Programme 3: FOOD SECURITY, LAND REFORM AND RESTITUTION									
	2022/23							2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	1 691 951	8 974	23 544	1 724 469	1 503 522	220 947	87.2	2 509 936	1 976 906
Compensation of employees	899 154	5	(22 299)	876 860	656 532	220 328	74.9	756 835	756 835
Salaries and wages	812 743	(3 046)	(22 299)	787 398	567 071	220 327	72.0	654 788	654 788
Social contributions	86 411	3 051	-	89 462	89 461	1	100.0	102 047	102 047
Goods and services	792 796	8 951	45 843	847 590	846 972	618	99.9	1 753 100	1 220 071
Administrative fees	11 677	24 230	45 207	81 114	80 545	569	99.3	20 616	20 616
Advertising	10 759	(4 870)	-	5 889	5 887	2	100.0	3 399	3 396
Minor assets	16 680	(15 330)	-	1 350	1 347	3	99.8	4 375	4 375
Audit costs: External	8 971	(7 725)	-	1 246	1 245	1	99.9	10 808	10 808
Bursaries: Employees	-	-	-	-	-	-	-	115	115
Catering:	4 427	1 612	-	6 039	6 039	-	100.0	582	582
Departmental activities									
Communication (G&S)	16 961	(82)	-	16 879	16 876	3	100.0	16 449	16 449
Computer services	13 371	(10 060)	-	3 311	3 311	-	100.0	3 300	3 300
Consultants:	79 512	(10 108)	-	69 404	69 401	3	100.0	27 882	23 612
Business and advisory services									
Infrastructure and planning services	8 375	(7 015)	-	1 360	1 360	-	100.0	280	280
Laboratory services	5	332	-	337	337	-	100.0	-	-
Legal services	94 579	(38 000)	636	57 215	57 213	2	100.0	227 765	227 765
Contractors	3 949	437	-	4 386	4 385	1	100.0	2 886	2 886
Agency and support / outsourced services	26 216	(8 659)	-	17 557	17 553	4	100.0	5 178	5 178

Appropriation Statement

for the year ended 31 March 2023

Programme 3: FOOD SECURITY, LAND REFORM AND RESTITUTION									
	2022/23							2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Entertainment	12	(12)	-	-	-	-	-	-	-
Fleet services (including government motor transport)	12 881	2 794	-	15 675	15 673	2	100.0	9 217	9 217
Inventory: Clothing material and accessories	663	(159)	-	504	504	-	100.0	742	742
Inventory: Farming supplies	253 396	12 752	-	266 148	266 144	4	100.0	1 172 590	643 958
Inventory: Food and food supplies	2 728	(777)	-	1 951	1 951	-	100.0	1 777	1 777
Inventory: Fuel, oil and gas	363	580	-	943	943	-	100.0	49	49
Inventory: Materials and supplies	1 832	2 778	-	4 610	4 610	-	100.0	141	140
Inventory: Medical supplies	141	(96)	-	45	45	-	100.0	5	5
Inventory: Medicine	167	(34)	-	133	133	-	100.0	166	166
Inventory: Other supplies	4 481	12 178	-	16 659	16 658	1	100.0	45 077	44 957
Consumable supplies	10 629	(7 016)	-	3 613	3 611	2	99.9	4 954	4 954
Consumable: Stationery, printing and office supplies	12 095	(4 125)	-	7 970	7 968	2	100.0	10 232	10 232
Operating leases	20 517	8 023	-	28 540	28 538	2	100.0	26 121	26 119
Property payments	27 321	(7 680)	-	19 641	19 638	3	100.0	49 955	49 955
Transport provided: Departmental activity	2 435	(729)	-	1 706	1 705	1	99.9	37	37
Travel and subsistence	77 454	86 779	-	164 233	164 225	8	100.0	85 876	85 876
Training and development	13 156	(12 470)	-	686	686	-	100.0	1 119	1 119



Appropriation Statement

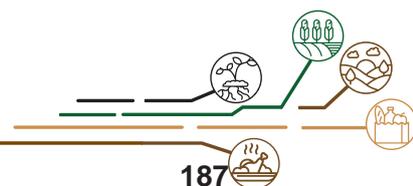
for the year ended 31 March 2023

Programme 3: FOOD SECURITY, LAND REFORM AND RESTITUTION									
	2022/23							2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Operating payment	13 809	(10 530)	-	3 279	3 275	4	99.9	3 692	3 692
Venues and facilities	41 059	3 061	-	44 120	44 120	-	100.0	17 568	17 567
Rental and hiring	2 175	(1 128)	-	1 047	1 046	1	99.9	147	147
Interest and rent on land	1	18	-	19	18	1	94.7	1	-
Rent on land	1	18	-	19	18	1	94.7	1	-
Transfers and subsidies	6 354 250	(525 505)	-	5 828 745	5 828 694	51	100.0	6 214 519	6 055 395
Provinces and municipalities	2 440 334	80 254	-	2 520 588	2 520 586	2	100.0	2 379 056	2 378 870
Provinces	2 209 492	-	-	2 209 492	2 209 492	-	100.0	2 154 693	2 154 686
Provincial Revenue Funds	1 599 214	-	-	1 599 214	1 599 214	-	100.0	2 154 693	2 154 686
Provincial agencies and funds	610 278	-	-	610 278	610 278	-	100.0	-	-
Municipalities	230 842	80 254	-	311 096	311 094	2	100.0	224 363	224 184
Municipal bank accounts	223 110	82 862	-	305 972	305 971	1	100.0	224 363	224 184
Municipal agencies and funds	7 732	(2 608)	-	5 124	5 123	1	100.0	-	-
Departmental agencies and accounts	728 322	1	-	728 323	728 323	-	100.0	1 093 350	1 093 350
Departmental agencies	728 322	1	-	728 323	728 323	-	100.0	1 093 350	1 093 350
Households									
Social benefits									
Other transfers to households									
Higher education institutions									
Foreign governments and international organisations									

Appropriation Statement

for the year ended 31 March 2023

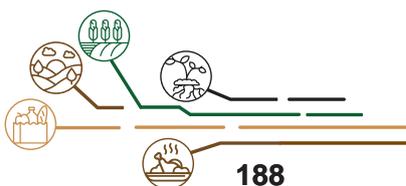
Programme 3: FOOD SECURITY, LAND REFORM AND RESTITUTION									
	2022/23							2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Public corporations and private enterprises	399 969	140 860	-	540 829	540 827	2	100.0	525 187	525 186
Public corporations	399 969	140 856	-	540 825	540 824	1	100.0	525 185	525 185
Subsidies on products and production (pc)	-	-	-	-	-	-	-	525 185	525 185
Other transfers to public corporations	399 969	140 856	-	540 825	540 824	1	100.0	-	-
Private enterprises	-	4	-	4	3	1	75.0	2	1
Subsidies on products and production (pe)	-	-	-	-	-	-	-	1	1
Other transfers to private enterprises	-	4	-	4	3	1	75.0	1	-
Non-profit institutions									
Households	2 785 625	(746 620)	-	2 039 005	2 038 958	47	100.0	2 216 926	1 886 695
Social benefits	1 794	1 317	-	3 111	3 109	2	99.9	4 853	4 853
Other transfers to households	2 783 831	(747 937)	-	2 035 894	2 035 849	45	100.0	2 212 073	1 881 842
Payments for capital assets	835 103	512 305	25 969	1 373 377	1 373 372	5	100.0	758 478	748 355
Buildings and other fixed structures	62 835	(23 734)	-	39 101	39 100	9 572	80.3	118 556	111 749
Buildings	22 682	(6 099)	-	16 583	16 583	-	100.0	90 949	90 919
Other fixed structures	40 153	(17 635)	-	22 518	22 517	1	100.0	27 607	20 830
Machinery and equipment	29 576	1 891	-	31 467	31 464	3	100.0	23 422	20 106
Transport equipment	1 099	(646)	-	453	453	-	100.0	1 242	382
Other machinery and equipment	28 477	2 537	-	31 014	31 011	3	100.0	22 180	19 724



Appropriation Statement

for the year ended 31 March 2023

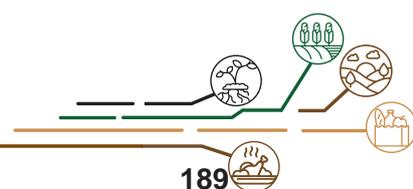
Programme 3: FOOD SECURITY, LAND REFORM AND RESTITUTION									
	2022/23							2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Land and sub-soil assets	742 692	534 148	25 969	1 302 809	1 302 808	1	100.0	616 500	616 500
Heritage assets									
Specialised military assets									
Biological assets									
Land and subsoil assets									
Intangible assets									
Payments for financial assets	-	4 226	-	4 226	4 224	2	100.0	499	499
Total	8 881 304	-	49 513	8 930 817	8 709 812	221 005	97.5	9 483 432	8 609 861



Appropriation Statement

for the year ended 31 March 2023

Programme 4: RURAL DEVELOPMENT									
Sub programme	2022/23							2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
4.1 National Rural Youth Services Corps	135 863	55 167	-	191 030	156 945	34 085	82.2	227 998	222 173
4.2 Rural Infrastructure Development	474 893	(53 903)	(17 562)	403 428	403 402	26	100.0	746 443	679 109
4.3 Technology Research and Development	21 900	(1 264)	(1 469)	19 167	19 167	-	100.0	18 844	18 270
Total for sub programmes	632 656	-	(19 031)	613 625	579 514	34 111	94.4	993 285	919 552



Appropriation Statement

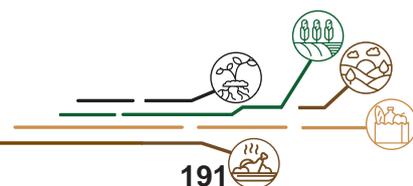
for the year ended 31 March 2023

Programme 4: RURAL DEVELOPMENT									
2022/23								2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	248 810	(43 178)	(19 031)	186 601	186 505	96	99.9	335 190	263 313
Compensation of employees	49 045	(3)	2 275	46 773	46 693	80	99.8	126 612	126 611
Salaries and wages	45 273	(1 649)	(2 275)	41 349	41 269	80	99.8	115 243	115 243
Social contributions	3 772	1 652	-	5 424	5 424	-	100.0	11 369	11 368
Goods and services	199 765	(43 181)	16 756	139 828	139 812	16	100.0	208 578	136 702
Administrative fees	1 870	1 006	-	2 876	2 874	2	99.9	2 418	2 139
Advertising	262	63	-	325	325	-	100.0	355	355
Minor assets	1 297	(994)	-	303	302	1	99.7	447	157
Audit costs:									
Bursaries: Employees									
Catering: Departmental activities	1 008	(217)	-	791	789	2	99.7	124	29
Communication (G&S)	188	(185)	-	3	3	-	100.0	130	43
Computer services	220	638	-	858	858	-	100.0	2 248	2 247
Consultants: Business and advisory services	6 116	(3 937)	-	2 179	2 179	-	100.0	43 736	4 673
Infrastructure and planning services	104 197	(87 160)	(16 756)	281	277	4	98.6	5 938	1 308
Legal services								-	-
Contractors	7 339	(5 899)	-	1 440	1 439	1	99.9	8 760	215
Agency and support / outsourced services	356	(223)	-	133	133	-	100.0	151	-
Entertainment	11	(11)	-	-	-	-	-	-	-

Appropriation Statement

for the year ended 31 March 2023

Programme 4: RURAL DEVELOPMENT									
2022/23								2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Fleet services (including government motor transport)	2 099	(1 350)	-	749	748	1	99.9	810	551
Inventory: Clothing material and accessories	144	(121)	-	23	23	-	100.0	128	128
Inventory: Farming supplies	-	(595)	-	(595)	(595)	-	100.0	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	194	194
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	8 141	(7 582)	-	559	559	-	100.0	3 168	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	3 239	(1 195)	-	2 044	2 044	-	100.0	6 120	301
Consumable supplies	5 942	(1 144)	-	4 798	4 798	-	100.0	530	399
Consumable: Stationery, printing and office supplies	2 212	(943)	-	1 269	1 268	1	99.9	2 573	1 308
Operating leases	2 157	(614)	-	1 543	1 542	1	99.9	2 000	1 974
Property payments	3 628	(2 438)	-	1 190	1 189	1	99.9	3 300	3 300
Transport provided: Departmental activity	-	34	-	34	34	-	100.0	-	-
Travel and subsistence	20 989	40 379	-	61 368	61 368	-	100.0	71 497	66 032
Training and development	20 633	26 620	-	47 253	47 252	1	100.0	49 084	48 411



Appropriation Statement

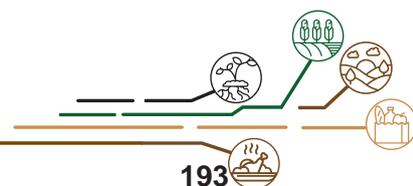
for the year ended 31 March 2023

Programme 4: RURAL DEVELOPMENT									
2022/23								2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Operating payment	4 059	(3 033)	-	1 026	1 025	1	99.9	1 846	420
Venues and facilities	3 389	5 595	-	8 984	8 984	-	100.0	2 830	2 500
Rental and hiring	269	125	-	394	394	-	100.0	191	18
Interest and rent on land									
Rent on land									
Transfers and subsidies	40 773	9 240	-	50 013	16 016	33 997	32.0	30 838	28 983
Provinces and municipalities									
Provinces									
Provincial									
Municipalities									
Municipal bank									
Departmental agencies and accounts									
Departmental agencies									
Higher education institutions									
Foreign governments and international organisations									
Public corporations and private enterprises	-	9 254	-	9 254	9 254	-	100.0	-	-
Public corporations									
Subsidies on products and production (pc)									
Private enterprises	-	9 254	-	9 254	9 254	-	100.0	-	-
Other transfers to private enterprises	-	9 254	-	9 254	9 254	-	100.0	-	-

Appropriation Statement

for the year ended 31 March 2023

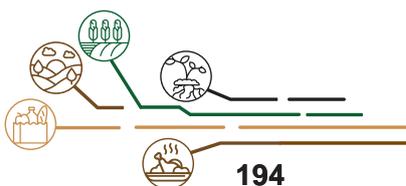
Programme 4: RURAL DEVELOPMENT									
2022/23								2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Non-profit institutions									
Households	40 773	(14)	-	40 759	6 762	33 997	16.6	30 838	28 983
Social benefits	32	650	-	682	682	-	100.0	264	264
Other transfers to households	40 741	(664)	-	40 077	6 080	33 997	15.2	30 574	28 719
Payments for capital assets	343 073	33 385	-	376 458	376 441	17	100.0	627 104	627 103
Buildings and other fixed structures	334 199	38 971	-	373 170	373 159	11	100.0	623 395	623 394
Buildings	142 184	25 967	-	168 151	168 147	4	100.0	449 628	449 627
Other fixed structures	192 015	13 004	-	205 019	205 012	7	100.0	173 767	173 767
Machinery and equipment	8 715	(5 427)	-	3 288	3 282	6	99.8	3 709	3 709
Transport equipment									
Other machinery and equipment	8 715	(5 427)	-	3 288	3 282	6	99.8	3 709	3 709
Land and sub-soil assets									
Biological assets									
Heritage assets	159	(159)	-	-	-	-	-	-	-
Specialised military assets									
Land and subsoil assets									
Software and other intangible assets									
Payments for financial assets	-	553	-	553	552	1	99.8	153	153
Total	632 656	-	(19 031)	613 625	579 514	34 111	94.4	993 285	919 552



Appropriation Statement

for the year ended 31 March 2023

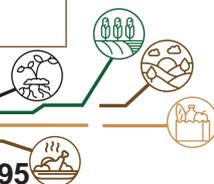
Programme 5: ECONOMIC DEVELOPMENT, TRADE AND MARKETING									
Sub programme	2022/23							2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
5.1 International Relations and Trade	155 780	(11 260)	-	144 520	139 813	4 707	96.7	200 396	142 518
5.2 Cooperatives Development	85 304	(3 418)	-	81 886	81 768	118	99.9	78 892	74 289
5.3 Agro-processing, Marketing and Rural Industrial Development	389 107	14 678	160 537	564 322	563 866	456	99.9	656 857	341
5.4 National Agricultural Marketing Council	48 535	-	-	48 535	48 535	-	100.0	58 249	47 305
Total for sub programmes	678 726	-	160 537	839 263	833 982	5 281	99.4	994 394	804 453



Appropriation Statement

for the year ended 31 March 2023

Programme 5: ECONOMIC DEVELOPMENT, TRADE AND MARKETING									
2022/23								2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	528 033	(1 485)	160 537	687 085	686 938	147	100.0	856 909	677 931
Compensation of employees	134 430	-	-	134 430	134 315	115	99.9	344 986	166 011
Salaries and wages	123 907	(7 230)	-	116 677	116 563	114	99.9	307 137	144 144
Social contributions	10 523	7 230	-	17 753	17 752	1	100.0	37 849	21 867
Goods and services	393 603	(1 485)	160 537	552 655	552 623	32	100.0	511 923	511 920
Administrative fees	3 950	2 537	3 194	9 681	9 678	3	100.0	6 125	6 125
Advertising	723	(284)	-	439	438	1	99.8	164	164
Minor assets	1 286	(614)	-	672	671	1	99.9	794	791
Audit costs: External	7	(7)	-	-	-	-	-	4 347	4 347
Bursaries: Employees	-	-	-	-	-	-	-	112	112
Catering: Departmental activities	2 259	(103)	-	2 156	2 155	1	100.0	1 287	1 287
Communication (G&S)	931	(620)	-	311	311	-	100.0	1 369	1 369
Computer services	435	(424)	-	11	11	-	100.0	345	345
Consultants: Business and advisory services	19 253	(1 150)	-	18 103	18 103	-	100.0	23 546	23 546
Infrastructure and planning services	-	276	-	276	276	-	100.0	-	-



Appropriation Statement

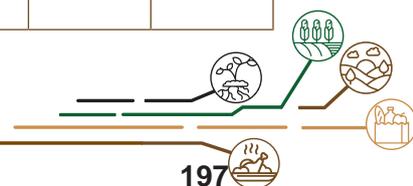
for the year ended 31 March 2023

Programme 5: ECONOMIC DEVELOPMENT, TRADE AND MARKETING									
	2022/23							2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Laboratory services	-	1	-	1	1	-	100.0	-	-
Legal services	-	704	-	704	704	-	100.0	193	193
Contractors	702	815	-	1 517	1 516	1	99.9	8 213	8 213
Agency and support / outsourced services	11 484	551	6 503	18 538	18 518	20	99.9	10 217	10 217
Entertainment	-	3	-	3	3	-	100.0	-	-
Fleet services (including government motor transport)	3 604	(2 456)	-	1 148	1 148	-	100.0	1 024	1 024
Inventory: Clothing material and accessories	503	625	-	1 128	1 128	-	100.0	599	599
Inventory: Farming supplies	260 683	-	101 802	362 485	362 485	-	100.0	252 630	252 630
Inventory: Food and food supplies	-	-	-	-	-	-	-	194	194
Inventory: Fuel, oil and gas	8 088	-	8 225	16 313	16 313	-	100.0	11 475	11 475
Inventory: Materials and supplies	2 149	(2)	6 571	8 718	8 717	1	100.0	22 421	22 421
Inventory: Medical supplies									
Inventory: Medicine	703	1 360	-	2 063	2 063	-	100.0	97	97

Appropriation Statement

for the year ended 31 March 2023

Programme 5: ECONOMIC DEVELOPMENT, TRADE AND MARKETING									
2022/23								2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Inventory: Other supplies	25 103	1 456	18 187	44 746	44 746	-	100.0	116 825	116 825
Consumable supplies	1 126	833	-	1 959	1 959	-	100.0	309	309
Consumable: Stationery, printing and office supplies	2 236	(792)	-	1 444	1 442	2	99.9	1 404	1 404
Operating leases	3 405	1 037	-	4 442	4 442	-	100.0	4 999	4 999
Property payments	7 278	871	-	8 149	8 147	2	100.0	11 347	11 347
Transport provided: Departmental activity	200	(200)	-	-	-	-	-	-	-
Travel and subsistence	23 166	(3 743)	8198	27 621	27 621	-	100.0	21 529	21 529
Training and development	1 282	(134)	5 840	6 988	6 988	-	100.0	2 717	2 717
Operating payments	4 637	(2 897)	2 017	3 757	3 757	-	100.0	1 904	1 904
Venues and facilities	7 731	142	-	7 873	7 873	-	100.0	5 673	5 673
Rental and hiring	679	730	-	1 409	1 409	-	100.0	64	64
Interest and rent on land									
Rent on land									
Transfers and subsidies	142 069	657	-	142 726	138 024	4 702	96.7	131 778	120 815
Provinces and municipalities	3	-	-	3	2	1	67.6	4	4
Provinces Provincial									



Appropriation Statement

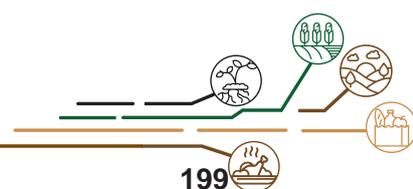
for the year ended 31 March 2023

Programme 5: ECONOMIC DEVELOPMENT, TRADE AND MARKETING									
	2022/23							2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Municipalities	3	-	-	3	2	1	67.6	4	4
Municipal bank accounts	3	-	-	3	2	1	67.6	4	4
Departmental agencies and accounts	48 535	-	-	48 535	48 535	-	100.0	47 305	47 305
Departmental agencies	48 535	-	-	48 535	48 535	-	100.0	47 305	47 305
Households									
Social benefits									
Other transfers to households									
Higher education institutions									
Foreign governments and international organisations	44 249	-	-	44 249	39 552	4 697	89.4	43 028	33 691
Public corporations and private enterprises	49 081	-	-	49 081	49 081	-	100.0	40 633	39 008
Public corporations	49 081	-	-	49 081	49 081	-	100.0	40 633	39 008
Subsidies on products and production (pc)									
Other transfers to public corporations	49 081	-	-	49 081	49 081	-	100.0	40 633	39 008
Private enterprises									
Other transfers to private enterprises									
Non-profit institutions									

Appropriation Statement

for the year ended 31 March 2023

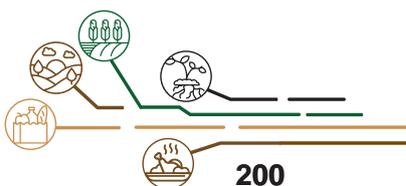
Programme 5: ECONOMIC DEVELOPMENT, TRADE AND MARKETING									
2022/23								2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Households	201	657	-	858	854	4	99.7	808	807
Social benefits	200	655	-	855	854	1	99.7	808	807
Other transfers to households	1	2	-	3	3	3	100.0	-	-
Payments for capital assets	8 624	437	-	9 061	8 630	431	95.2	5 479	5 479
Buildings and other fixed structures	95	(95)	-	-	-	-	-	-	-
Buildings	95	(95)	-	-	-	-	-	-	-
Other fixed structures									
Machinery and equipment	8 529	532	-	9 061	8 630	431	95.2	5 479	5 479
Transport equipment	596	-	-	596	595	1	99.9	-	-
Other machinery and equipment	7 933	532	-	8 465	8 034	431	94.9	5 479	5 479
Land and sub-soil assets									
Heritage assets									
Specialised military assets									
Biological assets									
Land and subsoil assets									
Software and other intangible assets									
Payments for financial assets	-	391	-	391	390	1	99.8	228	228
Total	678 726	-	160 537	839 263	833 982	5 281	99.4	994 394	804 453



Appropriation Statement

for the year ended 31 March 2023

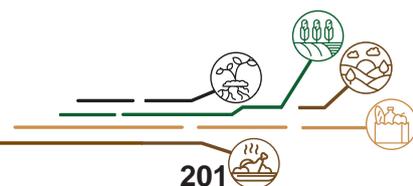
Programme 6: LAND ADMINISTRATION									
Sub programme	2022/23							2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
6.1 National Geomatics Management Services	545 589	494	(16 922)	529 161	528 467	694	99.9	5 607	498 742
6.2 Spatial Planning and Land Use	111 245	4 990	(1 407)	114 828	114 814	14	100.0	1 690	144 158
6.3 Deeds Registration	1	-	-	1	-	1	-	1	-
6.4 South African Council of Planners	4 263	-	-	4 263	4 263	-	100.0	4 140	4 140
6.5 South African Geomatics Council	4 000	(3 997)	-	3	3	-	100.0	4 194	4 000
6.6 Integrated Land Administration	1 487	(1 487)	-	-	-	-	-	2 400	-
Total for sub programmes	666 585	-	(18 329)	648 256	647 547	709	99.9	740 612	651 040



Appropriation Statement

for the year ended 31 March 2023

Programme 6: LAND ADMINISTRATION									
	2022/23							2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	613 372	(33 393)	(18 329)	561 650	561 626	24	100.0	665 564	583 572
Compensation of employees	451 279	-	(11 193)	440 086	440 078	8	100.0	549 862	476 514
Salaries and wages	401 167	(10 028)	(10 407)	380 732	380 729	3	100.0	483 301	414 268
Social contributions	50 112	10 028	(786)	59 354	59 349	5	100.0	66 561	62 246
Goods and services	162 093	(33 393)	7 136	121 564	121 548	16	100.0	115 702	107 058
Administrative fees	502	132	-	634	629	5	99.2	992	891
Advertising	2 519	(2 323)	-	196	196	-	100.0	867	382
Minor assets	8 927	(7 422)	-	1 505	1 505	-	100.0	1 660	921
Audit costs:	-	-	-	-	-	-	-	1 833	1 832
Bursaries: Employees	25	19	-	6	6	-	100.0	-	-
Catering: Departmental activities	209	36	-	245	245	-	100.0	96	63
Communication (G&S)	2 796	(258)	-	2 538	2 536	2	99.9	2 917	2 417
Computer services	39 723	(6 005)	-	33 718	33 718	-	100.0	21 227	20 291
Consultants: Business and advisory services	46 233	(18 493)	-	27 740	27 739	1	100.0	51 373	48 368
Infrastructure and planning services	316	(316)	-	-	-	-	-	133	-
Legal services	444	1	-	445	445	-	100.0	1	1
Contractors	20 188	435	(7 136)	13 487	13 486	1	100.0	9 253	8 805
Entertainment								1	1



Appropriation Statement

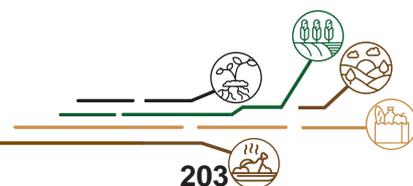
for the year ended 31 March 2023

Programme 6: LAND ADMINISTRATION									
	2022/23							2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Agency and support / outsourced services									
Fleet services (including government motor transport)	2 094	120	-	2 214	2 214	-	100.0	1 741	1 741
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	78	-
Inventory: Farming supplies									
Inventory: Food and food supplies									
Inventory: Fuel, oil and gas									
Inventory: Materials and supplies	-	1	-	1	1	-	100.0	-	-
Inventory: Medical supplies	19	(14)	-	5	5	-	100.0	58	58
Inventory: Medicine									
Inventory: Other supplies									
Consumable supplies	3 304	(993)	-	2 311	2 311	-	100.0	1 535	839
Consumable: Stationery, printing and office supplies	4 297	(881)	-	3 416	3 414	2	99.9	2 530	2 454
Operating leases	3 177	216	-	3 393	3 393	-	100.0	3 815	3 716
Property payments	7 564	(334)	-	7 230	7 228	2	100.0	6 864	6 864
Transport provided: Departmental activity									

Appropriation Statement

for the year ended 31 March 2023

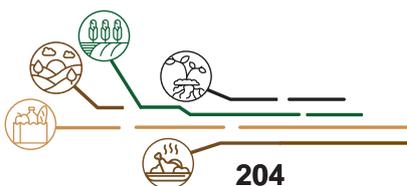
Programme 6: LAND ADMINISTRATION									
2022/23								2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Travel and subsistence	12 440	6 767	-	19 207	19 207	-	100.0	6 843	6 458
Training and development	294	(294)	-	-	-	-	-	29	29
Operating payment	2 960	(2 228)	-	732	729	3	99.6	1 518	589
Venues and facilities	4 062	(1 568)	-	2 494	2 494	-	100.0	338	338
Rental and hiring	-	47	-	47	47	-	100.0	-	-
Interest and rent on land									
Rent on land									
Transfers and subsidies	44 520	3 008	-	47 528	46 845	683	98.6	54 922	54 713
Provinces and municipalities	19	-	-	19	10	9	52.6	20	6
Provinces									
Provincial									
Municipalities	19	-	-	19	10	9	52.6	20	6
Municipal bank accounts	19	-	-	19	10	9	52.6	20	6
Departmental agencies and accounts	4 001	-	-	4 001	4 000	1	100.0	4 195	4 000
Departmental agencies	4 001	-	-	4 001	4 000	1	100.0	4 195	4 000
Higher education institutions									
Foreign governments and international organisations	4 301	-	-	4 301	3 629	672	84.4	2 610	2 610
Public corporations and private enterprises									
Public corporations									



Appropriation Statement

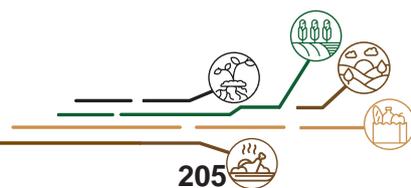
for the year ended 31 March 2023

Programme 6: LAND ADMINISTRATION									
2022/23								2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Subsidies on products and production (pc)									
Other transfers to public corporations									
Private enterprises									
Other transfers to private enterprises									
Non-profit institutions	4 263	-	-	4 263	4 263	-	100.0	4 140	4 140
Households	31 936	3 008	-	34 944	34 943	1	100.0	43 957	43 957
Social benefits	737	769	-	1 506	1 505	1	99.9	3 544	3 544
Other transfers to households	31 199	2 239	-	33 438	33 438	-	100.0	40 413	40 413
Payments for capital assets	8 693	29 957	-	38 650	38 648	2	100.0	19 704	12 333
Buildings and other fixed structures									
Buildings									
Other fixed structures									
Machinery and equipment	8 693	29 957	-	38 650	38 648	2	100.0	19 704	12 333
Transport equipment	-	12 234	-	12 234	12 234	-	100.0	-	-
Other machinery and equipment	8 693	17 723	-	26 416	26 414	2	100.0	19 704	12 333
Land and sub-soil assets									
Biological assets									
Heritage assets									
Specialised military assets									



Appropriation Statement

Programme 6: LAND ADMINISTRATION									
2022/23								2021/22	
	Ap- proved Budget	Shifting of Funds	Virement	Final Budget	Actual Expendi- ture	Variance	Expendi- ture as % of final budget	Final Budget	Actual expendi- ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Land and subsoil assets									
Software and other intangible assets									
Payments for financial assets	-	428	-	428	428	-	100.0	422	422
Total	666 585	-	(18 329)	648 256	647 547	709	99.9	740 612	651 040



Notes to the Appropriation Statement

for the year ended 31 March 2023

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):

4.1 Per programme

Programme	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
	R'000	R'000	R'000	%
Administration	3 358 572	3 211 804	146 768	4.4
Agricultural Production, Biosecurity and Natural Resources Management	3 143 110	3 123 101	20 009	0.6
Food Security, Land Reform and Restitution	8 930 817	8 709 812	221 005	2.5
Rural Development	613 625	579 514	34 111	5.6
Economic Development, Trade and Marketing	839 263	833 982	5 281	0.6
Land Administration	648 256	647 547	709	0.1
Total	17 533 643	17 105 760	427 883	97.6

ADMINISTRATION

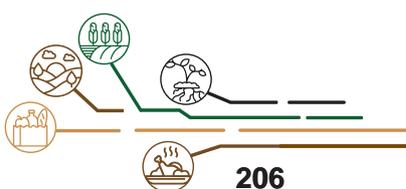
The variance was mainly due to technical issues such as long turn-around time to receive quotations for procurement of ICT services and equipment and receipt of products from overseas, and delivery did not materialise; delays in the finalising and submission of inspection report for the construction of the new head office premises and delays in issuing of office accommodation charges' invoices by the Department of Public Works and Infrastructure.

AGRICULTURAL PRODUCTION, BIOSECURITY AND RESOURCES MANAGEMENT

The variance was mainly due to non-submission of requests for subsidies in cash from emerging and small farmers who may be affected by outbreak of diseases.

FOOD SECURITY, LAND REFORM AND RESTITUTION

The variance was mainly due to delays in the recruitment of 4 470 Assistant Agricultural Practitioners as the department had to source funds to fill the posts and lack of capacity involved in the recruitment process.



Notes to the Annual Financial Statements

for the year ended 31 March 2023

RURAL DEVELOPMENT

The variance was mainly due to non-payment of stipend for National Rural Youth Services Corp (NARYSEC) graduate during the Youth Leadership Development Programme. The new NARYSEC policy doesn't allow payment of stipend while students attend the Youth Leadership Development Programme which resulted in not spending the allocation.

ECONOMIC DEVELOPMENT, TRADE AND MARKETING

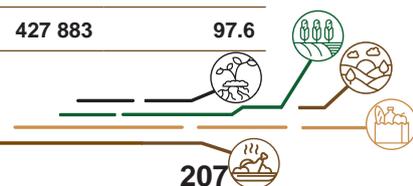
The variance was mainly due to outstanding invoices regarding membership subscriptions fees to international organisations that were not received by close of the financial year.

LAND ADMINISTRATION

The variance was mainly due to outstanding invoices regarding membership subscriptions fees to the Regional Centre for Mapping that were not received by close of the financial year.

4.2 Per economic classification

	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
Economic classification	R'000	R'000	R'000	%
Current payments				
Compensation of employees	4 295 134	4 074 578	220 556	5.1
Goods and services	3 847 787	3 760 990	86 797	2.0
Interest and rent on land	32	31	1	3.1
Transfers and subsidies				
Provinces and municipalities	2 605 946	2 605 930	16	-
Departmental agencies and accounts	1 971 896	1 971 656	240	-
Higher education institutions				
Public corporations and private enterprises	599 164	599 162	2	-
Foreign governments and international organisations	48 550	43 181	5 369	11.1
Non-profit institutions	4 263	4 263	-	-
Households	2 140 965	2 088 525	52 440	2.4
Total	7 370 784	7 312 717	58 067	
Payments for capital assets				
Buildings and other fixed structures	541 001	493 025	47 976	10.5
Machinery and equipment	168 096	153 616	14 480	8.6
Heritage assets				
Specialised military assets				
Biological assets				
Land and subsoil assets	1 302 809	1 302 808	1	-
Software and other intangible assets	334	334	-	-
Total	2 012 240	1 949 783	62 457	
Payments for financial assets	7 666	7 661	5	0.1
Total	17 533 643	17 105 760	427 883	97.6



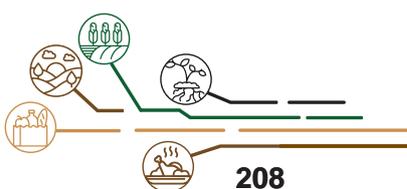
Notes to the Annual Financial Statements

for the year ended 31 March 2023

The unspent budget under the compensation of employees classification was mainly due to delays in the recruitment of 4 470 Assistant Agricultural Practitioner as the department had to source funds to fill the posts. The unspent budget under goods and services classification was mainly due to long turn-around times to receive quotations for procurement of ICT services and equipment and receipt of products from overseas, and delivery did not materialise; and delays in issuing of office accommodation charges' invoices by the Department of Public Works and Infrastructure. The unspent budget under transfers and subsidies classification was mainly due to non-payment of stipend for National Rural Youth Services Corp (NARYSEC). The new NARYSEC policy doesn't allow payment of stipend while students attend the Youth Leadership Development Programme which resulted in not spending the allocation and non-submission of requests for subsidies in cash from emerging and small farmers who may be affected by outbreak of diseases. The unspent budget under payments of capital assets was mainly due to delays in the finalising and submission of inspection report for the construction of the new head office premises and long turn-around times to procure computer hardware such as switches for regional offices.

4.3 Per conditional grant

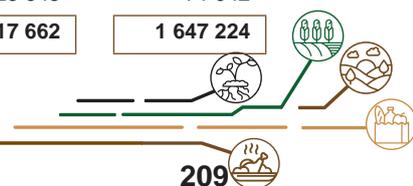
Conditional grant	Final Budget	Actual Expenditure	Variance	Variance as a percentage of Final Budget
	R'000	R'000	R'000	%
Comprehensive Agricultural Support Programme (CASP)	1 599 214	1 599 214	-	-
Ilima/Letsema	610 278	610 278	-	-
Land Care Programme	84 920	84 920	-	-
Total	2 294 412	2 294 412	-	-



Statement of Financial Performance

for the year ended 31 March 2023

	Note	2022/23 R'000	2021/22 R'000
REVENUE			
Annual appropriation	1	17 533 643	18 023 260
Statutory appropriation		-	-
Departmental revenue	2	364 131	311 952
NRF Receipts		-	-
Aid assistance	3	133 036	77 227
TOTAL REVENUE		18 030 810	18 412 439
EXPENDITURE			
Current expenditure			
Compensation of employees	4	4 074 578	3 836 758
Goods and services	5	3 760 990	3 707 952
Interest and rent on land	6	31	13
Aid assistance	3	2 761	2 808
Total current expenditure		7 838 360	7 547 531
Transfers and subsidies			
Transfers and subsidies	8	7 312 717	7 464 167
Aid assistance	3	-	-
Total transfers and subsidies		7 312 717	7 464 167
Expenditure for capital assets			
Tangible assets	9	1 949 449	1 748 807
Intangible assets	9	4 961	2 477
Total expenditure for capital assets		1 954 410	1 751 284
Unauthorised expenditure approved without funding			
Payments for financial assets	7	7 661	2 233
TOTAL EXPENDITURE		17 113 148	16 765 215
SURPLUS/(DEFICIT) FOR THE YEAR		917 662	1 647 224
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		427 883	1 263 330
Annual appropriation		427 883	1 263 330
Departmental revenue and NRF receipts	15	364 131	311 952
Aid assistance	3	125 648	71 942
SURPLUS/(DEFICIT) FOR THE YEAR		917 662	1 647 224



Statement of Financial Position

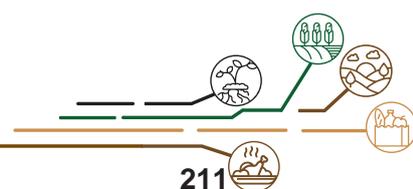
for the year ended 31 March 2023

	Note	2022/23 R'000	2021/22 R'000
ASSETS			
Current assets		1 238 928	1 488 753
Cash and cash equivalents	10	1 226 737	1 455 345
Other financial assets		-	-
Prepayments and advances	11	6 090	5 664
Receivables	12	6 101	27 744
Loans		-	-
Aid assistance prepayments	3	-	-
Aid assistance receivable	3	-	-
Non-current assets		27 720	11 375
Investments	13	1	1
Prepayments and advances	11	370	-
Receivables	12	27 349	11 374
Loans		-	-
Other financial assets		-	-
TOTAL ASSETS		1 266 648	1 500 128
LIABILITIES			
Current liabilities		1 255 386	1 487 607
Voted funds to be surrendered to the Revenue Fund	14	599 177	1 234 267
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	15	19 142	11 676
Bank overdraft		-	-
Payables	16	511 419	169 722
Aid assistance repayable	3	111 379	59 743
Aid assistance unutilised	3	14 269	12 199
Non-current liabilities			
Payables	17	1	1
TOTAL LIABILITIES		1 255 387	1 487 608
NET ASSETS		11 261	12 520
Represented by:			
Recoverable revenue		11 261	12 520
TOTAL		11 261	12 520

Statement of Changes in Net Assets

for the year ended 31 March 2023

	Note	2022/23 R'000	2021/22 R'000
Recoverable revenue			
Opening balance		12 520	11 536
Transfers:		(1 259)	984
Irrecoverable amounts written off	7.2	(1 035)	(441)
Debts revised		-	-
Debts recovered (included in departmental revenue)		(4 450)	(1 652)
Debts raised		4 226	3 077
Closing balance		11 261	12 520
TOTAL		11 261	12 520



Cash Flow Statement

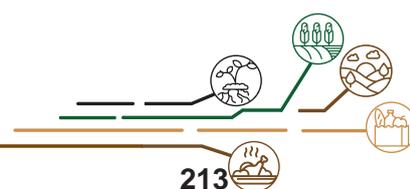
for the year ended 31 March 2023

	<i>Note</i>	2022/23 R'000	2021/22 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		18 029 635	18 412 439
Annual appropriation funds received	1.1	17 533 643	18 023 260
Statutory appropriation funds received		-	-
Departmental revenue received	2	323 427	295 991
Interest received	2.3	39 529	15 961
Aid assistance received	3	133 036	77 227
Net (increase)/decrease in net working capital		362 554	115 556
Surrendered to Revenue Fund		(1 419 638)	(1 475 799)
Surrendered to RDP Fund/Donor		(71 942)	-
Current payments		(7 838 329)	(7 549 995)
Interest paid	6	(31)	(13)
Payments for financial assets		(7 661)	(2 233)
Transfers and subsidies paid		(7 312 717)	(7 464 167)
Net cash flow available from operating activities	18	1 741 861	2 035 788
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	9	(1 954 410)	(1 748 807)
Proceeds from sale of capital assets	2.4	1 175	-
(Increase)/decrease in loans		-	-
(Increase)/decrease in investments		-	-
(Increase)/decrease in other financial assets		-	-
(Increase)/decrease in non-current receivables	12	(15 975)	(8 759)
Net cash flow available from investing activities		(1 969 210)	(1 757 566)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		(1 259)	984
Increase/(decrease) in non-current payables		-	-
Net cash flows from financing activities		(1 259)	984
Net increase/(decrease) in cash and cash equivalents		(228 608)	279 206
Cash and cash equivalents at beginning of period		1 455 345	1 176 139
Unrealised gains and losses within cash and cash equivalents		-	-
Cash and cash equivalents at end of period	19	1 226 737	1 455 345

Notes to the Annual Financial Statements

for the year ended 31 March 2023

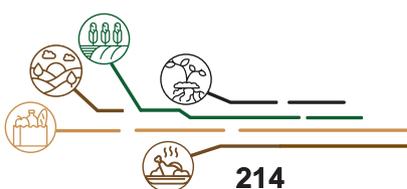
Summary of significant accounting policies	
<p>The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the department's primary and secondary information.</p> <p>The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation.</p> <p>Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.</p>	
1	<p>Basis of preparation</p> <p>The financial statements have been prepared in accordance with the Modified Cash Standard.</p>
2	<p>Going concern</p> <p>The financial statements have been prepared on a going concern basis.</p>
3	<p>Presentation currency</p> <p>Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.</p>
4	<p>Rounding</p> <p>Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).</p>
5	<p>Foreign currency translation</p> <p>Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.</p>
6	Comparative information
6.1	<p>Prior period comparative information</p> <p>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.</p>
6.2	<p>Current year comparison with budget</p> <p>A comparison between the approved final budget and actual amounts for each programme and economic classification is included in the appropriation statement.</p>
7	Revenue
7.1	<p>Appropriated funds</p> <p>Appropriated funds comprise of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).</p> <p>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.</p> <p>The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.</p>



Notes to the Annual Financial Statements

for the year ended 31 March 2023

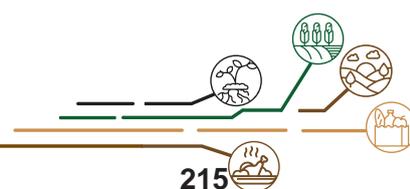
7.2	<p>Departmental revenue</p> <p>Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.</p> <p>Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.</p>
7.3	<p>Accrued departmental revenue</p> <p>Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:</p> <p>it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and</p> <p>the amount of revenue can be measured reliably.</p> <p>The accrued revenue is measured at the fair value of the consideration receivable.</p> <p>Write-offs are made according to the department's debt write-off policy</p>
8	Expenditure
8.1	Compensation of employees
8.1.1	<p>Salaries and wages</p> <p>Salaries and wages are recognised in the statement of financial performance on the date of payment.</p> <p>Employee costs are capitalised to the cost of a capital project when an employee spends more than 50% of his/her time on the project. These payments form part of the expenditure for capital assets in the statement of financial performance.</p>
8.1.2	<p>Social contributions</p> <p>Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.</p> <p>Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.</p>
8.2	<p>Other expenditure</p> <p>Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.</p>
8.3	<p>Financial transactions in assets and liabilities</p> <p>Debts are written off when they are identified as irrecoverable. Debts written off are limited to the amount of savings and/or underspending of appropriated funds, with the exception of debt transferred to the department from the Agricultural Debt Account, after the Agricultural Debt Management Act, 2001 (Act No. 45 of 2001) had been repealed during the 2008/09 financial year.</p> <p>Debt written-off is recorded in the notes to the financial statements.</p> <p>No provision is made for irrecoverable amounts, but an estimate is included in the notes to the financial statements. The estimate in respect of the Agricultural Debt Account debtors is based on the calculation of impairments on financial instruments in accordance with Generally Accepted Accounting Practice (GAAP).</p> <p>All other losses are recognised once authorisation has been granted for the recognition thereof.</p>
8.4	<p>Accruals and payables not recognised</p> <p>Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.</p>



Notes to the Annual Financial Statements

for the year ended 31 March 2023

8.5	Leases
8.5.1	<p>Operating leases</p> <p>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.</p> <p>The operating lease commitments are recorded in the notes to the financial statements.</p>
8.5.2	<p>Finance leases</p> <p>Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment.</p> <p>The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.</p> <p>Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of: cost, being the fair value of the asset; or the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.</p>
9	Aid Assistance
9.1	<p>Aid assistance received</p> <p>Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value.</p> <p>Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.</p>
9.2	<p>Aid assistance paid</p> <p>Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.</p>
10	<p>Cash and cash equivalents</p> <p>Cash and cash equivalents are stated at cost in the statement of financial position.</p> <p>Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.</p> <p>For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.</p>
11	<p>Prepayments and advances</p> <p>Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.</p> <p>Prepayments and advances are initially and subsequently measured at cost.</p> <p>Advances (payments to government entities) are recognised in the statement of financial performance if the advance is material and was budgeted for as an expense in the year in which the actual advance was made.</p>
12	<p>Loans and receivables</p> <p>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.</p>
13	<p>Investments</p> <p>Investments are recognised in the statement of financial position at cost.</p>



Notes to the Annual Financial Statements

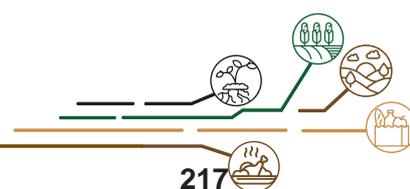
for the year ended 31 March 2023

14	Financial assets
14.1	<p>Financial assets (not covered elsewhere)</p> <p>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.</p> <p>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.</p>
14.2	<p>Impairment of financial assets</p> <p>Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements. Impairment will be based on the type of debt according to the applicable policy.</p>
15	<p>Payables</p> <p>Payables recognised in the statement of financial position are recognised at cost.</p>
16	Capital Assets
16.1	<p>Immovable capital assets</p> <p>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.</p> <p>Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the movable asset is recorded by another department/entity in which case the completed project costs are transferred to that department.</p> <p>Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.</p>
16.2	<p>Movable capital assets</p> <p>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.</p> <p>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.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Biological assets are subsequently carried at fair value.</p> <p>Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the movable asset is recorded by another department/entity in which case the completed project costs are transferred to that department.</p>
16.3	<p>Intangible assets</p> <p>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.</p> <p>Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.</p> <p>Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.</p>

Notes to the Annual Financial Statements

for the year ended 31 March 2023

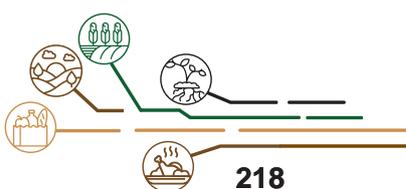
16.4	<p>Project Costs: Work-in-progress</p> <p>Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid.</p> <p>Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use, the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register.</p> <p>Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.</p>
17	<p>Provisions and Contingents</p>
17.1	<p>Provisions</p> <p>Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.</p>
17.2	<p>Contingent liabilities</p> <p>Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.</p>
17.3	<p>Contingent assets</p> <p>Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.</p>
17.4	<p>Capital commitments</p> <p>Capital commitments are recorded at cost in the notes to the financial statements.</p>
18	<p>Unauthorised expenditure</p> <p>Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:</p> <ul style="list-style-type: none"> approved by Parliament or the Provincial Legislature with funding and the related funds are received; or approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or transferred to receivables for recovery. <p>Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.</p>
19	<p>Fruitless and wasteful expenditure</p> <p>Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.</p> <p>Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables or written off.</p> <p>Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>



Notes to the Annual Financial Statements

for the year ended 31 March 2023

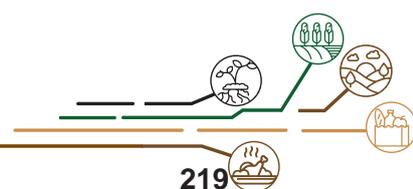
20	<p>Irregular expenditure</p> <p>Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note.</p> <p>Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery, not condoned and removed or written-off.</p> <p>Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>
21	<p>Changes in accounting estimates and errors</p> <p>Changes in accounting estimates are applied prospectively in accordance with MCS requirements.</p> <p>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.</p>
22	<p>Events after the reporting date</p> <p>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.</p>
23	<p>Principal-Agent arrangements</p> <p>Where the department is party to a principal-agent arrangement all related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Additional disclosures have been provided in the notes to the financial statements where appropriate.</p>
24	<p>Departures from the MCS requirements</p> <p>The department did not depart from MCS requirements</p>
25	<p>Capitalisation reserve</p> <p>The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National Revenue Fund when the underlying asset is disposed and the related funds are received.</p>
26	<p>Recoverable revenue</p> <p>Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.</p>
27	<p>Related party transactions</p> <p>Related party transactions within the Minister portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.</p> <p>Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department. Key management personnel include all executive management on level 14 and above. The number of individuals and the full compensation of key management personnel is recorded in the notes to the financial statements.</p>



Notes to the Annual Financial Statements

for the year ended 31 March 2023

28	<p>Inventories</p> <p>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.</p> <p>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.</p> <p>The cost of inventories is assigned by using the weighted average cost basis.</p>
29	<p>Public-Private Partnerships</p> <p>Public Private Partnerships are accounted for based on the nature and or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies.</p> <p>A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the department are recorded in the notes to the financial statements.</p>
30	<p>Employee benefits</p> <p>The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.</p>



Notes to the Annual Financial Statements

for the year ended 31 March 2023

1. Annual Appropriation

1.1 Annual Appropriation

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

Programmes	2022/23			2021/22		
	Final Budget R'000	Actual Funds Received R'000	Funds not requested / not received R'000	Final Budget R'000	Appropriation Received R'000	Funds not re-requested / not received R'000
Administration	3 358 572	3 358 572	-	3 303 858	3 303 858	-
Agricultural Production, Health, Food Safety, Natural Resources and Disaster Management	3 143 110	3 143 110	-	2 507 679	2 507 679	-
Food Security, Land Reform and Restitution	8 930 817	8 930 817	-	9 483 432	9 483 432	-
Rural Development	613 625	613 625	-	993 285	993 285	-
Economic Development, Trade and Marketing	839 263	839 263	-	994 394	994 394	-
Land Administration	648 256	648 256	-	740 612	740 612	-
Total	17 533 643	17 533 643	-	18 023 260	18 023 260	-

2. Departmental revenue

	Note	2022/23 R'000	2021/22 R'000
Tax revenue		-	-
Sales of goods and services other than capital assets	2.1	300 001	277 520
Fines, penalties and forfeits	2.2	-	-
Interest, dividends and rent on land	2.3	43 251	18 854
Sales of capital assets	2.4	1 175	-
Transactions in financial assets and liabilities	2.5	19 559	14 634
Transfer received	2.6	145	944
Total revenue collected		364 131	311 952
Departmental revenue collected		364 131	311 952

Notes to the Annual Financial Statements

for the year ended 31 March 2023

2.1 Sales of goods and services other than capital assets

	2022/23	2021/22
Note	R'000	R'000
Sales of goods and services produced by the department	299 999	277 520
Sales by market establishment	1 368	1 401
Administrative fees	291 851	268 224
Other sales	6 780	7 895
Sales of scrap, waste and other used current goods	2	-
Total	300 001	277 520

2.2 Fines, penalties and forfeits

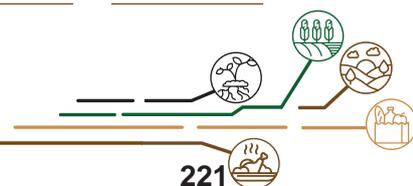
	2022/23	2021/22
Note	R'000	R'000
Fines	-	-
Penalties	-	-
Forfeits	-	-
Total	-	-

2.3 Interest, dividends and rent on land

	2022/23	2021/22
Note	R'000	R'000
Interest	39 529	15 961
Dividends	-	-
Rent on land	3 722	2 893
Total	43 251	18 854

2.4 Sales of capital assets

	2022/23	2021/22
Note	R'000	R'000
Tangible capital assets	1 175	-
Land and subsoil assets	1 175	-
Total	1 175	-



Notes to the Annual Financial Statements

for the year ended 31 March 2023

2.5 Transactions in financial assets and liabilities

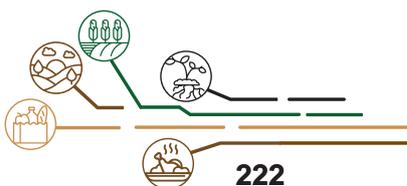
	<i>Note</i>	2022/23 R'000	2021/22 R'000
Loans and advances		-	-
Receivables		16 745	12 830
Forex gain		-	-
Other receipts including Recoverable Revenue		2 814	1 804
Gains on GFECRA		-	-
Total	2	19 559	14 634

2.6 Transfers received

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Foreign governments		-	944
Public corporations and private enterprises		145	-
Total	2	145	944

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

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Gifts and donations		14	11
Training		3 423	4 013
Travel and subsistence		2	32
Equipment		-	500
Honorarium		273	-
Department of Human Settlement			577
Total	2	3 712	5 133



Notes to the Annual Financial Statements

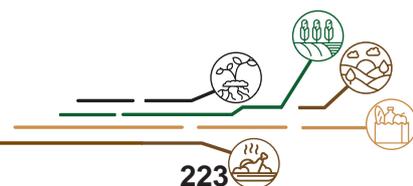
for the year ended 31 March 2023

2.7 Cash received not recognised (*not included in the main note*) – 2022/23

	Amount received	Amount paid to the revenue fund	Balance
Name of entity	R'000	R'000	R'000
Gauteng Provincial Treasury	6 601	6 601	-
Mpumalanga Provincial Treasury	20 875	20 875	-
Limpopo Provincial Treasury	78 569	78 569	-
KwaZulu-Natal Provincial Treasury	680	680	-
Eastern Cape Provincial Treasury	3 601	3 601	-
Western Cape Provincial Treasury	3 272	3 272	-
Free State Provincial Treasury	17 570	17 570	-
Office of the Valuer-General	62 394	62 394	-
North West Provincial Treasury	85 087	85 087	-
Total	278 649	278 649	-

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

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



Notes to the Annual Financial Statements

for the year ended 31 March 2023

3. Aid assistance

	2022/23	2021/22
<i>Note</i>	R'000	R'000
Opening balance	71 942	-
As restated	71 942	-
Transferred from statement of financial performance	125 648	71 942
Paid during the year	(71 942)	-
Closing balance	125 648	71 942

3.1. Analysis of balance by source

	2022/23	2021/22
<i>Note</i>	R'000	R'000
Aid assistance from RDP	111 379	59 743
Aid assistance from other sources	14 269	12 199
Closing balance	125 648	71 942

3.2. Analysis of balance

	2022/23	2021/22
<i>Note</i>	R'000	R'000
Aid assistance unutilised	14 269	12 199
Aid assistance repayable	111 379	59 743
Closing balance	125 648	71 942
Aid assistance not requested/not received	-	60 722

3.3. Prior period error

Nature of prior period error	<i>Note</i>	2021/22 R'000
Relating to 2021/22		5 285
Current		2 808
Capital		2 477
Total prior period errors		5 285

Notes to the Annual Financial Statements

for the year ended 31 March 2023

Donor funding: EDSE-Split current and capital expenditure of R5,285 million.

3.4 Aid assistance expenditure per economic classification

		2022/23	2021/22
	Note	R'000	R'000
Current		2 761	2 808
Capital	9	4 627	2 477
Total aid assistance expenditure		7 388	5 285

4. Compensation of employees

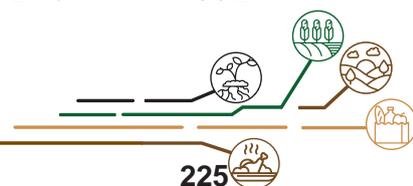
4.1. Salaries and wages

		2022/23	2021/22
	Note	R'000	R'000
Basic salary		2 756 266	2 570 901
Performance award		2 629	25 097
Service based		5 488	6 792
Compensative/circumstantial		141 383	71 083
Periodic payments		22 848	25 440
Other non-pensionable allowances		644 060	640 217
Total		3 572 674	3 339 530

4.2. Social contributions

		2022/23	2021/22
	Note	R'000	R'000
Employer contributions			
Pension		317 391	316 221
Medical		182 325	178 535
Bargaining council		722	725
Insurance		1 466	1 747
Total		501 904	497 228
Total compensation of employees		4 074 578	3 836 758

Average number of employees		12 143	9 012
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Notes to the Annual Financial Statements

for the year ended 31 March 2023

The Directorate: Infrastructure Support has two projects Drilling and FMD of which the COE and Goods and Services expenditure are capitalised.

Compensation of employees – excludes R6,911 million disclosed as project costs (refer to note 9)

Abnormal appointments increased with 4 470 appointments for Assistant Agricultural Practitioners to strengthen the capacity of extension advisory services.

5. Goods and services

	Note	2022/23	2021/22
		R'000	R'000
Administrative fees		100 108	34 209
Advertising		10 998	11 833
Minor assets	5.1	8 390	8 353
Bursaries (employees)		15 053	12 908
Catering		11 325	2 417
Communication		51 470	39 422
Computer services	5.2	146 293	239 312
Consultants: Business and advisory services		510 384	133 869
Infrastructure and planning services		1 913	1 588
Laboratory services		25 792	434
Legal services		100 461	258 654
Contractors		44 376	56 633
Agency and support / outsourced services		70 791	44 924
Entertainment		3	2
Audit cost – external	5.3	19 210	39 667
Fleet services		52 642	36 693
Inventories	5.4	1 095 511	1 229 786
Consumables	5.5	45 884	42 606
Operating leases		216 151	469 561
Property payments	5.6	526 916	614 199
Rental and hiring		3 027	357
Transport provided as part of the departmental activities		1 739	37
Travel and subsistence	5.7	508 533	315 868

Notes to the Annual Financial Statements

for the year ended 31 March 2023

Venues and facilities		102 128	38 384
Training and development		76 540	65 154
Other operating expenditure	5.8	15 352	11 082
Total		3 760 990	3 707 952

The Directorate: Infrastructure Support has two projects Drilling and FMD of which the COE and Goods and Services expenditure are capitalised.

Good & Services – excludes R14,673 million disclosed as project costs (refer to note 9)

5.1. Minor assets

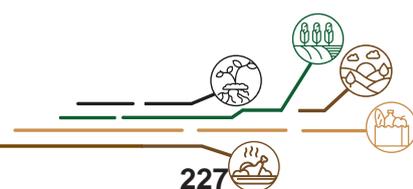
		2022/23	2021/22
	Note	R'000	R'000
Tangible capital assets		8 390	8 353
Machinery and equipment		8 390	8 343
Land and subsoil assets		-	10
Total	5	8 390	8 353

5.2. Computer services

		2022/23	2021/22
	Note	R'000	R'000
SITA computer services		10 775	13 364
External computer service providers		135 518	225 948
Total	5	146 293	239 312

5.3. Audit cost - external

		2022/23	2021/22
	Note	R'000	R'000
Regularity audits		19 210	28 081
Investigations		-	11 586
Total	5	19 210	39 667



Notes to the Annual Financial Statements

for the year ended 31 March 2023

5.4. Inventory

		2022/23	2021/22
	Note	R'000	R'000
Clothing material and accessories		4 684	6 655
Farming supplies		776 861	992 753
Food and food supplies		1 952	2 166
Fuel, oil and gas		18 532	11 844
Materials and supplies		14 699	22 561
Medical supplies		281	1 117
Medicine		213 262	29 527
Other supplies	5.4.1	65 240	163 163
Total	5	1 095 511	1 229 786

5.4.1. Other supplies

		2022/23	2021/22
	Note	R'000	R'000
Ammunition and security supplies		1	-
Assets for distribution		63 432	161 974
Machinery and equipment		57 186	144 384
Other assets for distribution		6 246	17 590
Other		1 807	1 189
Total	5.4	65 240	163 163

5.5. Consumables

		2022/23	2021/22
	Note	R'000	R'000
Consumable supplies		20 924	15 062
Uniform and clothing		5 795	1 538
Household supplies		6 823	4 749
Building material and supplies		2 766	3 211
Communication accessories		4	4
IT consumables		927	916

Notes to the Annual Financial Statements

for the year ended 31 March 2023

Other consumables		4 609	4 644
Stationery, printing and office supplies		24 960	27 544
Total	5	45 884	42 606

5.6. Property payments

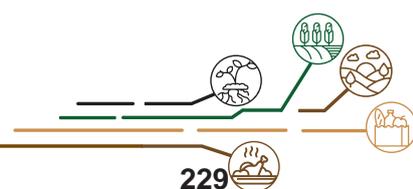
	Note	2022/23	2021/22
		R'000	R'000
Municipal services		80 328	97 020
Property management fees		244 170	339 219
Property maintenance and repairs		14 984	6 829
Other		187 434	171 131
Total	5	526 916	614 199

5.7. Travel and subsistence

	Note	2022/23	2021/22
		R'000	R'000
Local		496 719	314 528
Foreign		11 814	1 340
Total	5	508 533	315 868

5.8. Other operating expenditure

	Note	2022/23	2021/22
		R'000	R'000
Professional bodies, membership and subscription fees		587	420
Resettlement costs		1 982	1 166
Other		12 783	9 496
Total	5	15 352	11 082



Notes to the Annual Financial Statements

for the year ended 31 March 2023

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

	<i>Note</i>	2022/23	2021/22
		R'000	R'000
Name of Commission / Committee of Inquiry	5		
Task Team Biosecurity		489	-
Task Team Animal Production		116	-
Total		605	-

6. Interest and rent on land

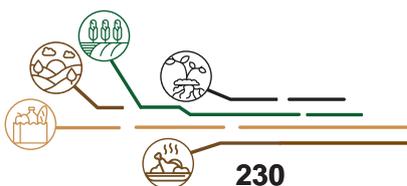
	<i>Note</i>	2022/23	2021/22
		R'000	R'000
Interest paid		31	13
Total		31	13

7. Payments for financial assets

	<i>Note</i>	2022/23	2021/22
		R'000	R'000
Other material losses written off	7.1	4 617	1 165
Debts written off	7.2	3 044	1 068
Total		7 661	2 233

7.1. Other material losses written off

	<i>Note</i>	2022/23	2021/22
Nature of losses		R'000	R'000
Damaged rental vehicles – officials did not forfeit state cover		4 595	1 120
Other		22	45
Total	7	4 617	1 165

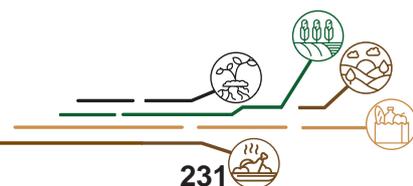


Notes to the Annual Financial Statements

for the year ended 31 March 2023

7.2. Debts written off

Nature of debts written off	Note	2022/23	2021/22
		R'000	R'000
<i>Recoverable revenue written-off</i>		209	177
Bursary debt			
Salary overpayments		235	154
Tax debt		12	2
GADI Students		523	-
Leave without pay		25	13
Losses /damages – employees		30	95
Irregular		1	-
Total		1 035	441
Other debt written off			
Salary overpayments		307	482
Tax debt		107	7
Bursary debt		320	-
Cell phone debt		-	4
Leave without pay		6	112
Losses/damages -employees		20	22
GADI Students		1 248	-
Irregular		1	-
Total		2 009	627
Total debt written off	7	3 044	1 068



Notes to the Annual Financial Statements

for the year ended 31 March 2023

8. Transfers and subsidies

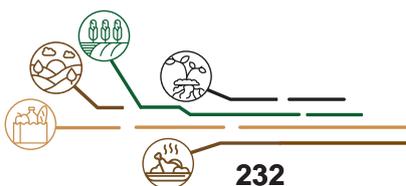
		2022/23	2021/22
	Note	R'000	R'000
Provinces and municipalities	36,37	2 605 930	2 459 893
Departmental agencies and accounts	Annex 1B	1 971 656	2 428 821
Higher education institutions	Annex 1C	-	-
Foreign governments and international organisations	Annex 1E	43 181	36 301
Public corporations and private enterprises	Annex 1D	599 162	564 194
Non-profit institutions	Annex 1F	4 263	4 140
Households	Annex 1G	2 088 525	1 970 818
Total		7 312 717	7 464 167

9. Expenditure for capital assets

		2022/23	2021/22
	Note	R'000	R'000
Tangible capital assets		1 949 449	1 748 807
Buildings and other fixed structures	33	493 025	1 048 211
Machinery and equipment	31	153 616	84 096
Land and subsoil assets	33	1 302 808	616 500
Intangible capital assets		4 961	2 477
Software	32	4 961	2 477
Total		1 954 410	1 751 284

The following amounts have been included as project costs in Expenditure for capital assets

Compensation of employees	6 911	9 081
Goods and services	14 673	11 749
Total	21 584	20 830



Notes to the Annual Financial Statements

for the year ended 31 March 2023

9.1. Analysis of funds utilised to acquire capital assets – 2022/23

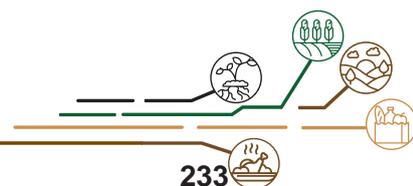
Name of entity			2022/23
	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible capital assets	1 949 449	-	1 949 449
Buildings and other fixed structures	493 025		493 025
Machinery and equipment	153 616		153 616
Land and subsoil assets	1 302 808		1 302 808
Intangible capital assets	334	4 627	4 961
Software	334	4 627	4 961
Total	1 949 783	4 627	1 954 410

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

Name of entity			2021/22
	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible capital assets	1 748 807	-	1 748 807
Buildings and other fixed structures	1 048 211	-	1 048 211
Machinery and equipment	84 096	-	84 096
Land and subsoil assets	616 500	-	616 500
Intangible capital assets	-	2 477	2 477
Software	-	2 477	2 477
Total	1 748 807	2 477	1 751 284

9.3. Finance lease expenditure included in Expenditure for capital assets

	2022/23	2021/22	
	Note	R'000	R'000
Tangible capital assets			
Machinery and equipment		29 138	35 733
Total		29 138	35 733



Notes to the Annual Financial Statements

for the year ended 31 March 2023

10. Cash and cash equivalents

	2022/23	2021/22
Note	R'000	R'000
Consolidated Paymaster General Account	1 226 267	1 454 912
Cash on hand	470	433
Total	1 226 737	1 455 345

Donor funding of R125,647 million, Agency Service funds of R80,398 million and Restitution grants of R522,082 million.

11. Prepayments and advances

	2022/23	2021/22
Note	R'000	R'000
Travel and subsistence	2 734	2 691
Advances paid (Not expensed)	3 726	2 973
Total	6 460	5 664
Analysis of Total Prepayments and advances		
Current Prepayments and advances	6 090	5664
Non current Prepayments and advances	370	-
Total	6 460	5 664

11.1. Advances paid (Not expensed)

		Balance as at 1 April 2022	Less: Amounts expensed in current year	Add / Less: Other	Add Cur- rent year advances	2022/23 Balance as at 31 March 2023
Note	R'000	R'000	R'000	R'000	R'000	R'000
National departments		2 973	(14 667)	38	15 382	3 726
Total	11	2 973	(14 667)	38	15 382	3 726

Notes to the Annual Financial Statements

for the year ended 31 March 2023

Advances paid to the Department of Government Communication and Information Systems (GCIS) for purposes of various media campaigns that GCIS runs on behalf of the department.

The funds are advanced based on the pro-forma invoice that the GCIS sends to the Department. Once the campaign has run, the final invoice is then sent to the department to correctly account for it against expenditure items and at the same time reduce the balance of the advance.

Advance paid to the Department of International Relations and Cooperation (DIRCO) for mission expenditure.

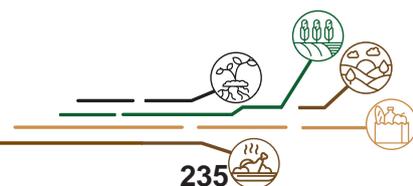
		Balance as at 1 April 2021	Less: Amounts expensed in current year	Add / Less: Other	Add Cur- rent year advances	2021/22 Balance as at 31 March 2022
	Note	R'000	R'000	R'000	R'000	R'000
National depart- ments		4 752	(3 559)	-	1 780	2 973
Total	11	4 752	(3 559)	-	1 780	2 973

Advances paid to the Department of Government Communication and Information Systems (GCIS) for purposes of various media campaigns that GCIS runs on behalf of the department.

The funds are advanced based on the pro-forma invoice that the GCIS sends to the department. Once the campaign has run, the final invoice is then sent to the department in order for the department to correctly account for it against expenditure items and at the same time reduce the balance of the advance.

11.2. Prepayments (Not expensed)

		Balance as at 1 April 2022	Less: Amounts expensed in current year	Add / Less: Other	Add Cur- rent year prepay- ments	2022/23 Balance as at 31 March 2023
	Note	R'000	R'000	R'000	R'000	R'000
Interest and rent on land		-	(16 179)	-	16 179	-
Total	11	-	(16 179)	-	16 179	-



Notes to the Annual Financial Statements

for the year ended 31 March 2023

The department contracted the service of an external firm of attorneys for purposes of providing legal services to Land Reform beneficiaries under the Land Rights Management Facility (LRMF). The funds are advanced in line with the MOU that was entered into between the department and the service provider. The funds are expensed as and when the services are provided. The service provider provides the department with a progress report of what has been done and the cost thereof together with the invoices already paid from the advance. These invoices are then captured onto the department's general ledger to correctly reflect expenditure incurred in the department.

		Balance as at 1 April 2021	Less: Amounts expensed in current year	Add / Less: Other	Add Cur- rent year prepay- ments	2021/22 Balance as at 31 March 2022
	Note	R'000	R'000	R'000	R'000	R'000
Goods and services		56 176	(155 864)	-	99 688	-
Total	11	56 176	(155 864)	-	99 688	-

The department contracted the services of an external firm of attorneys for purposes of providing legal services to Land Reform beneficiaries under the Land Rights Management Facility (LRMF). The funds are advanced in line with the MOU that was entered into between the department and the service provider. The funds are expensed as and when the services are provided. The service provider provides the department with a progress report of what has been done and the cost thereof together with the invoices already paid from the advances. These invoices are then captured onto the department's general ledger to correctly reflect expenditure incurred in the department.

11.3. Prepayments (Expensed)

	Balance as at 1 April 2022	Less: Received in the cur- rent year	Add / Less: Other	Add Cur- rent year prepay- ments	2022/23 Amount as at 31 March 2023
	R'000	R'000	R'000	R'000	R'000
Goods and services	507 065	(317 539)	-	262 957	452 483
Capital assets	-	-	-	30 439	30 439
Total	507 065	(317 539)	-	293 396	482 922

	Balance as at 1 April 2021	Less: Received in the cur- rent year	Add / Less: Other	Add Cur- rent year prepay- ments	2021/22 Amount as at 31 March 2022
	R'000	R'000	R'000	R'000	R'000
Goods and services	240 964	(101 098)	(234 505)	601 704	507 065
Total	240 964	(101 098)	(234 505)	601 704	507 065

Notes to the Annual Financial Statements

for the year ended 31 March 2023

These funds were advanced in line with the Presidential Employment Stimulus Initiative (PESI) that was introduced to provide relief to distressed farmers affected by the Covid-19 pandemic. The assistance is provided through the issue of e-vouchers to the farmers.

The department did not have the resources to administer the e-voucher function, thus the services of an external service provider (Vodacom) were sought to administer the vouchers. Funds are dispersed to Vodacom in line with the departmental approval process. Vodacom will in return disperse the vouchers to the approved farmers through the Connected Farmer e-voucher solution.

A total amount of R335, 603 million was redeemed as PESI vouchers that had been issued and the VODACOM indicated as such.

Of the R335, 603 million, R101, 098 million was confirmed as having been received by the beneficiaries.

The R234, 505 million will be assessed in terms of the National Treasury 2022 PFMA Compliance and Reporting Framework and for confirmation of delivery.

In this regard, it will be included in the Fruitless expenditure as Fruitless expenditure under assessment and disclosed in the Annual Report.

11.4. Advances paid (Expensed)

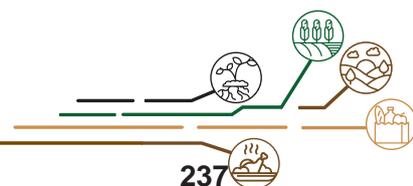
	Balance as at 1 April 2022	Less: Received in the cur- rent year	Add / Less: Other	Add Cur- rent year advances	2022/23 Amount as at 31 March 2023
	R'000	R'000	R'000	R'000	R'000
National departments	33 720	-	(493)	-	33 227
Public entities	1 242 920	-	(154 969)	1 061 673	2 149 624
Other entities	302 747	-	(96 357)	28 603	234 993
Total	1 579 387	-	(251 819)	1 090 276	2 417 844

National Departments: Justice and Statistics South Africa.

Public Entities: The Land Bank and Agricultural Research Council.

Other institutions: Fruit SA, Human Research Council, National Research Foundation and SA Farmers Development Association.

The funds are dispensed to these entities in line with the MOU's that the department has concluded with these entities.



Notes to the Annual Financial Statements

for the year ended 31 March 2023

	Balance as at 1 April 2021	Less: Received in the cur- rent year	Add / Less: Other	Add Cur- rent year advances	2021/22 Amount as at 31 March 2022
	R'000	R'000	R'000	R'000	R'000
National departments	4 296	(1 196)	(2 380)	33 000	33 720
Public entities	1 186 445	-	(509 343)	565 818	1 242 920
Other entities	69 107	-	(42 376)	276 016	302 747
Total	1 259 848	(1 196)	(554 099)	874 834	1 579 387

National departments: Government Communication and Information System, Justice and Statistics South Africa.

Public Entities: The Land Bank and Agricultural Research Council

Other institutions: Fruit SA, Human Research Council, National Research Foundation and SA Farmers Development Association.

The funds are disbursed to these entities in line with the MOU's that the department has concluded with these entities.

12. Receivables

		2022/23			2021/22		
	Note	Current R'000	Non-cur- rent R'000	Total R'000	Current R'000	Non-cur- rent R'000	Total R'000
Claims recoverable	12.1	1 277	1 645	2 922	2 881	123	3 004
Recoverable expenditure	12.2	4 062	8 196	12 258	7 326	7 703	15 029
Staff debt	12.3	753	17 003	17 756	17 537	3 043	20 580
Other receivables	12.4	9	505	514	-	505	505
Total		6 101	27 349	33 450	27 744	11 374	39 118

Notes to the Annual Financial Statements

for the year ended 31 March 2023

12.1. Claims recoverable

		2022/23	2021/22
	Note	R'000	R'000
National departments		2 843	3 004
Public entities		79	-
Total	12	2 922	3 004

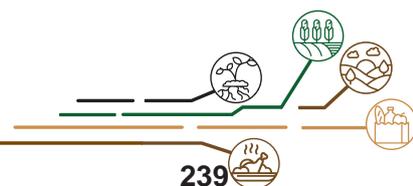
12.2. Recoverable expenditure

		2022/23	2021/22
	Note	R'000	R'000
Damage vehicles		5 806	7 878
Disallowance damage and losses		-	35
Salary: Reversal control		2 503	1 652
Salary: Tax debt		145	49
Other		138	-
Salary: Deduction disallowance		74	101
Agency: Services: NSF		-	1 109
Salary: Medical Aid		36	1
Pension Recoverable Account		51	51
Salary: GEHS refund control		3 505	4 153
Total	12	12 258	15 029

Other:

Sal: Pension fund: R3

Sal: ACB Recalls: R135



Notes to the Annual Financial Statements

for the year ended 31 March 2023

12.3. Staff debt

	Note	2022/23 R'000	2021/22 R'000
Bursary debt		7 367	6 848
Student debt – GADI		4 279	6 193
Leave without pay		1 295	1 167
Salary debt		1 983	2 970
GG Accident		336	336
Losses/Damages – Employees and Non Employees		300	839
Tax debt		95	155
Suppliers		1 518	337
Other staff debt		583	1 735
Total	12	17 756	20 580

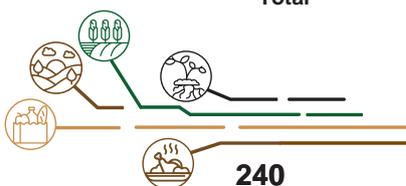
Other staff debt: 2022/23	2021/22
<i>Subsidised motor scheme – R22 000</i>	<i>R37 000</i>
<i>Cell phone debt – R76 000</i>	<i>R71 000</i>
<i>State Guarantee – R13 000</i>	<i>R12 000</i>
<i>Travel and Subsistence – R43 000</i>	<i>R41 000</i>
<i>Fruitless and wasteful – R0</i>	<i>R1 574 000</i>
<i>Loss and liable – R429 000</i>	<i>R0</i>
Total R583 000	R1 735 000

12.4. Other receivables

	Note	2022/23 R'000	2021/22 R'000
Transport payment suspense		514	505
Total	12	514	505

12.5. Impairment of receivables

	Note	2022/23 R'000	2021/22 R'000
Estimate of impairment of receivables		15 919	20 676
Total		15 919	20 676



Notes to the Annual Financial Statements

for the year ended 31 March 2023

13. Investments

		2022/23	2021/22
	Note	R'000	R'000
Non-current			
Shares and other equity			
Onderstepoort Biological Products Ltd		1	1
Total		<u>1</u>	<u>1</u>
Total non-current		<u>1</u>	<u>1</u>

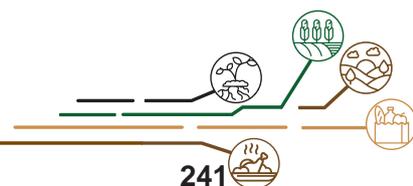
		2022/23	2021/22
	Note	R'000	R'000
Analysis of non-current investments			
Opening balance		<u>1</u>	<u>1</u>
Closing balance		<u>1</u>	<u>1</u>

14. Voted funds to be surrendered to the Revenue Fund

		2022/23	2021/22
	Note	R'000	R'000
Opening balance		1 234 267	1 124 808
Prior period error	14.1		
As restated		<u>1 234 267</u>	<u>1 124 808</u>
Transferred from statement of financial performance (as restated)		427 883	1 263 330
Paid during the year		<u>(1 062 973)</u>	<u>(1 153 871)</u>
Closing balance		<u>599 177</u>	<u>1 234 267</u>

14.1. Prior period error

		2021/22
	Note	R'000
Nature of prior period error		
Relating to 2021/22		
Transfers and subsidies not recognised		<u>171 294</u>
Total prior period errors		<u>171 294</u>



Notes to the Annual Financial Statements

for the year ended 31 March 2023

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

		2022/23	2021/22
	Note	R'000	R'000
Opening balance		11 676	21 652
As restated	15.1	11 676	21 652
Transferred from statement of financial performance (as restated)		364 131	311 952
Paid during the year		(356 665)	(321 928)
Closing balance		19 142	11 676

16. Payables - current

		2022/23	2021/22
	Note	R'000	R'000
Amounts owing to other entities			
Advances received	16.1	-	58
Clearing accounts	16.2	11 508	10 105
Other payables	16.3	499 911	159 559
Total		511 419	169 722

16.1. Advances received

		2022/23	2021/22
	Note	R'000	R'000
Other institutions	Annex 8B	-	58
Total	16	-	58

16.2. Clearing accounts

		2022/23	2021/22
Description	Note	R'000	R'000
Salary: Income tax		4 791	3 385
Salary: Pension fund		371	21
Salary: ACB recalls		753	742
Telephone control account		-	260
Salary: Reversal control account		861	627
Salary: GEHS refund control		4 709	5 008
Salary: Bargaining Control		-	3
Telephone Erroneous Interface acc		17	-

Notes to the Annual Financial Statements

for the year ended 31 March 2023

Sal Deduction Disallowance		1	59
Sal: Tax debt		5	-
Total	16	11 508	10 105

16.3. Other payables

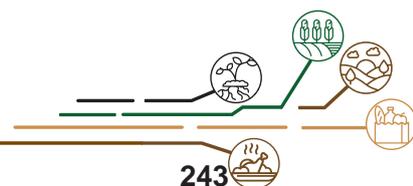
Description	Note	2022/23	2021/22
		R'000	R'000
Disallowance damages and losses		2	41
Restitution unclaimed vouchers		67 978	73 292
Restitution Bank Account		350 788	86 175
Transport payment suspense		52	51
Agency Services-NSF		81 091	-
Total	16	499 911	159 559

17. Payables - non-current

	Note	2022/23			2021/22	
		One to two years	Two to three years	More than three years	Total	Total
		R'000	R'000	R'000	R'000	R'000
Other payables	17.1			1	1	1
Total				1	1	1

17.1. Other payables

Description	Note	2022/23	2021/22
		R'000	R'000
Onderstepoort Biological Products Ltd		1	1
Total	17	1	1



Notes to the Annual Financial Statements

for the year ended 31 March 2023

18. Net cash flow available from operating activities

	2022/23	2021/22
<i>Note</i>	R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance	917 662	1 647 224
Add back non-cash/cash movements not deemed operating activities	824 199	388 564
(Increase)/decrease in receivables	21 643	10 806
(Increase)/decrease in prepayments and advances	(796)	56 898
Increase/(decrease) in payables - current	341 697	47 852
Proceeds from sale of capital assets	(1 175)	-
Expenditure on capital assets	1 954 410	1 748 807
Surrenders to Revenue Fund	(1 419 638)	(1 475 799)
Surrenders to RDP Fund/Donor	(71 942)	-
Other non-cash items	-	-
Net cash flow generating	1 741 861	2 035 788

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

	2022/23	2021/22
<i>Note</i>	R'000	R'000
Consolidated Paymaster General account	1 226 267	1 454 912
Cash on hand	470	433
Total	1 226 737	1 455 345

20. Contingent liabilities and contingent assets

20.1. Contingent liabilities

			2022/23	2021/22
Liable to	Nature	<i>Note</i>	R'000	R'000
Claims against the department		<i>Annex 3B</i>	1 585 963	2 261 381
Other		<i>Annex 3B</i>	504 147	490 231
Total			2 090 110	2 751 612

Notes to the Annual Financial Statements

for the year ended 31 March 2023

Interest and legal cost that may arise from claims against the state are not disclosed as contingent liability as the occurrence obligation depends on the handing down of an order by a court that the department is liable for payment of interest and legal costs, and it is only in instances where the department is not appealing or reviewing the order.

There are some claims brought against the department that are not sounding in money and which are therefore not quantifiable due to the nature of the claims not sounding in money.

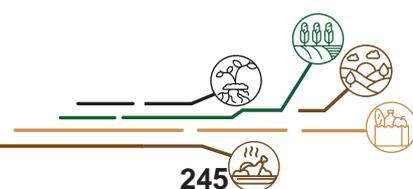
The cases reported under contingent liabilities in Annexure 3B represent legal cases instituted against the Department of Agriculture, Land Reform and Rural Development which are in various stages of investigation/legal actions. Also included are Occupation Specific Dispensation (OSD's) claims, that are unpaid and are subject to approval.

The outstanding Restitution claims' values cannot be disclosed at this stage, as the claims are still subject to the business processes of the Commission i.e. research, gazetting, options workshops, valuations, etc and possible dismissals.

20.2. Contingent assets

Nature of contingent asset	Note	2022/23 R'000	2021/22 R'000
Asset seized during forfeiture order by the Assets Forfeited Unit (AFU)		13 010	13 010
Legal claims by the Department		29 167	29 167
Total		42 177	42 177

Legal: The cases reported under contingent assets represent legal cases instituted by the Department of Agriculture, Land Reform and Rural Development/AFU which are in various stages of legal actions.



Notes to the Annual Financial Statements

for the year ended 31 March 2023

21. Capital commitments

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Buildings and other fixed structures		1 230 538	1 270 884
Machinery and equipment		17 690	33 321
Total		1 248 228	1 304 206

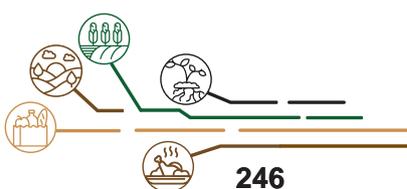
These commitments include Restitution land claims, Rural Development projects and computer equipment and furniture.

22. Accruals and payables not recognised

22.1. Accruals

	<i>Note</i>	2022/23			2021/22
		30 Days R'000	30+ Days R'000	Total R'000	Total R'000
Listed by economic classification					
Goods and services		68 738	72 892	141 630	189 601
Interest and rent on land		-	-	-	13
Transfers and subsidies		108 973	4 234	113 207	49 618
Capital assets		30 794	1 380	32 174	9 037
Other		109	21	130	13 076
Total		208 614	78 527	287 141	261 345

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Listed by programme level			
Programme 1 Administration		110 659	109 154
Programme 2 Agricultural Production, Biosecurity and Resources Management		7 364	45 337
Programme 3 Food Security, Land Reform and Restitution		140 376	67 159
Programme 4 Rural Development		3 642	5 920
Programme 5 Economic Development, Trade and Marketing		18 802	32 446
Programme 6 Land Administration		6 298	1 329
Total		287 141	261 345



Notes to the Annual Financial Statements

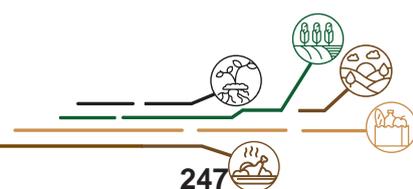
for the year ended 31 March 2023

22.2. Payables not recognised

Listed by economic classification	Note	2022/23			2021/22
		30 Days R'000	30+ Days R'000	Total R'000	Total R'000
Goods and services		33 461	22	33 483	31 786
Transfers and subsidies		29 194	3 072	32 266	201 465
Capital assets		2 492	-	2 492	11 485
Other		42	-	42	2 395
Total		65 189	3 094	68 283	247 131

Listed by programme level	Note	2022/23	2021/22
		R'000	R'000
Programme 1 Administration		13 352	3 438
Programme 2 Agricultural Production, Biosecurity and Resources Management		1 743	8 582
Programme 3 Food Security, Land Reform and Restitution		24 444	199 737
Programme 4 Rural Development		8 698	6 083
Programme 5 Economic Development, Trade and Marketing		11 252	28 737
Programme 6 Land Administration		8 794	554
Total		68 283	247 131

Included in the above totals are the following:	Note	2022/23	2021/22
		R'000	R'000
Confirmed balances with other departments	Annex 5	32 740	6 620
Confirmed balances with other government entities	Annex 5	11 799	26 305
Total		44 539	32 925



Notes to the Annual Financial Statements

for the year ended 31 March 2023

23. Employee benefits

	Note	2022/23 R'000	2021/22 R'000
Leave entitlement		210 859	228 343
Service bonus		99 252	98 809
Capped leave		44 689	46 807
Other		4 065	3 190
Total		358 865	377 149

At this stage the department is not able to reliably measure the long term portion of the long service awards.

Leave entitlement balance has been considered and the negative balances of R1,868 million which arose from the following:

At the beginning of the year, officials are allocated 22 or 30 days of vacation leave for the whole year which is pro-rated from month to month. Sometimes officials take leave that is more than the leave accumulated for a particular period which then result in the pro-rated days of that period being exceeded hence the negative balance.

24. Lease commitments

24.1. Operating leases

	2022/23			Total R'000
	Land R'000	Buildings and other fixed structures R'000	Machinery and equip- ment R'000	
Not later than 1 year	1	450 828	19 558	470 387
Later than 1 year and not later than 5 years	3	799 828	9 580	809 411
Later than 5 years	39	5 363	-	5 402
Total lease commitments	43	1 256 019	29 138	1 285 200

Notes to the Annual Financial Statements

for the year ended 31 March 2023

	2021/22			Total
	Land	Buildings and other fixed structures	Machinery and equipment	
	R'000	R'000	R'000	
Not later than 1 year	1	620 790	14 118	634 909
Later than 1 year and not later than 5 years	3	1 318 744	1 428	1 320 175
Later than 5 years	40	7 589	-	7 629
Total lease commitments	44	1 947 123	15 546	1 962 713

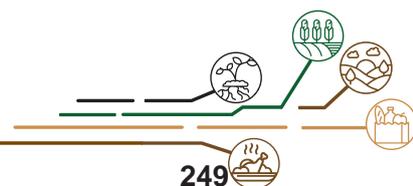
Existing lease agreements: The lease commitments for lease office accommodation/buildings/facilities/land were based on the actual lease tariff and escalation rate per annum, as outlined in the signed lease agreement/cost analyses per building/facility/land.

Lease extended by NDP (month to month basis): The National Department of Public Works and Infrastructure (NDPW) extends the leases on a month-to-month basis to allow monthly rental payments until the finalisation of the lease renewals or acquisition of alternative office space as per Procurement Instruction (PI) and the Department of Agriculture, Land Reform and Rural Development's "Confirmation of period of continued use of leasehold" schedule dated Monday, 25 October 2021 (Agriculture Component) as well as the Department of Agriculture, Land Reform and Rural Development's "Lease Renewal Confirmation Schedule" dated Sunday, 27 September 2021 (Rural Development Component). Refer to schedules in this regard.

State-owned accommodation charges: The State-owned accommodation charges over the MTEF period are included in the above figure. Refer to schedules in this regard.

GG Vehicles: The lease has expired yet the department still uses the vehicles. The process of renewing the lease has not begun.

The lease thus continues on a month-to-month basis and management has not decided to continue with the lease or not.



Notes to the Annual Financial Statements

for the year ended 31 March 2023

24.2. Finance leases **

	2022/23	
	Machinery and equipment R'000	Total R'000
Not later than 1 year	7 033	7 033
Later than 1 year and not later than 5 years	5 277	5 277
Later than 5 years	-	-
Total lease commitments	12 310	12 310
	2021/22	
	Machinery and equipment R'000	Total R'000
Not later than 1 year	6 376	6 376
Later than 1 year and not later than 5 years	3 595	3 595
Later than 5 years	-	-
Total lease commitments	9 971	9 971

** This note excludes leases relating to public private partnerships as they are separately disclosed in the note on *Public Private Partnerships*.

The finance leases consist of photocopy machines leases.

24.3. Operating lease future revenue

	2022/23	
	Land R'000	Total R'000
Not later than 1 year	9 983	9 983
Later than 1 year and not later than 5 years	54 091	54 091
Later than 5 years	2 237 110	2 237 110
Total operating lease revenue receivable	2 301 184	2 301 184

Notes to the Annual Financial Statements

for the year ended 31 March 2023

	2021/22	
	Land	Total
	R'000	R'000
Not later than 1 year	7 274	7 274
Later than 1 year and not later than 5 years	45 631	45 631
Later than 5 years	2 193 322	2 193 322
Total operating lease revenue receivable	2 246 227	2 246 227

Operating leases revenue: Farm/Agricultural and commercial leases.

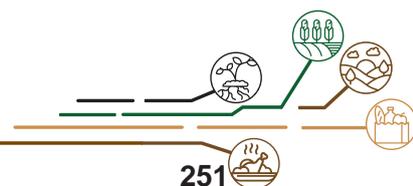
25. Accrued departmental revenue

	2022/23	2021/22
Note	R'000	R'000
Tax revenue		
Sales of goods and services other than capital assets	28 000	34 853
Interest, dividends and rent on land	362 177	272 757
Total	390 177	307 610

25.1. Analysis of accrued departmental revenue

	2022/23	2021/22
Note	R'000	R'000
Opening balance	307 610	180 420
Less: amounts received	208 147	161 031
Add: amounts recognised	294 545	289 518
Less: amounts written off/reversed as irrecoverable	3 832	1 297
Less: amounts transferred to receivables for recovery	-	-
Other (<i>Specify</i>)	1	-
Closing balance	390 177	307 610

Other is rounding off difference



Notes to the Annual Financial Statements

for the year ended 31 March 2023

25.2. Accrued departmental revenue written off

Nature of losses	Note	2022/23	2021/22
		R'000	R'000
Trade debtors		912	11
Lease debtors		2 920	1 286
Total		3 832	1 297

25.3. Impairment of accrued departmental revenue

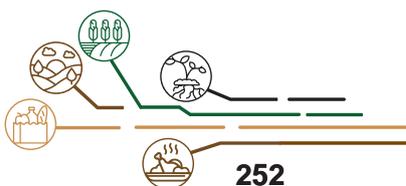
	Note	2022/23	2021/22
		R'000	R'000
Estimate of impairment of accrued departmental revenue		106 440	97 972
Total		106 440	97 972

26. Unauthorised, Irregular and Fruitless and wasteful expenditure

	Note	2022/23	2021/22
		R'000	R'000
Unauthorised expenditure		-	-
Irregular expenditure		15 369	5 519
Fruitless and wasteful expenditure		30 055	33
Total		45 424	5 552

27. Related party transactions

Year end balances arising from revenue/payments	Note	2022/23	2021/22
		R'000	R'000
Receivables from related parties		-	2
Payables to related parties		(208)	-
Total		(208)	2



Notes to the Annual Financial Statements

for the year ended 31 March 2023

		2022/23	2021/22
In-kind goods and services provided/received	Note	R'000	R'000
The department paid for the office space for the Deeds		(84 633)	(64 212)
Deeds Registration Trading account has rendered services		8 920	8 020
The Agricultural Land Holdings Account		(12 457)	(13 604)
GG vehicles paid by the department on behalf of Deeds		(1 941)	(1 950)
Commission on Restitution of Land Rights		(18 294)	(14 847)
The department paid for the office space for the OVG		(411)	(963)
Total		(108 816)	(87 556)

Ministerial portfolio:

Public Entity/Schedule

Agricultural Research Council: 3A

National Agricultural Marketing Council: 3A

Perishable Products Export Control Board: 3A

Onderstepoort Biological Products: 3B

Deeds Registration Trading Entity: 2A

Agricultural Land Holdings Account: Provision of Land Assistant Act 126 of 1993

Office of the Valuer General: 3A

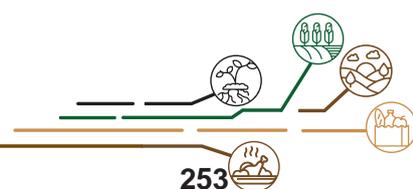
Commission on Restitution of Land Rights: Restitution Act 22 of 1994 as amended, read together with section 1 of the PFMA.

Ingonyama Trust Board: 3A

Note: All departments and public entities in the National sphere of government are related parties.

28. Key management personnel

	2022/23	2021/22
	R'000	R'000
Political office bearers	6 707	6 377
Officials:		
Level 15 to 16	29 202	32 301
Level 14	109 473	99 895
Family members of key management personnel	6 163	6 062
Total	151 545	144 635



Notes to the Annual Financial Statements

for the year ended 31 March 2023

29. Public private partnership

	Note	2022/23 R'000	2021/22 R'000
Unitary fee paid		47 038	-
Fixed component		47 038	-
Indexed component		-	-
Other Costs		2 864	-
Capital / (Liabilities)		805 017	787 887
Property		805 017	787 887
Other		23 320 193	-
Prepayments and advances		33 152	-
Other obligations		23 287 041	-

Other: Other obligations

Lease Commitments: Public Private Partnership (PPP)

Operating Leases

2022/23	Unitary fee commitments	
	PPP: Buildings and other fixed structures	Total
Not later than 1 year	348 931 167,86	348 931 167,86
Later than 1 year, but not later than 5 years	1 799 660 158,95	1 799 660 158,95
Later than 5 years	21 138 449 219,53	21 138 449 219,53
Total lease commitments	23 287 040 546,34	23 287 040 546,34

2021/22	Unitary fee commitments	
	PPP: Buildings and other fixed structures	Total
Not later than 1 year	0,00	0,00
Later than 1 year, but not later than 5 years	0,00	0,00
Later than 5 years	0,00	0,00
Total lease commitments	0,00	0,00

Notes to the Annual Financial Statements

for the year ended 31 March 2023

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

Summary of PPP

PPP is between DALRRD and Tshala Bese Uyavuna Consortium

The Status of PPP

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

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

Treasury Approval I: Design Procurement Processes.

Other Costs: Utilities fees paid

Other – Other Obligations – Commitments: Unitary fee.

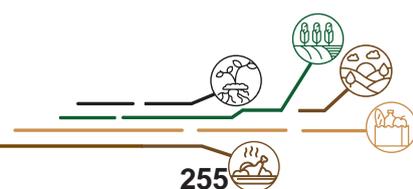
Treasury Approval IIA: Pre-qualification of parties, Issuing of RFP, receive bids, compare bids with feasibility study, select preferred bidder and prepare value for money report.

Treasury Approval IIB: Negotiations with the preferred bidder

Treasury Approval III: Approval to sign the PPP agreement (approval granted by National Treasury in May 2017)

PROPOSED PPP PROJECT PLAN

- a) The PPP building will accommodate all Pretoria based offices including, National Office, Deeds.
- b) The building will have 82 434 square meters, 1 124 parking bays and will accommodate 2 400 staff members
- c) The building will be fully serviced which will include the provision of the following services by Private Party:
 - Printing services
 - Cleaning services
 - Catering service
 - Maintenance service
 - Furniture
- d) Note: The private party will operate the building for a period of 25 years and thereafter the building becomes state property.
- e) City of Tshwane has issued a certificate of occupancy on 15 March 2023.



Notes to the Annual Financial Statements

for the year ended 31 March 2023

30. Provisions

	2022/23	2021/22
Note	R'000	R'000
Razzmatazz	1 704	1 704
Richfield graduate	2	2
Total	1 706	1 706

Contingent liabilities – interest charged on settled cases

30.1. Reconciliation of movement in provisions – 2022/23

	2022/23			
	Provision 1	Provision 2	Provision 3	Total pro- visions
	R'000	R'000	R'000	R'000
Opening balance	1 704	2	-	1 706
Closing balance	1 704	2	-	1 706

Reconciliation of movement in provisions – 2021/22

	2021/22			
	Provision 1	Provision 2	Provision 3	Total pro- visions
	R'000	R'000	R'000	R'000
Opening balance	-	-	-	-
Increase in provision	1 704	2	-	1 706
Closing balance	1 704	2	-	1 706

Razzmatazz

Interest: 160% per annum

Richfields graduate

Interest: 8.75% per annum

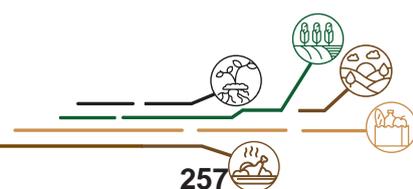
Notes to the Annual Financial Statements

for the year ended 31 March 2023

31. Movable Tangible Capital Assets

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

	2022/23				
	Opening balance	Value adjustments	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
HERITAGE ASSETS	-	-	-	-	-
Heritage assets	-	-	-	-	-
MACHINERY AND EQUIPMENT	1 223 615		125 142	8 658	1 340 099
Transport assets	173 696	-	33 337		207 033
Computer equipment	657 907	-	66 023	7 735	716 195
Furniture and office equipment	141 105	-	19 680	181	160 604
Other machinery and equipment	250 907	-	6 102	742	256 267
SPECIALISED MILITARY ASSETS	-	-	-	-	-
Specialised military assets	-	-	-	-	-
BIOLOGICAL ASSETS	418	-	-	14	404
Biological assets	418	-	-	14	404
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	1 224 033	-	125 142	8 672	1 340 503



Notes to the Annual Financial Statements

for the year ended 31 March 2023

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

	2021/22				
	Opening bal- ance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
HERITAGE ASSETS	-	-	-	-	-
Heritage assets	-	-	-	-	-
MACHINERY AND EQUIPMENT	1 203 507	(7 115)	36 412	9 189	1 223 615
Transport assets	173 294	43	433	74	173 696
Computer equipment	641 925	2 078	22 365	8 461	657 907
Furniture and office equipment	143 727	(7 486)	5 194	330	141 105
Other machinery and equipment	244 561	(1 750)	8 420	324	250 907
SPECIALISED MILITARY ASSETS	-	-	-	-	-
Specialised military assets	-	-	-	-	-
BIOLOGICAL ASSETS	445	-	-	27	418
Biological assets	445	-	-	27	418
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	1 203 952	(7 115)	36 412	9 216	1 224 033

Notes to the Annual Financial Statements

for the year ended 31 March 2023

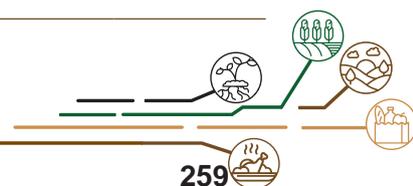
31.1.1. Prior period error

Nature of prior period error	Note	2021/22 R'000
Relating to 2020/21 [affecting the opening balance]		(7 115)
Transport		43
Computer Equipment		2 078
Furniture and other machinery and equipment		(9 236)
Relating to 2021/22		105
Computer Equipment		(2 740)
Furniture and office equipment		(158)
Transport and Other Machinery and equipment library		3 003
Total prior period errors		(7 010)

31.2. Minor assets

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

	2022/23					Total R'000
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	
	R'000	R'000	R'000	R'000	R'000	
Opening balance	-	43	-	164 553	1 207	165 803
Value adjustments	-	-	-	-	63	63
Additions	-	-	-	5 952	2 288	8 240
Disposals	-	-	-	1 466	1 956	3 422
Total Minor assets	-	43	-	169 039	1 602	170 684
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	63 015	-	63 015
Number of minor assets at cost	-	16	-	94 836	790	95 642
Total number of minor assets	-	16	-	157 851	790	158 657



Notes to the Annual Financial Statements

for the year ended 31 March 2023

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

	2021/22					Total R'000
	Special- ised mili- tary assets	Intangible assets	Heritage assets	Machinery and equip- ment	Biological assets	
	R'000	R'000	R'000	R'000	R'000	
Opening balance	-	43	-	166 575	1 218	167 836
Prior period error	-	-	-	(4 472)	-	(4 472)
Additions	-	-	-	3 608	600	4 208
Disposals	-	-	-	1 158	611	1 769
Total Minor assets	-	43	-	164 553	1 207	165 803
	Special- ised mili- tary assets	Intangible assets	Heritage assets	Machinery and equip- ment	Biological assets	Total
Number of R1 minor assets	-	-	-	39 877	-	39 877
Number of minor assets at cost	-	16	-	96 641	777	97 434
Total number of minor assets	-	16	-	136 518	777	137 311

31.2.1. Prior period error

	2021/22 R'000
Nature of prior period error	
Relating to 2020/21 [affecting the opening balance]	(4 472)
Machinery and equipment LOGIS	(4 472)
Total prior period errors	(4 472)

Notes to the Annual Financial Statements

for the year ended 31 March 2023

31.3. Movable tangible capital assets written off

MOVABLE CAPITAL ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2023

	2022/23					Total R'000
	Special- ised mili- tary assets	Intangible assets	Heritage assets	Machinery and equip- ment	Biological assets	
	R'000	R'000	R'000	R'000	R'000	
Assets written off	-	-	-	8 659	14	8 673
Total movable assets written off	-	-	-	8 659	14	8 673

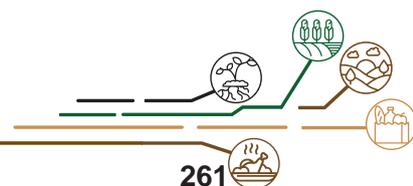
MOVABLE CAPITAL ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2022

	2021/22					Total R'000
	Special- ised mili- tary assets	Intangible assets	Heritage assets	Machinery and equip- ment	Biological assets	
	R'000	R'000	R'000	R'000	R'000	
Assets written off	-	-	-	9 031	27	9 058
Total movable assets written off	-	-	-	9 031	27	9 058

31.4. Movable tangible capital assets: Capital Work-in-progress

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

	Note	2022/23			
		Opening balance 1 April 2022	Current Year WIP	Ready for use (Assets to the AR) / Contracts termina- ted	Closing balance 31 March 2023
		R'000	R'000	R'000	R'000
Machinery and equipment		26 854	-	-	26 854
Total	<i>Annex 7</i>	26 854	-	-	26 854



Notes to the Annual Financial Statements

for the year ended 31 March 2023

The machinery and equipment value are due to the 7 Mercedes Benz veterinary clinics not delivered by Centurion Bus Manufacturing. Matter referred to the State Attorney and parties are arranging to meet for pre-trial conference.

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

		2021/22				
		Opening balance 1 April 2021	Prior period error	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2022
	Note	R'000	R'000	R'000	R'000	R'000
Machinery and equipment		26 854	-	-	-	26 854
Total	<i>Annex 7</i>	26 854	-	-	-	26 854

7 Mercedes Benz Veterinary mobile clinics not delivered for the D: Veterinary Public Health.

32. Intangible Capital Assets

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

		2022/23			
		Opening balance	Additions	Disposals	Closing balance
		R'000	R'000	R'000	R'000
SOFTWARE		76 136	895	-	77 031
TOTAL INTANGIBLE CAPITAL ASSETS		76 136	895	-	77 031

State land allocation (Land Offer System) for Land Redistribution is ready for use in the department

Notes to the Annual Financial Statements

for the year ended 31 March 2023

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

	Opening balance	Prior period error	Additions	Disposals	2021/22 Closing balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	75 639	-	497	-	76 136
TOTAL INTANGIBLE CAPITAL ASSETS	75 639	-	497	-	76 136

32.2. Intangible capital assets: Capital Work-in-progress

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

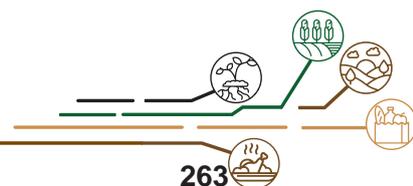
	Note	Opening balance 1 April 2022	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2023
		R'000	R'000	R'000	R'000
Intangible assets	Annex 7	11 876	8 110	561	19 425
Total		11 876	8 110	561	19 425

As per the comprehensive working in progress report for computer systems

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

	Note	Opening balance 1 April 2021	Prior period error	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2022
		R'000	R'000	R'000	R'000	R'000
Intangible assets		8 507		4 310	941	11 876
Total		8 507		4 310	941	11 876

As per comprehensive working in progress report for computer systems



Notes to the Annual Financial Statements

for the year ended 31 March 2023

33. Immovable Tangible Capital Assets

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

	Opening balance	Additions	Disposals	2022/23 Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	946 005	1 280 208	745 110	1 481 103
Dwellings	793	-	-	793
Non-residential buildings	800	854 919	49 902	805 817
Other fixed structures	944 412	425 289	695 208	674 493
HERITAGE ASSETS	-	-	-	-
Heritage assets	-	-	-	-
LAND AND SUBSOIL ASSETS	792 854	45 658	40 705	797 807
Land	792 854	45 658	40 705	797 807
Mineral and similar non-regenerative resources	-	-	-	-
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	1 738 859	1 325 866	785 815	2 278 910

Notes to the Annual Financial Statements

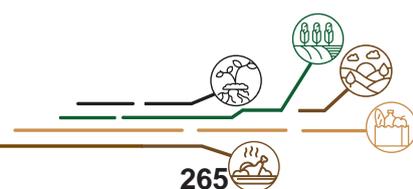
for the year ended 31 March 2023

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

	2021/22				
	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	675 258	280	382 576	112 109	946 005
Dwellings	631	162	-	-	793
Non-residential buildings	800	-	2 755	2 755	800
Other fixed structures	673 827	118	379 821	109 354	944 412
HERITAGE ASSETS	-	-	-	-	-
Heritage assets	-	-	-	-	-
LAND AND SUBSOIL ASSETS	1 042 075	1 233	198 539	448 993	792 854
Land	1 042 075	1 233	198 539	448 993	792 854
Mineral and similar non-regenerative resources	-	-	-	-	-
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	1 717 333	1 513	581 115	561 102	1 738 859

33.1.1. Prior period error

Nature of prior period error	Note	2021/22
		R'000
Relating to 2020/21 [affecting the opening balance]		1 513
Land and Subsoil Assets: Land		1 233
Logistics and Asset Management: Dwellings		162
Rural Development		118
Total prior period errors		1 513



Notes to the Annual Financial Statements

for the year ended 31 March 2023

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

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

	Note <i>Annex 7</i>	2022/23			Closing balance 31 March 2023 R'000
		Opening balance 1 April 2022 R'000	Current Year WIP R'000	Ready for use (Assets to the AR) / Contracts terminated R'000	
Buildings and other fixed structures		2 258 197	302 912	1 090 096	1 471 013
Land and subsoil assets		447 311	1 302 808	966 695	783 424
Total		2 705 508	1 605 720	2 056 791	2 254 437

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

	Note	2021/22				Closing balance 31 March 2022 R'000
		Opening balance 1 April 2021 R'000	Prior period error R'000	Current Year WIP R'000	Ready for use (Assets to the AR) / Contracts terminated R'000	
Buildings and other fixed structures		1 592 906	(402)	873 591	207 898	2 258 197
Land and subsoil assets		14 927	-	432 384	-	447 311
Total		1 607 833	(402)	1 305 975	207 898	2 705 508

Notes to the Annual Financial Statements

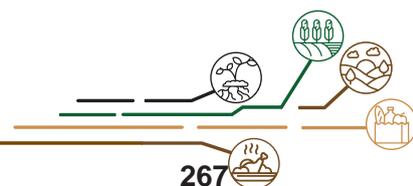
for the year ended 31 March 2023

33.3. Immovable capital assets (additional information)

	<i>Note</i>	2022/23	2021/22
a) Unsurveyed land	Estimated completion date	Area	Area
	Annex 9		
b) Properties deemed vested	Annex 9		
Land parcels		2 673	2 450
Facilities			
Schools			
Clinics			
Hospitals			
Office buildings			
Dwellings			
Storage facilities			
Other			

TERMINATED PROJECTS

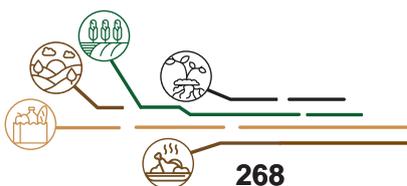
SUPPLIERS NAME	CONTRACT NAME	ASSET	PROJECT VALUE	REASONS FOR TERMINATION OF CONTRACT
MPUMALANGA				
Chrysellda Building Construction	Construction of Tractor Shed in Dundonald Village in Chief Albert Luthuli Local Municipality in Mpumalanga,	Tractor Shed	3 488 509,48	Terminated due to contractor poor performance, non-compliance, and abandoned site.
Chrysellda Building Construction	Construction of Tractor Shed at Huttington in Bushbuckridge in Bushbuckridge Local Municipality, Ehlanzeni District in Mpumalanga.	Tractor Shed	3 739 940,88	Terminated due to contractor poor performance, non-compliance, and abandoned site.



Notes to the Annual Financial Statements

for the year ended 31 March 2023

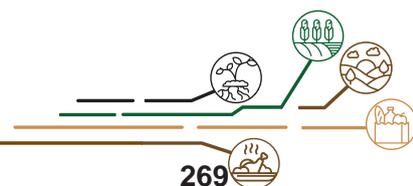
SUPPLIERS NAME	CONTRACT NAME	ASSET	PROJECT VALUE	REASONS FOR TERMINATION OF CONTRACT
NORTH WEST				
Nkomaba Trading & Projects	Construction of Feed-mill At Springbokpan Agri-Hub	Feed-Mill	66 331 976,54	Non-performance, cashflows, etc
Mohudi Engineering	Installation of High Mast Light at Mokgalwaneng Village North West Province	High Mast Light	5 647 326,30	Project put on-hold due to delays from Eskom to install high voltage power. Eskom upgraded the grid system in the area to energise the light. They have not issued an invoice to the department.
LIMPOPO				
Diphatse Consulting	Construction of 12 classroom block for Ndivheni Primary School (PSP)	PSP	7 728 233,96	Terminated due to protests delayed the PSP & has left the site
Mohwibidu Construction	Construction of Internal Street Paving in Muyexe Villege	Street Paving	24 950 378,79	Terminated due to cash flow problems by contractor
Tychofied	PSP Construction of Madzivhandila College access road	Road	9 454 552,07	Terminated due to financial problems
AES Consulting	Project management, design, and construction supervision for the establishment of FPSU located in Tshiombo in Thulamela	PSP	2 999 916,06	The land that was earmarked for the FPSU is under dispute and the dispute has not been resolved. It was then resolved to terminate the contract of the service provider.
MFD 1858	Site assessment, design, and construction monitoring for Tafelkop Irrigation in Elias Motswaledi Local Municipality	PSP	1 997 808,78	The Provincial Department of Agriculture took over the project from DALRRD and they also have the engineers and contractor that they will appoint to complete the work



Notes to the Annual Financial Statements

for the year ended 31 March 2023

SUPPLIERS NAME	CONTRACT NAME	ASSET	PROJECT VALUE	REASONS FOR TERMINATION OF CONTRACT
KWAZULU-NATAL				
Gridon T/A Sinethemba Construction	Drought emergency: Tangeni Feedlot	Dams	14 677 537,68	Project put on hold due to an internal conflict in which the asset forfeiture was involved. The SP was then suspended.
MBB Consulting	Tangeni Feedlot	Feedlot	580 602,00	Project put on hold due to an internal conflict in which the asset forfeiture was involved. The SP was then suspended.
Diges Group	Construction of Tugela Ferry Irrigation Block 6	Irrigation	50 832 608,00	Terminated due to contractor poor performance
Khulabhungane Trading Ent	Construction of Storage Shed for Hopewell in Harry Gwala District (FPSU)	Storage Shed	R4 065 724,95	Terminated due to contractor poor performance
Montano Contracting and Trading	Construction of Kwashinga FPSU	Storage Shed, Tractor Shed	5 394 258,54	Terminated due to contractor poor performance
FREE STATE				
The Bright Future	Construction of Makholokoeng Mechanisation Centre	Mechanisation Centre	4 719 806,80	Poor performance by the contractor. Slow progress, contract period had lapsed, penalties were going to affect the cashflows
Sesbuyile Projects	Construction of Boiketlong Community Hall in Bethlehem	Community Hall	5 686 443,15	Disruption by community members relating to appointment of local labourers
NORTHERN CAPE				
Fem Plan Consortium	Dikgatlong Pniel Bridge	PSP: Bridge	6 986 043,12	Poor performance
GAUTENG				
Sinned Construction	20 Tunnel 1 Borehole Bekkersdal	Tunnels & Boreholes	6 646 177,93	Non-performance due to cashflow
Sinned Construction	Supply and Installation Of 20 Production Tunnels Carmel Estate	Production Tunnels	7 118 210,91	Non-performance due to cashflow



Notes to the Annual Financial Statements

for the year ended 31 March 2023

SUPPLIERS NAME	CONTRACT NAME	ASSET	PROJECT VALUE	REASONS FOR TERMINATION OF CONTRACT
Mlokotwa Construction	Construction Of 800m2 Warehouse in Bekkersdal	Warehouse	7 659 223,67	Non-performance due to cashflow
Tokseo	PSP for Camel Estate FPSU	PSP	9 118 565,97	To be terminated due to contractor poor performance
Sinned Construction	Construction of a concrete water tower for the Mamello low-cost housing development in Vaal Marina, Madvaal Local	Concrete Water Tower	5 332 312,72	The Mamello pressure tower failed the water tightness, practical completion could not be reached as the contractor could not complete the remedial works proposed and a handrailing item which he completely under-priced. When he priced R14 000, the item required R160 000.00.
EASTERN CAPE				
Xesibe	Construction of Ncera Macadamia Phase-2	Irrigation System	49 082 624,08	Xesibe contract terminated due to poor performance and slow progress on site with the contract period lapsing without extension of time. The project was completed by a new contractor in June 2022 and is under defects liability period.
Nebavest	Construction of A High Throughput Cattle and Sheep Abattoir in Butterworth	Cattle and Sheep Abattoir	59 999 999,99	Nebavest contract terminated due to contract period lapsing without extension of time. The project was transferred to Eastern Cape Development Corporation (ECDC) as an implementing agent for completion.
Sizeya Consulting	Design and Monitor Construction of Multi-Purpose Centre in Qutubeni	PSP	2 574 148,50	The project had experienced continuous and lengthy delays in getting past design development due to continuous changes and delays being made by the architect representing the community, who was not appointed by the department but was designated the role for design oversight by the community.
Montseng/ Mapitsi JV	Construction of a river crossing bridge and 10km access road at Gqunu	Bridge Road	72 616 629,06	Montseng / Mapitsi JV contract terminated due to poor performance and slow progress on site with the contract period lapsing without extension of time.

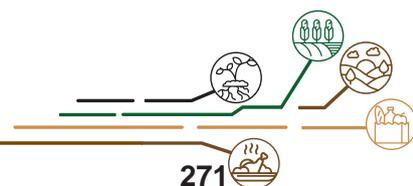
Notes to the Annual Financial Statements

for the year ended 31 March 2023

SUPPLIERS NAME	CONTRACT NAME	ASSET	PROJECT VALUE	REASONS FOR TERMINATION OF CONTRACT
Indyebo Consulting	Zuurberg Heritage Tourism Memorial and Youth Centre	PSP	10 452 747,36	Terminated due to poor performance. The project was transferred to Eastern Cape Development Corporation (ECDC) as an implementing agent for completion.
Razzmatazz	Architectural service for the construction of a Heritage Memorial & Youth Training Centre in Zuurberg	Heritage Memorial	63 487 578,46	Terminated due to PSP Non-Performance and contract expired for Razzmatazz. The project was transferred to Eastern Cape Development Corporation (ECDC) as an Implementing Agent for completion.
Aecom SA (Pty) Ltd	Professional service for construction of a river crossing bridge & 10 km access road	Road & Bridge	6 358 091,54	Furthermore, to the Montseng / Mapitsi JV contract terminated due to poor performance and slow progress on site with the contract period lapsing without extension of time. The project scope will be reduced to minimally provide project objectives as opposed to the proposed costs for completion of the project which has escalated over time and has since proved to be expensive.
BVI Consulting	Civil engineering services for the design and monitoring of 5km road in the Dumalisile	PSP	1 262 407,50	Project cost estimate indications were that it would be too expensive- the project was at planning and design stage
BVI Consulting	Engineering services for the installation of irrigation system at Bumbane Great Place	PSP	714 780,00	Project abandoned following the reprioritisation process. It was at planning and design stage. Project to be considered for implementation in future years.

PROJECT LONGER THAN 5 YEARS

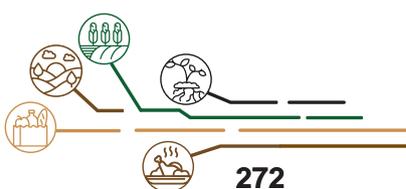
Suppliers Name	Project Name	Status
EASTERN CAPE		
LDM Quantity Surveyors	Construction of a high throughput cattle and sheep abattoir in Butterworth	Contract expired and has therefore been transferred to an implementing agent, Eastern Cape Development Corporation (ECDC) for completion.



Notes to the Annual Financial Statements

for the year ended 31 March 2023

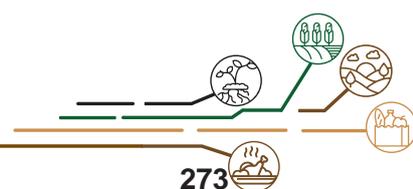
Suppliers Name	Project Name	Status
Element consulting	Design of irrigation system for agricultural land and other infrastructure in Mvezo and Ludondolo	DSW was to assist with reserve determination but ran out funds. Project to be abandoned following the re-prioritisation process. It was at planning and design stage
RAZZMATAZZ	Architectural service for the construction of a Heritage Memorial & Youth Training Centre in Zuurberg	Terminated due to PSP non-performance and contract expired for Razzmatazz. The project was transferred to Eastern Cape Development Corporation (ECDC) as an Implementing Agent for completion.
Indyebo Consulting	Zuurberg Heritage Tourism Memorial and Youth Centre	Terminated due to poor performance. The project was transferred to Eastern Cape Development Corporation (ECDC) as an implementing agent for completion.
ARUP	Architectural service for the construction of a Heritage Memorial & Youth Training Centre in Zuurberg	The project was transferred to Eastern Cape Development Corporation (ECDC) as an implementing agent for completion.
Nebavest	Construction of a high throughput cattle and sheep abattoir in Butterworth	Nebavest contract terminated due to contract period lapsing without extension of time. The project was transferred to Eastern Cape Development Corporation (ECDC) as an implementing agent for completion.
Xesibe	Construction of Ncera Macadamia Phase-2	Xesibe contract terminated due to poor performance and slow progress on site with the contract period lapsing without extension of time. The project was completed by a new contractor in June 2022 and is under defects liability period.
Sizeya Consulting	Design and Monitor Construction of Multi-Purpose Centre in Qutubeni	The project had experienced continuous and lengthy delays in getting past design development due to continuous changes and delays being made by the architect representing the community, who was not appointed by the department but was designated the role for design oversight by the community.
Montseng/Mapitsi Jv	Construction of a river crossing bridge and 10km access road at Gqunu	Montseng / Mapitsi JV contract terminated due to poor performance and slow progress on site with the contract period lapsing without extension of time.
AECOM SA (PTY) LTD	Professional service for construction of a river crossing bridge&10 km access road	Furthermore, to the Montseng / Mapitsi JV contract terminated due to poor performance and slow progress on site with the contract period lapsing without extension of time. The project scope will be reduced to minimally provide project objectives as opposed to the proposed costs for completion of the project which has escalated over time and has since proved to be expensive.
BVI Consulting	Civil engineering services for the designed and monitoring of 5km road in the Dumalisile	Project cost estimate indications were that it would be too expensive- the project was at planning and design stage.



Notes to the Annual Financial Statements

for the year ended 31 March 2023

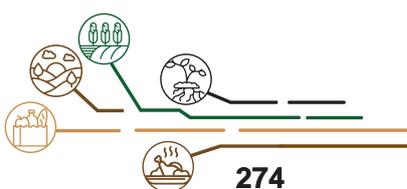
Suppliers Name	Project Name	Status
BVI Consulting	Engineering services for the installation of irrigation system at Bumbane Great Place	Project abandoned following the reprioritisation process. It was at planning and design stage. Project to be considered for implementation in future years.
NORTHERN CAPE		
Fem Plan Consortium	Dikgatlong Pniel Bridge	To be terminated due to non-performance.
GAUTENG		
Sinned Construction	Construction of a concrete water tower for the Mamello low-cost housing development in Vaal Marina, Madvaal Local	The Mamello pressure tower failed the water tightness, practical completion could not be reached as the contractor could not complete the remedial works proposed and a handrailing item which he completely under-priced. When he priced R14 000, the item required R160 000.00.
KWAZULU-NATAL		
Element Consulting	PSP Mooi River	Phase 1 was terminated; it will be re-advertised. Therefore Phase 2 cannot be completed, it depends on Phase 1
Gridon T/A Sinethemba Construction	Drought emergency: Tangeni Feedlot	Project put on hold due to an internal conflict in which the asset forfeiture was involved. The SP was then suspended
MBB Consulting	Tangeni Feedlot	Project put on hold due to an internal conflict in which the asset forfeiture was involved. The SP was then suspended.
FREE STATE		
Ilifa Afrika	PSP for Spring Thaba Phase 1 for Agri Park	Ilifa was appointed for the designs and construction monitoring of Thaba Nchu Agri-hub. Thaba Nchu abattoir which was an already existing site triggered a lot of environmental issues and a lot of consultation had to happen before work was done. Before construction could start the department had to apply for EIA, environmental authorisation and all these applications took 2 years and construction could not start. The project was advertised, and the first advert was canceled and had to be re-advertised eventually the contractor was appointed in 2020 for a period of 18 months. They were granted extension of time for 241 days and further to that the contractor is still not finished therefore the services of Ilifa are still needed and the department cannot close their order until close out stage.
Ilifa Afrika	PSP for Tshiame Phase 1 for Agri Park	Tshiame Agri-hub the PSP has submitted all the designs done for the project however, the project has been put on-hold for further construction.



Notes to the Annual Financial Statements

for the year ended 31 March 2023

Suppliers Name	Project Name	Status
Ilifa Afrika	PSP for Wesselsbron & Parys Phase 1 for Agri Park	Wesselsbron and Parys the PSP has submitted all the designs done for the project however, the project has been put on-hold for further construction.
LIMPOPO		
Tychofied	PSP construction of Madzivhandila College access road	Terminated due to financial problems
Mohwibidu Construction	Construction of internal street paving in Muyexe Village	Terminated due to cash flow problems by contractor
Ranti & Associates	PSP for a construction of internal street paving for Dingamanzi	The contractor underestimated the material and resulted in him under coating. The money he needs to finish the project is too much. As a result, the matter is going to be presented to NBAC.
Diphatse Consulting	Construction of 12 classroom block for Ndivheni Primary School (PSP)	Terminated due to protests delayed the PSP & has left the site
NORTH WEST		
FEMPLAN	Appointment of professional services in consortium multi-disciplinary for the project establishment of technical support unit for the rural infrastructure development directorate North West PSSC of DRDLR to provide project management, planning, feasibility and detailed design and cost estimation for built environment, professional services and advisory services for a period of 2 years	FEMPLAN were appointed for a period of two years and there was an extension of time, however individual tasks orders were issued for FEMPLAN to design and monitor few projects in the NW province. Those projects have not yet been completed.



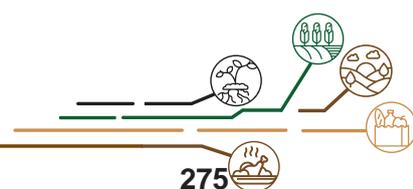
Notes to the Annual Financial Statements

for the year ended 31 March 2023

34. Principal-agent arrangements

34.1. Department acting as the principal

	2022/23	2021/22
Note	R'000	R'000
Nkosi Sabelo Incorp	-	32 325
Heifer project (HPSA)	-	500
The Land & Agricultural Development Bank of SA	1 963	7 029
SAFDA	3 579	6 324
AFRIVET	506	-
Entsika	481	623
Cotton SA	145	-
Other	14 813	6 323
Vodacom	30 991	18 453
Total	52 478	71 577



Notes to the Annual Financial Statements

for the year ended 31 March 2023

1. Potatoes South Africa R262 000,00
2. Peulwana Agricultural Financial Services R640 000,00
3. PSJ Group R439 000,00
4. Normax Holding R4 450 000,00
5. Second Generation and Call Bix Trading R132 000,00
6. Seriti Institute R384 000,00
7. Thuso Enviro and Agri Development R1 602 000,00
8. RKM Consultancy R512 000,00
9. IT Mirror Consulting R913 000,00
10. Kgokagano Trading R181 000,00
11. Indalo Agriconsulting and Projects R219 000,00
12. Manekwane Business R0,00
13. Masumini Capital/Nkwele agribusiness R0,00
14. KMA Business R0,00
15. Innovations & Solutions R156 000,00
16. Lunonet R2 081 000,00
17. Lond Marx Group R172 000,00
18. Leap Beta R1 417 000,00
19. National Student Financial Aid Scheme (NSFAS) R1,253 000.00
20. Other: R14 813 000,00

34.2. Department acting as the agent

34.2.1. Revenue received for agency activities

	2022/23	2021/22
Note	R'000	R'000
DHE-National Skills Fund	-	-
Merseta	-	-
DHE-NSF DALRRD Bursaries	-	-
Total	-	-

Notes to the Annual Financial Statements

for the year ended 31 March 2023

The funding was received from DHE for the DAFF's Development of Young Producers, Enterprise and Skills Development programme to optimise the Job Opportunities and the Improve Livelihoods project

The funds are for the training of farmer production support units.

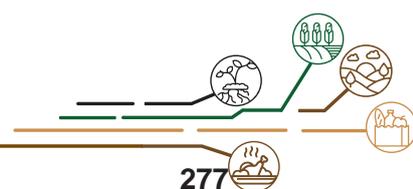
The bursaries are for the Agricultural Colleges project.

34.2.2. Reconciliation of funds and disbursements - Current year

Category of revenue or expenditure per arrangement	2022/23	
	Total funds received	Expenditure incurred against funds
	R'000	R'000
DHE – National Skills fund	29 424	28 262
Merseta	154	153
DHE – NSF DALRRD Bursaries	79 929	-
Total	109 507	28 415

Reconciliation of funds and disbursements - Prior year

Category of revenue or expenditure per arrangement	2021/22	
	Total funds received	Expenditure incurred against funds
	R'000	R'000
DHE – National Skills fund	45 171	46 280
Total	45 171	46 280



Notes to the Annual Financial Statements

for the year ended 31 March 2023

34.2.3. Reconciliation of carrying amount of receivables and payables - current year

Payables

Name of principal entity	2022/23			
	Opening balance 1 April 2022	Expenses incurred on behalf of the principal	Cash paid on behalf of the principal	Closing balance 31 March 2023
	R'000	R'000	R'000	R'000
DHE – National Skills fund	(29 424)	28 262	-	(1 162)
MerSeta	(154)	153	-	(1)
DHE – NSF DALRRD Bursaries	(79 929)	-	-	(79 929)
Total	(109 507)	28 415	-	(81 092)

Payables

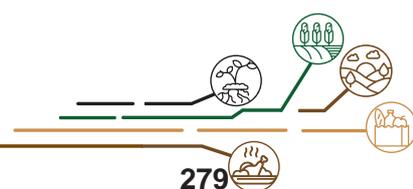
Name of principal entity	2021/22			
	Opening balance 1 April 2021	Expenses incurred on behalf of the principal	Cash paid on behalf of the principal	Closing balance 31 March 2022
	R'000	R'000	R'000	R'000
DHE – National Skills fund	(45 171)	46 280	-	1 109
Total	(45 171)	46 280	-	1 109

Name of Public Entity	Description	Achievements of the public entity	Resource or cost implications for the principal if the arrangement is terminated
NKOSI	Refer cases and matters to members of legal and mediation panels, and other experts on behalf of the dept and the Commission of Restitution Land Rights. Also perform all necessary administration duties and training programmes to panel members and departmental officials.	All cases and matters during the year under review were referred to members of legal and mediation panels. Administration fees were paid during this financial year, as per the Service Level Agreement. The contract for this entity ended on the 31 March 2022. Another agreement was entered and an advance of R16,179 million was paid. This account is now zero.	In the cases of termination of the contract by either party before completion of the work, all reasonable costs associated with the termination may be allowable, including all pro rata fees due to the service provider for services and deliverables met, as well as costs or commitments incurred prior to the date of termination, which have not yet been reimbursed to the service provider.

Notes to the Annual Financial Statements

for the year ended 31 March 2023

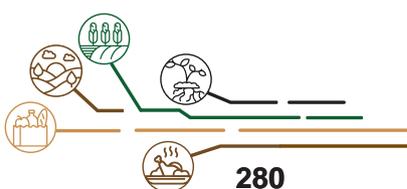
Name of Public Entity	Description	Achievements of the public entity	Resource or cost implications for the principal if the arrangement is terminated
HEIFER PROJECT (HPSA)	Umdukatshane rural development project - implementation of KZN goat agribusiness in five prioritised districts of KwaZulu-Natal province	CAHWs pilot training and facilitation has taken place. Project administration fees were paid during this financial year. There were no payments during the 2022/23 fy.	Each party shall bear and pay its legal costs of incidental to the negotiation, preparation and execution of this agreement.
The Land and Agriculture Development Bank of South Africa	<p>AgriBEE fund: Support the economic empowerment and successful entry of black people into the agriculture sector in accordance with the objectives of the AgriBEE Charter. The Land Bank and DAFF shall manage, disburse and monitor the funds as per MoU and Operational plan.</p> <p>BPCP/Small emerging farmers: The objective is to create a partnership to provide blended support to Black Commercial Producers in the agriculture, land reform and rural development sectors to accelerate agricultural development and to transform these sectors. The support will include blended funding, skills and technical support required by these producers. The Land Bank will be the implementing agency for managing the Grant Funding in an interesting bearing account.</p>	<p>R40,166 million, R42,496 million, R43,754 million, R14 million, R43,633 million and R49, 081 million were respectively transferred to the Land Bank in the 2017/18, 2018/19, 2019/20, 2020/21, 2021/22 and 2022/23 financial years. The Land Bank compile quarterly and annual qualitative evaluation reports that is monitored and evaluated by the Directorate: Business and Entrepreneurial. R1,963 was for management fees.</p> <p>R100 million, R120 million, R360,019 million, R525,185 million and R540, 824 million were respectively transferred to the Land Bank in the 2017/18, 2018/19, 2019/20, 2021/22 and 2022/23 financial years. The funds were appropriated in the ENE as transfer payments – earmarked amounts. The Land Bank is responsible to provide monthly and quarterly reports. The Joint Steering Committee is responsible for the co-ordination, performance of parties, monitoring and report activities.</p>	



Notes to the Annual Financial Statements

for the year ended 31 March 2023

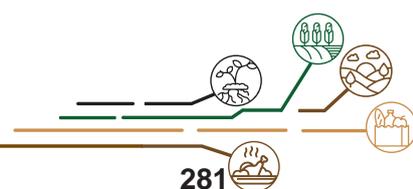
Name of Public Entity	Description	Achievements of the public entity	Resource or cost implications for the principal if the arrangement is terminated
	MAFISA: The purpose of the MAFISA project is to provide micro and retail agricultural financial services in the rural areas for agriculture activities. The Land Bank has been appointed during 2008 by DAFF to implement the MAFISA project. The Land Bank will use the funds only when written instruction is given by the Director-General – DAFF. The agreement lapsed in 2013	The former DAFF further entered into agreements with intermediaries. The Land Bank was responsible for transferring MAFISA funds to the intermediaries to expense in terms of the agreement. The former DAFF did not transfer any funds to the Land Bank in the 2017/18, 2018/19, 2019/20 financial years. DALRRD did not transfer any funds in the 2020/21, 2021/22 2022/23 fy.	
	COVID 19	A R100 million was paid from the 2019/20 budget to the Land Bank. There were no payments during the 2022/23 fy.	
Vodacom	The Connected farmer eVoucher solution is a Vodacom solution aimed at assisting DALRRD with the distribution of electronic vouchers to their farmers. The proposal has been prepared by Vodacom SA with the assistance of Mezzanine, a wholly owned subsidiary of Vodacom Group based in SA.	The eVoucher solution is designed for configurability and scalability. The objective is to support a cost-effective, long-term solution that can adapt to client requirements over time. There were payments of R229, 805 million during the 2022/23 fy. R61,983 million was for management fees.	



Notes to the Annual Financial Statements

for the year ended 31 March 2023

Name of Public Entity	Description	Achievements of the public entity	Resource or cost implications for the principal if the arrangement is terminated
SAFDA	Provide training, advice, strategy leadership and capacity building to farmers and the sugar industry to ensure success of the sector and maintain profitability. Upon termination of the agreement, the implementing entity shall take immediate steps to bring the service to a close within 3 months from the rumination date.	Training, advice, and strategy leadership were provided. The SAFDA will be entitled to 2% management fees of the total budget approved for each project/farm. A total of R178, 929 million was paid during the 22/23 fy, of which, R3, 579 million was for management fees.	Except as otherwise specifically provided herein, each party will bear and pay its own legal costs and expenses of and incidental to the negotiation, drafting, preparation and implementation of this agreement. Each party is responsible for its own costs and expenses incurred in attempting to fulfil the objectives of this Agreement or their respective obligations as set out in this Agreement.
AFRIVET Training services	The main aim of the Programme is to support the growth and development of the previously disadvantaged producers to substantially contribute towards the achievement of the national development objectives, i.e., poverty eradication; economic growth and job creation.	Training, advice, and strategy leadership were provided. DALRRD will pay within the benchmark of up to a maximum of 7.2% management fee per project allocated as per the Bid submitted. The contractor will be paid their management fees based on services rendered. A total of R7,025 million was paid during the 2022/23 fy, of which, R506 thousand was for management fees.	The DALRRD shall only be liable to the contractor for remuneration or fees in respect of services satisfactory and verifiably performed by the contractor prior to the date of which this agreement terminates. The DALRRD reserves the right to withhold any payment which has not yet been said to the contractor and shall set off and/or deduct any amount, including damages, which the contractor owes the DALRRD in terms of this agreement or otherwise.
ENTSIKA	The main objective is to support the growth and development of marginalised categories of producers to substantially contribute towards the achievement of the national development objectives, i.e., poverty eradication; economic growth and job creation.	Training, advice, and strategy leadership were provided. DALRRD will pay within the benchmark of up to a maximum of 7.2% management fee per project allocated as per the Bid submitted. The contractor will be paid their management fees based on services rendered. A total of R6,682 million was paid during the 22/23 fy, of which, R481 000 was for management fees.	The DALRRD shall only be liable to the contractor for remuneration or fees in respect of services satisfactory and verifiably performed by the contractor prior to the date of which this agreement terminates. The DALRRD reserves the right to withhold any payment which has not yet been said to the contractor and shall set off and/or deduct any amount, including damages, which the contractor owes the DALRRD in terms of this agreement or otherwise.



Notes to the Annual Financial Statements

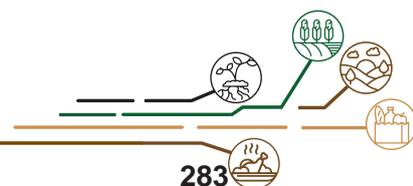
for the year ended 31 March 2023

Name of Public Entity	Description	Achievements of the public entity	Resource or cost implications for the principal if the arrangement is terminated
COTTON SA	This programme aims to foster local food security by addressing food production sustainability as agricultural intensification progresses, health and income generation, and the global economy through supporting Black farmers.	Training, advice, and strategy leadership were provided. Cotton SA will be entitled to 2% management fees of the total budget for each project/farm. There was payment of R7, 250 million during the 2022/23 fy, of which, R145 thousand was for management fees.	Each party is responsible for its own costs and expenses incurred in attempting to fulfil the objectives of this agreement or their respective obligations as set out in this agreement. Where the parties have agreed in writing that certain specific expenses are to be incurred jointly in the furtherance of the objectives, the parties shall each be liable for its portion as agreed.
POTATOES SOUTH AFRICA	Ensuring integration of farmers into the agricultural value chain.	Providing appropriate skills development and mentorship support to agricultural. PSA will be entitled to 2% management fees of the total budget for each project/farm. There was payment of R13,124 million during the 2022/23 f/y, of which, R262 000 was for management fees.	Where the parties have agreed in this SLA or otherwise in writing that certain specific expenses are to be incurred jointly in the furtherance of the objectives, the parties shall each be liable for its portion as agreed.
PEULWANA AGRICULTURAL FIN SERVICES	Previously disadvantaged producers will be assisted with resources that will enable them to meet the market requirements and build stronger commodity value chains.	Training, advice, and strategy leadership were provided. DALRRD will pay within the benchmark of up to a maximum of 7.2% management fee per project allocated as per the Bid submitted. There was payment of R8,889 million during the 2022/23 fy, of which, R640 thousand was for management fees.	In the event and only in the event where the contract was terminated prematurely by the DALRRD, due to the fault of the contractor, the contractor shall refund to DALRRD only such monies as the parties may at such time agreed in writing.
PSJ GROUP	The main aim of the programme is to support the growth and development of the previously disadvantaged producers to substantially contribute towards the achievement of the national development objectives, i.e., poverty eradication; economic growth and job creation.	Training, advice, and strategy leadership were provided. DALRRD will pay within the benchmark of up to a maximum of 7.2% management fee per project allocated as per the Bid submitted. There was payment of R6,095 million during the 2022/23 fy, of which, R439 thousand was for management fees.	In the event and only in the event where the contract was terminated prematurely by the DALRRD, due to the fault of the contractor, the contractor shall refund to DALRRD only such monies as the parties may at such time agreed in writing.

Notes to the Annual Financial Statements

for the year ended 31 March 2023

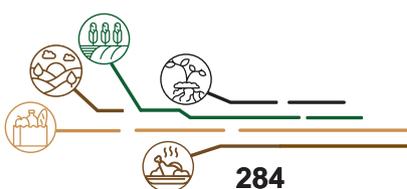
Name of Public Entity	Description	Achievements of the public entity	Resource or cost implications for the principal if the arrangement is terminated
NORMAX HOLDING	Previously disadvantaged producers will be assisted with resources that will enable them to meet the market requirements and build stronger commodity value chains.	Training, advice, and strategy leadership were provided. DALRRD will pay within the benchmark of up to a maximum of 7.2% management fee per project allocated as per the Bid submitted. There was payment of R61,808 million during the 2022/23 fy, of which, R4,450 million was for management fees.	In the event and only in the event where the contract was terminated prematurely by the DALRRD, due to the fault of the contractor, the contractor shall refund to DALRRD only such monies as the parties may at such time agreed in writing.
SECOND GENERATION & CALL BIX	The main aim of the Programme is to support the growth and development of the previously disadvantaged producers to substantially contribute towards the achievement of the national development objectives, i.e., poverty eradication; economic growth and job creation.	Training, advice, and strategy leadership were provided. DALRRD will pay within the benchmark of up to a maximum of 7.2% management fee per project allocated as per the Bid submitted. There was payment of R1,833 million during the 2022/23 fy, of which, R132 thousand was for management fees.	In the event and only in the event where the contract was terminated prematurely by the DALRRD, due to the fault of the contractor, the contractor shall refund to DALRRD only such monies as the parties may at such time agreed in writing.
SERITI INSTITUTE	The main aim of the Programme is to support the growth and development of the previously disadvantaged producers to substantially contribute towards the achievement of the national development objectives, i.e., poverty eradication; economic growth and job creation.	Training, advice, and strategy leadership were provided. DALRRD will pay within the benchmark of up to a maximum of 7.2% management fee per project allocated as per the Bid submitted. There was payment of R5,330 million during the 2022/23 fy, of which, R384 thousand was for management fees.	In the event and only in the event where the contract was terminated prematurely by the DALRRD, due to the fault of the contractor, the contractor shall refund to DALRRD only such monies as the parties may at such time agreed in writing.



Notes to the Annual Financial Statements

for the year ended 31 March 2023

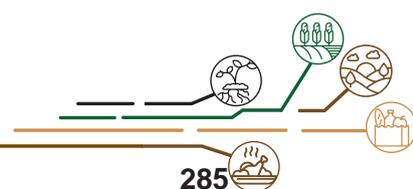
Name of Public Entity	Description	Achievements of the public entity	Resource or cost implications for the principal if the arrangement is terminated
THUSO ENVIRO	The main aim of the Programme is to support the growth and development of the previously disadvantaged producers to substantially contribute towards the achievement of the national development objectives, i.e., poverty eradication; economic growth and job creation.	Training, advice, and strategy leadership were provided. DALRRD will pay within the benchmark of up to a maximum of 7.2% management fee per project allocated as per the Bid submitted. There was payment of R22,250 million during the 2022/23 fy, of which, R1,602 million was for management fees.	In the event and only in the event where the contract was terminated prematurely by the DALRRD, due to the fault of the contractor, the contractor shall refund to DALRRD only such monies as the parties may at such time agreed in writing.
RKM CONSULTANCY	The main objective is to support the growth and development of marginalised categories of producers to substantially contribute towards the achievement of the national development objectives, i.e., poverty eradication; economic growth and job creation.	Training, advice, and strategy leadership were provided. DALRRD will pay within the benchmark of up to a maximum of 7.2% management fee per project allocated as per the Bid submitted. There was payment of R7,111 million during the 2022/23 fy, of which, R512 thousand was for management fees.	The DALRRD shall only be liable to the contractor for remuneration or fees in respect of services satisfactory and verifiably performed by the contractor prior to the date of which this agreement terminates.
IT MIRROR	The main aim of the programme is to support the growth and development of the previously disadvantaged producers to substantially contribute towards the achievement of the national development objectives, i.e., poverty eradication; economic growth and job creation.	Training, advice, and strategy leadership were provided. DALRRD will pay within the benchmark of up to a maximum of 7.2% management fee per project allocated as per the Bid submitted. There was payment of R12,686 million during the 2022/23 fy, of which, R913 thousand was for management fees.	The DALRRD shall only be liable to the contractor for remuneration or fees in respect of services satisfactory and verifiably performed by the contractor prior to the date of which this agreement terminates. For avoidance of doubt, in the event of such termination, the DALRRD shall not be liable to the contractor for any damages or loss of any nature as may be suffered or will be suffered by the contractor because of the termination of this agreement.



Notes to the Annual Financial Statements

for the year ended 31 March 2023

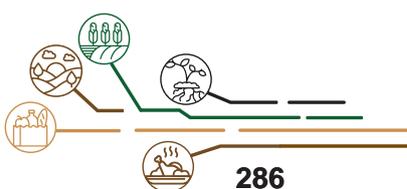
Name of Public Entity	Description	Achievements of the public entity	Resource or cost implications for the principal if the arrangement is terminated
KGOKAGANO TRADING CC	The main aim of the programme is to support the growth and development of the previously disadvantaged producers to substantially contribute towards the achievement of the national development objectives, i.e., poverty eradication; economic growth and job creation.	Training, advice, and strategy leadership were provided. DALRRD will pay within the benchmark of up to a maximum of 7.2% management fee per project allocated as per the Bid submitted. There was payment of R2,510 million during the 2022/23 fy, of which, R181 thousand was for management fees	The DALRRD shall only be liable to the contractor for remuneration or fees in respect of services satisfactory and verifiably performed by the contractor prior to the date of which this agreement terminates. For avoidance of doubt, in the event of such termination, the DALRRD shall not be liable to the contractor for any damages or loss of any nature as may be suffered or will be suffered by the contractor because of termination of this agreement.
INDALO AGRI CONSULTING	The main objective is to support the growth and development of marginalised categories of producers to substantially contribute towards the achievement of the national development objectives, i.e., poverty eradication; economic growth and job creation.	Training, advice, and strategy leadership were provided. DALRRD will pay within the benchmark of up to a maximum of 7.2% management fee per project allocated as per the Bid submitted. There were payments of R3, 042 million during the 2022/23 fy, of which, R219 thousand was for management fees.	The DALRRD shall only be liable to the contractor for remuneration or fees in respect of services satisfactory and verifiably performed by the contractor prior to the date of which this agreement terminates. For avoidance of doubt, in the event of such termination, the DALRRD shall not be liable to the contractor for any damages or loss of any nature as may be suffered or will be suffered by the contractor as a result of termination of this agreement.
MANEKWANE BUSINESS	The main aim of the Programme is to support the growth and development of the previously disadvantaged producers to substantially contribute towards the achievement of the national development objectives, i.e., poverty eradication; economic growth and job creation.	Training, advice, and strategy leadership were provided. DALRRD will pay within the benchmark of up to a maximum of 7.2% management fee per project allocated as per the Bid submitted. There were no payments during the 2022/23 fy.	In the event and only in the event where the contract was terminated prematurely by the DALRRD, due to the fault of the contractor, the contractor shall refund to DALRRD only such monies as the parties may at such time agreed in writing.



Notes to the Annual Financial Statements

for the year ended 31 March 2023

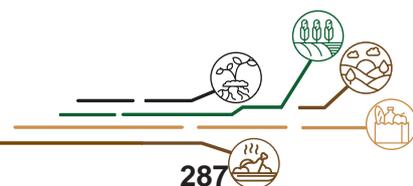
Name of Public Entity	Description	Achievements of the public entity	Resource or cost implications for the principal if the arrangement is terminated
MASUMINI CAPITAL/ NKWELE AGRIBUSINESS	The main objective is to support the growth and development of marginalised categories of producers to substantially contribute towards the achievement of the national development objectives, i.e., poverty eradication; economic growth and job creation.	Training, advice, and strategy leadership were provided. DALRRD will pay within the benchmark of up to a maximum of 7.2% management fee per project allocated as per the Bid submitted. There were no payments during the 2022/23 fy.	The DALRRD shall only be liable to the contractor for remuneration or fees in respect of services satisfactory and verifiably performed by the contractor prior to the date of which this agreement terminates. For avoidance of doubt, in the event of such termination, the DALRRD shall not be liable to the contractor for any damages or loss of any nature as may be suffered or will be suffered by the contractor as a result of termination of this agreement.
KMA BUSINESS	The main aim of the programme is to support the growth and development of the previously disadvantaged producers to substantially contribute towards the achievement of the national development objectives, i.e., poverty eradication; economic growth and job creation.	Training, advice, and strategy leadership were provided. DALRRD will pay within the benchmark of up to a maximum of 7.2% management fee per project allocated as per the Bid submitted. There were no payments during the 2022/23 fy.	The DALRRD shall only be liable to the contractor for remuneration or fees in respect of services satisfactory and verifiably performed by the contractor prior to the date of which this agreement terminates. For avoidance of doubt, in the event of such termination, the DALRRD shall not be liable to the contractor for any damages or loss of any nature as may be suffered or will be suffered by the contractor as a result of termination of this agreement.
INNOVATIONS & SOLUTIONS	The main objective is to support the growth and development of marginalised categories of producers to substantially contribute towards the achievement of the national development objectives, i.e., poverty eradication; economic growth and job creation.	Training, advice, and strategy leadership were provided. DALRRD will pay within the benchmark of up to a maximum of 7.2% management fee per project allocated as per the Bid submitted. There was payment of R2,165 million during the 2022/23 fy, of which, R156 thousand was for management fees.	The DALRRD shall only be liable to the contractor for remuneration or fees in respect of services satisfactory and verifiably performed by the contractor prior to the date of which this agreement terminates. For avoidance of doubt, in the event of such termination, the DALRRD shall not be liable to the contractor for any damages or loss of any nature as may be suffered or will be suffered by the contractor as a result of termination of this agreement.



Notes to the Annual Financial Statements

for the year ended 31 March 2023

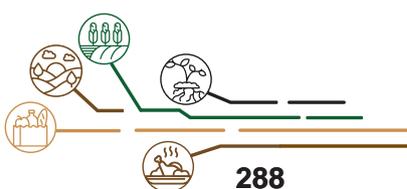
Name of Public Entity	Description	Achievements of the public entity	Resource or cost implications for the principal if the arrangement is terminated
LUNONET	The main objective of the EDMT programme is to support the growth and development of the previously disadvantaged producers to substantially contribute towards the achievement of the national development objectives, i.e., poverty eradication; economic growth and job creation.	Training, advice, and strategy leadership were provided. DALRRD will pay within the benchmark of up to a maximum of 7.2% management fee per project allocated as per the Bid submitted. There was payment of R28,900 million during the 2022/23 fy, of which, R2,081 million was for management fees.	The DALRRD shall only be liable to the contractor for remuneration or fees in respect of services satisfactory and verifiably performed by the contractor prior to the date of which this agreement terminates. For avoidance of doubt, in the event of such termination, the DALRRD shall not be liable to the contractor for any damages or loss of any nature as may be suffered or will be suffered by the contractor as a result of termination of this agreement.
LOND MARX	The main objective of the EDMT programme is to support the growth and development of the previously disadvantaged producers to substantially contribute towards the achievement of the national development objectives, i.e., poverty eradication; economic growth and job creation.	Training, advice, and strategy leadership were provided. DALRRD will pay within the benchmark of up to a maximum of 7.2% management fee per project allocated as per the Bid submitted. There was payment of R2,393 million during the 2022/23 fy, of which, R172 thousand was for management fees.	In the event and only in the event where the contract was terminated prematurely by the DALRRD, due to the fault of the contractor, the contractor shall refund to DALRRD only such monies as the parties may at such time agreed in writing.
LEAP BETA	The main objective of the EDMT programme is to support the growth and development of the previously disadvantaged producers to substantially contribute towards the achievement of the national development objectives, i.e., poverty eradication; economic growth and job creation.	Training, advice, and strategy leadership were provided. DALRRD will pay within the benchmark of up to a maximum of 7.2% management fee per project allocated as per the Bid submitted. There was payment of R19,677 million during the 2022/23 fy, of which, R1,417 million was for management fees.	In the event and only in the event where the contract was terminated prematurely by the DALRRD, due to the fault of the contractor, the contractor shall refund to DALRRD only such monies as the parties may at such time agreed in writing.



Notes to the Annual Financial Statements

for the year ended 31 March 2023

Name of Public Entity	Description	Achievements of the public entity	Resource or cost implications for the principal if the arrangement is terminated
National Student Financial Aid Scheme (NSFAS)	<p>The intention of this agreement is to formalise working relations and specifically to further the objectives of the National Development Plan (NDP) by providing funding to deserving students to further their studies in prioritized fields of studies in the agriculture, land reform and rural development space.</p>	<p>The NSFAS shall disburse all bursary funds towards students, paid by the DALRRD for an academic year in accordance with the programme criteria for each programme. This includes maintaining and continually improving the efficiency and effectiveness of disbursing bursary funds towards students for each programme. DALRRD will pay within the benchmark of up to a maximum of 5% management fee per project allocated as per the Bid submitted. There was payment of R25,067 million during the 2022/23 financial year, of which, R1,253 million was for management fees.</p>	<p>Upon termination of the agreement for whatever reason, NSFAS shall on written request from DALRRD, return all information and other property to DALRRD; refund within 7 days from the date of termination of this agreement, any/or all monies already paid to NSFAS, in terms of this agreement (incl. the interest thereon) and which remains unutilised as at the date of such termination.</p>



Notes to the Annual Financial Statements

for the year ended 31 March 2023

35. Prior period errors

35.1. Correction of prior period errors

	Note	2021/22		Restated R'000
		Amount before error cor- rection R'000	Prior period error R'000	
Revenue:				
Donation received in kind: Department of Human Settlement (DHS)	2.6.1 & 1H	4 556	577	5 133
Annual appropriation		16 931 224	(171 294)	16 759 930
Net effect		16 935 780	(170 717)	16 765 063

N 2.6.1: Vehicle was received from DHS in 2015.

Annual appropriation: Transfers and subsidies: Correction following derecognizing of Restitution grant payments

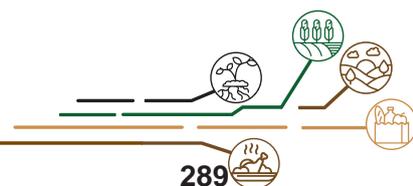
	Note	2021/22		Restated R'000
		Amount before error cor- rection R'000	Prior period error R'000	
Expenditure:				
Remuneration of members of a commission or committee of inquiry	Note 5.9	3 790	(3 790)	-
Aid assistance: EDSE – reported as current instead of capital expenditure	PER and Note 3	5 285	(2 477)	2 808
Aid assistance	Note 9	-	2 477	2 477
Advances Expensed	Note 11.4	1 367 415	211 972	1 579 387
Transfers and subsidies	Note 8	7 635 461	(171 294)	7 464 167
Net effect		9 011 951	36 888	9 048 839

The prior year error of R3,790 million represented permanent committees and commissions in terms of the Department of Agriculture, Land Reform and Rural Development acts.

Aid assistance: EDSE – reported as current instead of capital expenditure.

Advances Expensed: Additional Land Bank funds and costs were reported

Transfers and subsidies: Correction following derecognition of Restitution grant payments



Notes to the Annual Financial Statements

for the year ended 31 March 2023

		2021/22		
	Note	Amount before error correction R'000	Prior period error R'000	Restated R'000
Assets: (E.g. Receivables, Investments, Accrued departmental revenue, Movable tangible capital assets, etc.)				
Moveable Tangible Capital Assets	Note 31.1	1 231 044	(7 011)	1 224 033
Minor Assets	Note 31.2.2	170 275	(4 472)	165 803
Accrued departmental revenue	Note 25	235 876	71 734	307 610
Immovable assets	Note 33	1 737 346	1 513	1 738 859
Operating lease revenue	Note 24	2 201 614	44 613	2 246 227
CWIP	Note 33	2 705 910	(402)	2 705 508
Net effect		8 282 065	105 975	8 388 040

Note 31 – The adjustments are due to errors made in the Annual Financial Statements 2021/22 and the correction of classifications of the entire asset register population.

Note 25 - Accrued departmental revenue: Interest Conveyancers, rent land, trade debt, Land Bank and Mezzanine interest.

Note 24 – Operating leases revenue are due to errors made with the closing balance in the prior year and adjusted in the current year.

Note 33 – Immovable assets: Land- Land parcels were identified in previous financial year and only updated on the Land asset register in current year and dwellings not included.

CWIP: Correction on Rural Development projects that was ready for use.

Notes to the Annual Financial Statements

for the year ended 31 March 2023

	Note	2021/22		Restated R'000
		Amount before error correction R'000	Prior period error R'000	
Liabilities: (E.g., Payables current, Voted funds to be surrendered, Commitments, Provisions, etc.)				
Contingent liabilities	Note 20	2 253 679	7 702	2 261 381
Contingent liabilities – QCC	Note 20	444 175	46 056	490 231
Commitments	Note 21	1 322 117	(17 911)	1 304 206
Voted funds to be surrendered	Note 14	1 062 973	171 294	1 234 267
Payables	Note 22.2	75 837	171 294	247 131
Net effect		5 158 781	378 435	5 537 216

Contingent Liabilities are adjusted due to Labour cases that was reported in the prior year without values.

Contingent liabilities – QCC are adjusted due to QCC cases that were presented in the prior year but were not included in the closing balance of 2021/22.

Commitments: The contract register were reviewed and updated with payments and corrections on the Restitution commitments.

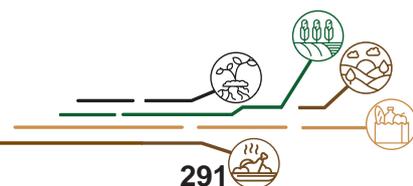
Votes funds to be surrendered: Derecognizing of Restitution grant payments.

Payables: Claims from Restitution derecognized as expenditure

	Note	2021/22		Restated R'000
		Amount before error correction R'000	Prior period error R'000	
Other: (E.g., Irregular expenditure, Fruitless and wasteful expenditure, etc.)				
Irregular Expenditure	Note 26	5 448	71	5 519
Accruals and Payables	Note 22	87 972	(12 135)	75 837
Net effect		93 420	(12 064)	81 356

The irregular expenditure is adjusted due to the incorrect amount that was reported at year-end, and in the current financial year the total was amended with all the payments made to Siza Kancane Trading Enterprise.

Accruals and Payable: Invoice payable by ALHA for the Special Investigating Unit were included in the Department of Agriculture, Land Reform and Rural Development report



Notes to the Annual Financial Statements

for the year ended 31 March 2023

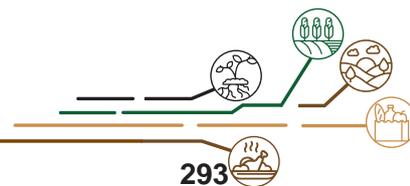
36. Statement of conditional grants paid to the provinces

Name of Province / Grant	2022/23						2021/22							
	GRANT ALLOCATION			TRANSFER			SPENT							
	Division of Revenue Act	Roll overs	Ad-just-ments	Total Available	Actual transfer	Funds with-held	Re-allo-cations by National Treasury or National department	Amount received by department	Amount spent by department	Unspent funds	% of available funds spent by department	Division of Revenue Act / Provincial grants	Actual transfers	
R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000	
Summary by province														
Eastern Cape	340 143	-	-	340 143	340 143	-	-	340 143	322 665	17 478	95.0	333 690	333 690	
Free State	272 071	-	-	272 071	272 071	-	-	272 071	267 954	4 117	98.0	265 612	265 612	
Gauteng	146 229	-	-	146 229	146 229	-	-	146 229	66 016	80 213	45.0	140 588	137 829	
Kwazulu-Natal	307 138	-	-	307 138	307 138	-	-	307 138	307 138	-	100.0	300 874	300 874	
Limpopo	326 452	-	-	326 452	326 452	-	-	326 452	306 642	19 810	94.0	320 236	320 236	
Mpumalanga	245 294	-	-	245 294	245 294	-	-	245 294	245 189	105	100.0	239 459	239 459	
Northern Cape	203 517	-	-	203 517	203 517	-	-	203 517	198 531	4 986	98.0	197 059	197 059	
North West	266 956	-	-	266 956	266 956	-	-	266 956	230 296	36 660	86.0	260 580	260 580	
Western Cape	186 612	-	-	186 612	186 612	-	-	186 612	186 757	-145	100.0	179 925	179 925	
TOTAL	2 294 412	-	-	2 294 412	2 294 412	-	-	2 294 412	2 131 188	163 224		2 238 023	2 235 264	

Notes to the Annual Financial Statements

for the year ended 31 March 2023

Name of Province / Grant	2022/23										2021/22			
	GRANT ALLOCATION				TRANSFER			SPENT			Division of Revenue Act / Provincial grants	Actual transfers		
	Division of Revenue Act	Roll overs	Ad-just-ments	Total Available	Actual transfer	Funds with-held	Re-allo-cations by National Treasury or National department	Amount received by department	Amount spent by department	Unspent funds			% of available funds spent by department	
R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000	%	R'000	R'000	
Summary by grant														
Comprehen-sive Agricultural Support Pro-gramme (CASP)	1 599 214	-	-	1 599 214	1 599 214	-	-	1 599 214	1 478 152	121 062	92	1 557 560	1 557 560	
Ilima/ Letsema	610 278	-	-	610 278	610 278	-	-	610 278	569 016	41 262	93.0	597 126	597 126	
Infrastructure Development and Poverty Relief (Land Care)	84 920	-	-	84 920	84 920	-	-	84 920	84 020	900	99.0	83 337	80 578	
TOTAL	2 294 412	-	-	2 294 412	2 294 412	-	-	2 294 412	2 131 188	163 224		2 238 023	2 235 264	



Notes to the Annual Financial Statements

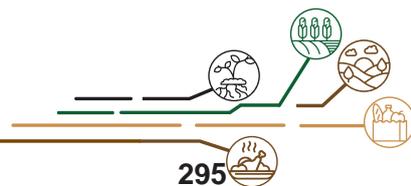
for the year ended 31 March 2023

Name of Province / Grant	2022/23										2021/22				
	GRANT ALLOCATION					TRANSFER					SPENT				
	Division of Revenue Act	Roll overs	Ad-just-ments	Total Available	Actual transfer	Funds with-held	Re-allo-cations by National Treasury or National department	Amount received by department	Amount spent by department	Unspent funds	% of available funds spent by department	Division of Revenue Act / Provincial grants	Actual transfers		
R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000		
Comprehensive Agricultural Support Programme (CASP)															
Eastern Cape	251 233	-	-	251 233	251 233	-	-	251 233	235 091	16 142	94.0	246 610	246 610		
Free State	190 377	-	-	190 377	190 377	-	-	190 377	186 761	3 616	98.0	185 645	185 645		
Gauteng	103 748	-	-	103 748	103 748	-	-	103 748	59 717	44 031	58.0	99 113	99 113		
Kwazulu-Natal	218 604	-	-	218 604	218 604	-	-	218 604	218 604	-	100.0	214 053	214 053		
Limpopo	237 816	-	-	237 816	237 816	-	-	237 816	227 493	10 323	96.0	233 511	233 511		
Mpumalanga	165 033	-	-	165 033	165 033	-	-	165 033	164 972	61	100.0	161 005	161 005		
Northern Cape	125 194	-	-	125 194	125 194	-	-	125 194	107 394	17 800	86.0	120 382	120 382		
North West	185 122	-	-	185 122	185 122	-	-	185 122	155 888	29 234	84.0	180 488	180 488		
Western Cape	122 087	-	-	122 087	122 087	-	-	122 087	122 232	(145)	100.0	116 753	116 753		
Sub total	1 599 214	-	-	1 599 214	1 599 214	-	-	1 599 214	1 478 152	121 206		1 557 560	1 557 560		

Notes to the Annual Financial Statements

for the year ended 31 March 2023

Name of Province / Grant	2022/23						2021/22							
	GRANT ALLOCATION			TRANSFER			SPENT							
	Division of Revenue Act	Roll overs	Ad-just-ments	Total Available	Actual transfer	Funds with-held	Re-allo-cations by National Treasury or National department	Amount received by department	Amount spent by department	Unspent funds	% of available funds spent by department	Division of Revenue Act / Provincial grants	Actual transfers	
R' 000	R' 000	R' 000	R' 000	R' 000	R' 000	R' 000	%	R' 000	R' 000	R' 000	%	R' 000	R' 000	
Ilima/Letsema														
Eastern Cape	76 210	-	-	76 210	76 210	-	-	76 210	76 209	1	100.0	74 567	74 567	
Free State	73 178	-	-	73 178	73 178	-	-	73 178	72 494	684	99.0	71 601	71 601	
Gauteng	37 262	-	-	37 262	37 262	-	-	37 262	1	37 261	0.0	36 459	36 459	
Kwazulu-Natal	75 424	-	-	75 424	75 424	-	-	75 424	75 424	-	100.0	73 799	73 799	
Limpopo	75 333	-	-	75 333	75 333	-	-	75 333	67 016	8 317	89.0	73 709	73 709	
Mpumalanga	70 499	-	-	70 499	70 499	-	-	70 499	70 462	37	100.0	68 980	68 980	
Northern Cape	70 498	-	-	70 498	70 498	-	-	70 498	82 957	(12 459)	118.0	68 980	68 980	
North West	72 881	-	-	72 881	72 881	-	-	72 881	65 460	7 421	90.0	71 310	71 310	
Western Cape	58 993	-	-	58 993	58 993	-	-	58 993	58 993	-	100.0	57 721	57 721	
Sub total	610 278	-	-	610 278	610 278	-	-	610 278	569 016	41 262		597 126	597 126	



Notes to the Annual Financial Statements

for the year ended 31 March 2023

Name of Province / Grant	2022/23					2021/22											
	GRANT ALLOCATION			TRANSFER		SPENT			Division of Revenue Act / Provincial grants	Actual transfers							
	Division of Revenue Act	Roll overs	Ad-just-ments	Total Avail-able	Actual transfer	Funds with-held	Re-allo-cations by National Treasury or National department	Amount received by department	Amount spent by department	Unspent funds	% of avail-able funds spent by department	R'000	R'000	R'000	R'000	R'000	R'000
Infrastructure Development and Poverty Relief (Land Care)																	
Eastern Cape	12 700	-	-	12 700	12 700	-	-	12 700	11 365	1 335	89.0	12 513	12 513	12 513	12 513	12 513	12 513
Free State	8 516	-	-	8 516	8 516	-	-	8 516	8 699	(183)	102.0	8 366	8 366	8 366	8 366	8 366	8 366
Gauteng	5 219	-	-	5 219	5 219	-	-	5 219	6 298	(1 079)	121.0	5 016	5 016	5 016	5 016	2 257	2 257
Kwazulu-Natal	13 110	-	-	13 110	13 110	-	-	13 110	13 110	-	100.0	13 022	13 022	13 022	13 022	13 022	13 022
Limpopo	13 303	-	-	13 303	13 303	-	-	13 303	12 133	1 170	91.0	13 016	13 016	13 016	13 016	13 016	13 016
Mpumalanga	9 762	-	-	9 762	9 762	-	-	9 762	9 755	7	100.0	9 474	9 474	9 474	9 474	9 474	9 474
Northern Cape	7 825	-	-	7 825	7 825	-	-	7 825	8 180	(355)	105.0	7 697	7 697	7 697	7 697	7 697	7 697
North West	8 953	-	-	8 953	8 953	-	-	8 953	8 948	5	100.0	8 782	8 782	8 782	8 782	8 782	8 782
Western Cape	5 532	-	-	5 532	5 532	-	-	5 532	5 532	-	100.0	5 451	5 451	5 451	5 451	5 451	5 451
TOTAL	84 920	-	-	84 920	84 920	-	-	84 920	82 020	900		83 337	83 337	83 337	83 337	80 578	80 578

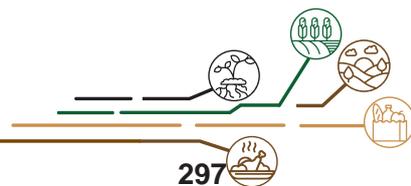
National Departments are reminded of the DORA requirements to indicate any re-allocations by the National Treasury or the transferring department, certify that all transfers in terms of this Act were deposited into the primary bank account of a province or, where appropriate, into the CPD account of a province as well as indicate the funds utilised for the administration of the receiving officer.

Notes to the Annual Financial Statements

for the year ended 31 March 2023

37. Statement of conditional grants and other transfers paid to municipalities

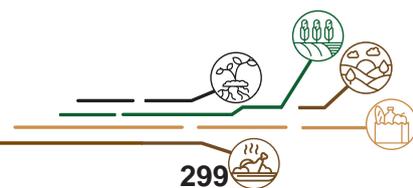
Name of municipality	2022/23					2021/22		
	GRANT ALLOCATION			TRANSFER		Actual transfer	DORA and other transfers	R'000
DORA and other transfers	Roll overs	Adjustments	Total Available	Funds withheld	Reallocations by National Treasury / National Department			
MUN B/Acc: Mun Rates and taxes								
EC: Whole Province	-	-	13 171	13 171	-	-	7 628	39 903
Ehlanzeni District Municipal MP	-	-	49 666	49 666	-	-	-	-
FS: Whole Province	-	-	11 046	11 046	-	-	9 257	13 245
Gert Sibande District Municipal MP	-	-	20 123	20 123	-	-	-	-
GP: Whole Province	-	-	13 044	13 044	-	-	647	14
GP: Metro	-	-	-	-	-	-	-	1
KZN: Whole Province	-	-	16 897	16 897	-	-	3 536	3 684
LP: Whole Province	-	-	25 693	25 693	-	-	12 992	37 821
MP: Whole Province	-	-	3 812	3 812	23	-	71 782	1
MP: Whole Province Municipalities	-	-	-	-	-	-	-	86 452
NC: Whole Province	-	-	14 119	14 119	-	-	4 139	48
Nkangala District Municipal MP	-	-	30 973	30 973	-	-	-	-
NW: Whole Province	-	-	15 399	15 399	-	-	20 101	40 662

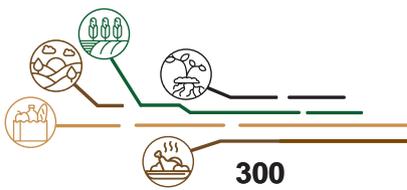


Notes to the Annual Financial Statements

for the year ended 31 March 2023

	2022/23						2021/22		
	GRANT ALLOCATION			TRANSFER			Actual transfer	DORA and other transfers	Actual transfer
Name of municipality	DORA and other transfers R'000	Roll overs R'000	Adjustments R'000	Total Available R'000	Actual transfer R'000	Funds withheld R'000			
MUN B/Acc: Min fines and penalties	-	-	7	7	6	-	-	-	
Eastern Cape: Whole Province	-	-	1	1	1	-	-	-	
KwaZulu-Natal: Whole Province	-	-	8	8	7	-	-	-	
Total	-	-	231 420	231 420	311 518	-	-	224 629	





Notes to the Annual Financial Statements

for the year ended 31 March 2023

National Departments are reminded of the DORA requirements to indicate any re-allocations by the National Treasury or the transferring department, certify that all transfers in terms of this Act were deposited into the primary bank account of a province or, where appropriate, into the CPD account of a province as well as indicate the funds utilised for the administration of the receiving officer.

38. 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.

39. COVID-19 Response expenditure

	2022/23	2021/22
	R'000	R'000
Goods and services	1 142	3 556
Total	1 142	3 556

Annex 11

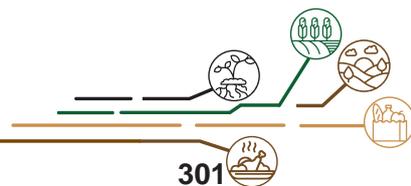
Annexures to the Annual Financial Statements

for the year ended 31 March 2023

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

Name of Municipality	2022/23						2021/22						
	GRANT ALLOCATION			TRANSFER			SPENT						
	DoRA and Other transfers	Roll overs	Adjustments	Total Available	Actual transfer	Funds withheld	Re-allocations by National Treasury or National department	Amount received by department	Amount spent by department	Unspent funds	% of available funds spent by department	DORA and other transfers	Actual transfers
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Mun B/Acc: Mun Rates and Taxes													
Eastern Cape: Whole Province	-	-	13 171	13 171	35 515	-	-	35 515	35 515	-	-	7 628	39 903
Ehlanzeni District Municipal MP	-	-	49 666	49 666	49 665	-	-	49 655	49 655	-	-	-	-
Free State Whole Province	-	-	11 046	11 046	5 745	-	-	5 745	5 745	-	-	9 257	13 245
Gert Sibande District Municipality MP	-	-	20 123	20 123	20 123	-	-	20 123	20 123	-	-	-	-
Gauteng: Whole Province	-	-	13 044	13 044	2 354	-	-	2 354	2 354	-	-	647	14
Gauteng: Metros	-	-	-	-	-	-	-	-	-	-	-	-	1
KwaZulu-Natal: Whole Province	-	-	16 897	16 897	6 048	-	-	6 048	6 048	-	-	3 536	3 684
Limpopo: Whole Province	-	-	25 693	25 693	70 014	-	-	70 014	70 014	-	-	12 992	37 821



Annexures to the Annual Financial Statements

for the year ended 31 March 2023

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

Name of Municipality	2022/23						2021/22							
	GRANT ALLOCATION			TRANSFER			SPENT							
	DoRA and Other transfers	Roll overs	Adjustments	Total Available	Actual transfer	Funds withheld	Re-allocations by National Treasury or National department	Amount received by department	Amount spent by department	Unspent funds	% of available funds spent by department	DORA and other transfers	Actual transfers	
R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000	
Mun B/Acc: Mun Rates and Taxes														
Mpumalanga: Whole Province	-	-	3 812	3 812	23	-	-	-	23	-	-	-	71 782	1
Mpumalanga: Municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	86 452
Northern Cape: Whole Province	-	-	14 119	14 119	12 016	-	-	-	12 016	-	-	-	4 139	48
Nkangala District Municipal MP	-	-	30 973	30 973	31 956	-	-	-	31 956	-	-	-	-	-
North West: Whole Province	-	-	15 399	15 399	76 403	-	-	-	76 403	-	-	-	20 101	40 662
Western Cape: Whole Province	-	-	13 750	13 750	819	-	-	-	818	-	-	-	1 661	1 639
Man Mangang	-	-	2 500	2 500	-	-	-	-	-	-	-	-	-	-
Sub total	-	-	230 193	230 193	310 681	-	-	-	310 670	-	-	-	131 743	223 470

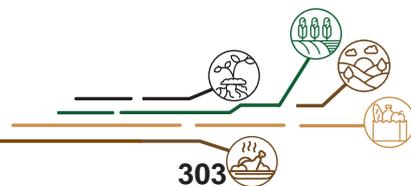
Annexures to the Annual Financial Statements

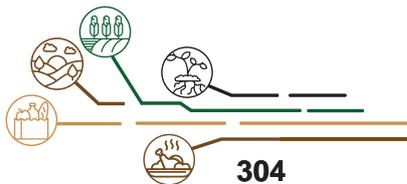
for the year ended 31 March 2023

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

Name of Municipality	2022/23						2021/22					
	GRANT ALLOCATION			TRANSFER			SPENT					
DoRA and Other transfers	Roll overs	Adjustments	Total Available	Actual transfer	Funds withheld	Re-allocations by National Treasury or National department	Amount received by department	Amount spent by department	Unspent funds	% of available funds spent by department	DORA and other transfers	Actual transfers
R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Mun B/ACC: Vehicle License Mun												
-	-	957	957	655	-	-	655	655	-	-	608	1 040
-	-	121	121	125	-	-	125	125	-	-	90	89
-	-	11	11	4	-	-	4	4	-	-	6	26
-	-	12	12	1	-	-	1	1	-	-	9	-
-	-	7	7	-	-	-	-	-	-	-	81	1
-	-	9	9	5	-	-	5	5	-	-	6	1
-	-	38	38	37	-	-	37	37	-	-	-	-





Annexures to the Annual Financial Statements

for the year ended 31 March 2023

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

Name of Municipality	2022/23						2021/22					
	GRANT ALLOCATION			TRANSFER			SPENT					
DoRA and Other transfers	Roll overs	Adjustments	Total Available	Actual transfer	Funds withheld	Re-allocations by National Treasury or National department	Amount received by department	Amount spent by department	Unspent funds	% of available funds spent by department	DORA and other transfers	Actual transfers
R' 000	R' 000	R' 000	R' 000	R' 000	R' 000	%	R' 000	R' 000	R' 000	%	R' 000	R' 000
Northern Cape: Whole Province	-	-	5	-	-	-	-	-	-	-	5	-
North West: Whole Province	-	-	17	2	-	-	2	2	-	-	50	-
Western Cape: Whole Province	-	-	42	1	-	-	1	1	-	-	45	1
Sub total	-	-	1 219	830	-	-	830	830	-	-	900	1 158
Mun B/ACC: Mun Fines and Penalties												
Eastern Cape: Whole Province	-	-	7	6	-	-	-	-	-	-	-	-
KwaZulu-Natal: Whole Province	-	-	-	1	-	-	-	-	-	-	-	-
Sub total	-	-	8	7	-	-	-	-	-	-	-	-
TOTAL	-	-	231 412	311 518	-	-	311 500	311 500	-	-	132 643	224 628

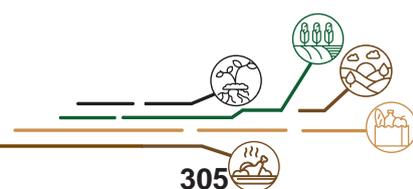
Annexures to the Annual Financial Statements

for the year ended 31 March 2023

ANNEXURE 1B

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

Departmental Agency or Account	2022/23						2021/22	
	TRANSFER ALLOCATION				TRANSFER		Final Budget	Actual transfer
	Adjusted Budget	Roll overs	Adjustments	Total Available	Actual transfer	% of available funds transferred		
R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Agri sector education and training authority	1 459	-	-	1 459	1 459	100.0	1 394	1 394
Agricultural Land Holdings ACC	596 760	-	-	596 760	596 760	100.0	937 986	937 986
Agricultural Research Council	1 189 320	-	-	1 189 320	1 189 320	100.0	1 282 632	1 282 632
Ingonyama Trust Board	24 391	-	-	24 391	24 391	100.0	23 517	23 517
National Agricultural Marketing Council	48 535	-	-	48 535	48 535	100.0	47 305	47 305
Registration of Deeds Trade Account	1	-	-	1	-	-	1	-
Office of the Valuer General	107 171	-	-	107 171	107 172	100.0	131 844	131 844
SA Geomatics Council	4 000	-	-	4 000	4 000	100.0	4 194	4 000
Departmental Agency: Donations and gifts	231	-	-	231	-	-	230	121
Com: Licences	27	-	-	27	19	70.0	30	22
TOTAL	1 971 895	-	-	1 971 895	1 971 656	-	2 429 133	2 428 821



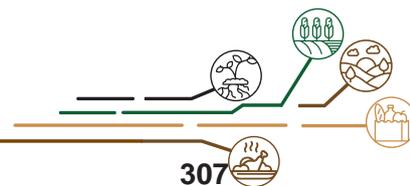
Annexures to the Annual Financial Statements

for the year ended 31 March 2023

ANNEXURE 1E

STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS

	2022/23					2021/22	
	TRANSFER ALLOCATION			EXPENDITURE		Final Budget	Actual transfer
Foreign government / International organisation	Adjusted Budget	Roll overs	Adjustments	Total Available	Actual transfer	% of available funds transferred	R '000
	R '000	R '000	R '000	R '000	R '000	%	R '000
Transfers							
Foreign Rates and Taxes (FIGO)	259	-	-	259	160	62.0	452
Sub fees: Con Group Inter Agr Res	4 060	-	-	4 060	-	-	9 728
Sub fees: CW Agric Bureau Inter	483	-	-	483	-	-	394
Sub fees: Food and Agric Org-JN	30 075	-	-	30 075	30 075	100.0	26 522
Sub fees: Int Un Pre New VAR-Plant	911	-	-	911	911	100.0	883
Sub fees: Inter Comm-Agric Engine	22	-	-	22	11	50.0	21
Sub fees: Inter Cotton Advl Cncl	607	-	-	607	607	100.0	394
Sub fees: Inter Dairy Federation	50	-	-	50	50	100.0	100
Sub fees: Inter Grains Council	222	-	-	222	217	98.0	311
Sub fees: Inter Org Vine & Wine	1 194	-	-	1 194	1 194	100.0	1 076
Sub fees: Inter Seed Testing Assoc	212	-	-	212	184	87.0	214
Sub fees: Open GEO Conso	700	-	-	700	529		
Sub fees: Org Econ Coop & Development	1 279	-	-	1 279	1 279	100.0	404
Sub fees: Cen Mapping of Res Dev	4 301	-	-	4 301	3 099	72.0	2 610
Sub fees: World Org Animal Health	4 807	-	-	4 807	4 797	100.0	2 529
Sub fees: CARDESA	68	-	-	68	68	100.0	10 511
Total	49 250	-	-	49 250	43 181		45 638



Annexures to the Annual Financial Statements

for the year ended 31 March 2023

ANNEXURE 1F

STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

Non-profit institutions	2022/23						2021/22	
	TRANSFER ALLOCATION				EXPENDITURE		Final Budget	Actual transfer
	Adjusted Budget	Roll overs	Adjustments	Total Available	Actual transfer	% of available funds transferred		
R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers								
SA Council for Planners	4 263	-	-	4 263	4 263	100.0	4 140	4 140
TOTAL	4 263	-	-	4 263	4 263	-	4 140	4 140

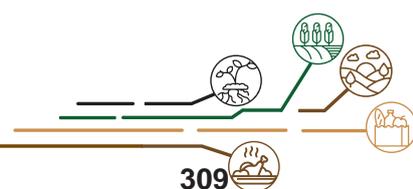
Annexures to the Annual Financial Statements

for the year ended 31 March 2023

ANNEXURE 1G

STATEMENT OF TRANSFERS TO HOUSEHOLDS

Households	2022/23						2021/22	
	TRANSFER ALLOCATION				EXPENDITURE		Final Budget	Actual transfer
	Adjusted Budget	Roll overs	Adjustments	Total Available	Actual transfer	% of available funds transferred		
R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers								
Claims against the State	565	-	763	1 328	1 327	100.0	3 603	2 600
Leave Gratuities	4 194	-	8 843	13 037	13 026	100.0	12 185	17 636
Bursaries for non-employees	58 397	-	898	59 295	59 295	100.0	60 657	66 966
Donations & Gifts (Cash)	508	-	(508)	-	-	-	486	-
Restitution Grants	2 419 107	-	(410 863)	2 008 244	2 008 795	100.0	3 151 549	1 853 508
Rural Development (NARYSEC)	40 742	-	(666)	40 076	6 082	15.0	35 120	30 108
Farming Support	170 069	-	(151 739)	18 330	-	-	-	-
Land Reform	186 384	-	(185 729)	655	-	-	-	-
TOTAL	2 879 966	-	(739 001)	2 140 965	2 088 525		3 263 600	1 970 818



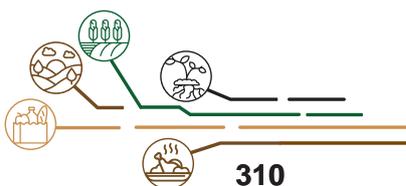
Annexures to the Annual Financial Statements

for the year ended 31 March 2023

ANNEXURE 1H

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

Name of organisation	Nature of gift, donation or sponsorship	2022/23	2021/22
		R'000	R'000
Received in cash			
Current financial year 2022/23			
African Group of Negotiators Experts Supprt (AGNES)	Meeting	8	-
World Trade Organisation (WTO)	Training	34	-
Cochram Fellowship program	Meeting	16	-
The World Organisation for Animal Health (WHOA)	Meeting	5	-
Swedish Chemical Agency (KEMI)	Training	4	-
Food Agriculture Organisation of the United Nation (FAO)	Meeting	77	-
		-	944
Prior year 2021/22			
International Poverty Reduction centre in China (IPRCC)	Training		
Subtotal		144	944



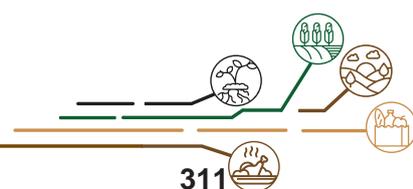
Annexures to the Annual Financial Statements

for the year ended 31 March 2023

ANNEXURE 1H

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

Name of organisation	Nature of gift, donation or sponsorship	2022/23	2021/22
		R'000	R'000
Received in kind			
Current financial year 2022/23			
Netherlands Ministry and DSV SA (Durban branch)	Gift	1	-
AGBIZ	Gift	1	-
Wool Growers Association (NWGA)	Gift	1	-
Mr Robin	Gift	3	-
Thuso consulting & Agricultural Council	Gift	1	-
SAVC	Honorarium	22	-
Professional Provident Society (pps)	Honorarium	91	-
Agnes	Meeting	5	-
Agrican Forum for Agricultural Advisory services (AFAAS)	Meeting	14	-
The world organisation for Animal health (WHO)	Meeting	6	-
African Union (AU-IAPSC)	Training	16	-
Turkish Embassy & Depart of Sport, Art and Culture	Gift	1	-
National Wool Growers Association	Gift	1	-
Malachite Publishing (Pty) Ltd	Honorarium	160	-
Food Agriculture Organisation of the United Nations (FAO)	Training	63	-
Perishable Products Export Control Board (PPECB)	Meeting	11	-



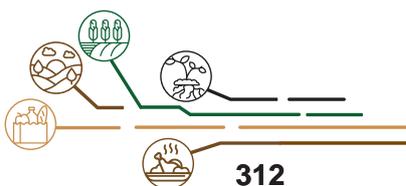
Annexures to the Annual Financial Statements

for the year ended 31 March 2023

ANNEXURE 1H

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

Name of organisation	Nature of gift, donation or sponsorship	2022/23	2021/22
		R'000	R'000
Protea Hotel by Marriot King George	Gift	2	-
International Stakeholders	Training	2 937	-
Centre for Agriculture & Bioscience International (CABI)	Training	224	-
Witwatersrand	Training	49	-
Hyatt Hotel Sandton	Gift	3	-
South African Plant Improvement Organisation (SAPO)	Training	56	-
Potato SA	Training	3	-
IPPC	Meeting	22	-
Biodiversity Biobanks South Africa (BBSA)	Workshop	8	-
Dairy Products	Traveling costs	2	-
International Water Management Institute	Training	9	-



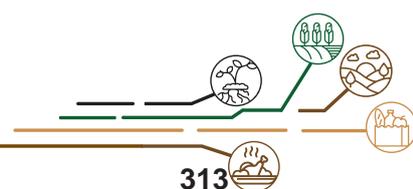
Annexures to the Annual Financial Statements

for the year ended 31 March 2023

ANNEXURE 1H

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

Name of organisation	Nature of gift, donation or sponsorship	2022/23	2021/22
		R'000	R'000
Received in kind			
Prior year 2021/22			
Perishable Products			
Export Control Board (PPECB)	Travelling cost		5
Sanlam	Promotional items		3
Johannesburg Fresh Producers Market	Promotional items		2
Embassy of Vietnam	Promotional items		1
Food and Agriculture Organisation of The United Nation (FAO)	Workshop		2
AgriSeta	Wifi access		499



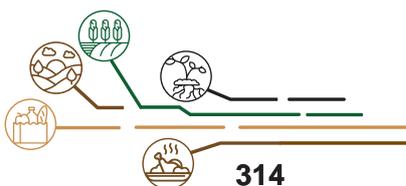
Annexures to the Annual Financial Statements

for the year ended 31 March 2023

ANNEXURE 1H

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

Name of organisation	Nature of gift, donation or sponsorship	2022/23	2021/22
		R'000	R'000
Prior year 2021/22			
Perishable Products Export control Board (PPECB)	Travelling cost		4
South African Veterinary Council & South African Society of Veterinary Epidemiology	Promotional items		5
Afrivet Business Management/Dykers Van Heerden/SA Bookkeepers Industry	Promotional items		1
South African Veterinary Council (SAVC)	Honorarium		45
Dairy Products	Travelling costs		3



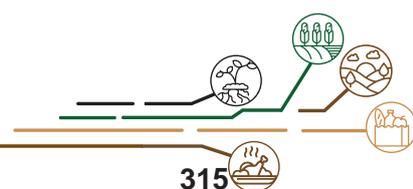
Annexures to the Annual Financial Statements

for the year ended 31 March 2023

ANNEXURE 1H

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

Name of organisation	Nature of gift, donation or sponsorship	2022/23	2021/22
		R'000	R'000
Prior year 2021/22			
Embassy of China, Germany & Taiwan	Training		3 768
Agnes	Meeting		5
Food and Agriculture organisation of United Nations	Training		75
CTA	Training		9
Deutsche Gesellschaft fur Internationale Zusammenabat (GIZ)	Training		125
Perishable Products Export Control Board (PPECB)	Travelling costs		4
Department of Human Settlement	Vehicle		577
Sub total		3 712	5 133
TOTAL		3 856	6 077



Annexures to the Annual Financial Statements

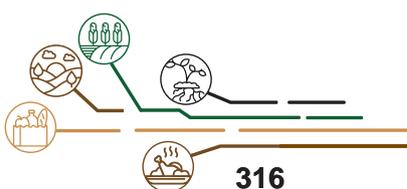
for the year ended 31 March 2023

ANNEXURE 1I

STATEMENT OF AID ASSISTANCE RECEIVED

Name of donor	Purpose	Opening balance	Revenue	Expenditure	Paid back on / by 31 March	Closing balance
		R'000	R'000	R'000	R'000	R'000
Received in cash						
The Australian Centre for International Agriculture Research (ACIAR)	Small scale and emerging beef cattle farmers in South Africa	6 237	-	-	6 237	-
European Union	Economic Partnership Agreement Implementation support programme in South Africa	53 506	111 253	-	53 506	111 253
Bioversity International	Farmers seed systems and community seed banks in South Africa	-	183	57	-	126
Department of Small Business Development	ECO System Development for Small Enterprises (EDSE)	12 199	21 600	7 331	12 199	14 269
TOTAL		71 942	133 036	7 388	71 942	125 648

On 22 August 2022 the ACIAR fund was concluded.



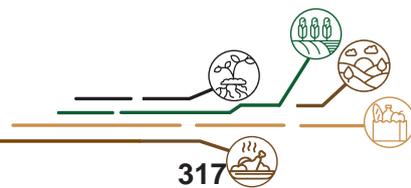
Annexures to the Annual Financial Statements

for the year ended 31 March 2023

ANNEXURE 2A

STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO NATIONAL/PROVINCIAL PUBLIC ENTITIES

Name of public entity	State Entities' PFMA Schedule type (state year end if not 31 March)	% Held 22/23	% Held 21/22	Number of shares held		Cost of investments		Net asset value of investments		Profit/(Loss) for the year		Losses guaranteed
				R'000		R'000		R'000		R'000		
				2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	
National / Provincial Public entity												
Onderstepoort Biological Products (Pty) Ltd	Manufacturing of vaccines and related products	-	-	1	1	-	-	-	-	-	-	-
TOTAL		-	-	1	1	-	-	-	-	-	-	-



Annexures to the Annual Financial Statements

for the year ended 31 March 2023

ANNEXURE 3B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2023

Nature of liability	Opening balance 1 April 2022	Liabilities incurred dur- ing the year	Liabilities paid / can- celled / re- duced during the year	Liabilities recoverable (Provide de- tails hereun- der)	Closing bal- ance 31 March 2023
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Breach of contract and compelling specific performance	44	-	-	-	44
Claim on property	30 859	-	30 859	-	0
Claimant dispute claim of just and equitable compensa- tion	28 470	-	28 470	-	0
Commission disputes feasibility and claim for specific performance	15 678	-	-	-	15 678
Current owner wants to be paid more than the valuation amount on an approved S42D matter	4 500	-	4 500	-	0
Department dispute Alexcor claim of just equitable com- pensation	164 896	-	-	-	164 896
Liquidator issued summons against commission matter is apposed breach contract	15 252	-	15 252	-	0
Mr Vermaas, claims compensation received was not just and equitable	67 989	-	67 989	-	0
This is a direct access case for under compensation	5 377	-	5 377	-	0
Claim damages due to failure to comply with contractual obligations in the form of mora interest on the amount of R15 750 000,00	6 522	-	6 522	-	0
Claim for compensation	1 437 338	-	437 289	-	1 000 049
Claim under compensation on Ptns 5,7,8,28,30,31,49 & R/E of the Farm	-	-	-	-	-
Avontuur 725 JT that was expropriated by the Minister with an Expropriation Notice dated 19 September 2013 (MP)	48 050	-	48 050	-	0
Claims Financial Compensation not received Mahlangu Family claim (Vanggatfontein 251 IR), the funds were paid to the family, but the claimant allegedly did not re- ceive her share (MP)	2 732	-	2 732	-	0
Claims Financial Compensation – Tramways	1 500	-	1 500	-	0
Collision claim	203	-	-	-	203

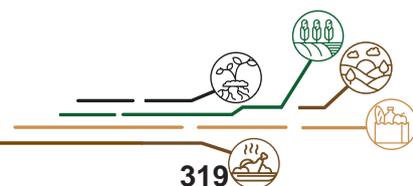
Annexures to the Annual Financial Statements

for the year ended 31 March 2023

ANNEXURE 3B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2023

Nature of liability	Opening bal- ance 1 April 2022	Liabilities incurred dur- ing the year	Liabilities paid / can- celled / re- duced during the year	Liabilities recoverable (Provide de- tails hereun- der)	Closing bal- ance 31 March 2023
	R'000	R'000	R'000	R'000	R'000
Commission is disputing validity of the contract with ap- plicant	3 491	-	-	-	3 491
Compensation for loss of income	25 031	-	-	-	25 031
Contractual claim	6 500	-	-	-	6 500
Damage motor vehicle	374	-	-	-	374
Payment due to services rendered	20 250	-	-	-	20 250
Farm Fire	11 626	-	-	-	11 626
Fire losses claim	-	9 685	9 685	-	-
Dispute within family regarding award. Plaintiff request compensation as per valuation report	881	-	-	-	881
A contractor appointed by the CRLR subcontracted the work to the applicant and failed to pay the Applicant. Now instead of the Applicant claiming money from the contractor they are claiming from CRLR.	1 000	-	1 000	-	0
Applicant compelling referral and seeking payment of grants	848	-	848	-	-
Defamation or alternatively, injury in the sum set out hereunder and seek an order in the following terms: An order that the de- fendants jointly and severally the one paying the order to absolved, pay to the plaintiffs	7 000	-	7 000	-	0
The Minister should decide if she will restore the claimed land with the leases. If the land is restored without leases the 6 th and 7 th ap- plicant want to receive R80 000 000,00 each for damages.	160 000	-	-	-	160 000
Labour dispute	653	-	-	-	653
Labour matter	1 845	-	-	-	1 845
Negligence	662	-	-	-	662



Annexures to the Annual Financial Statements

for the year ended 31 March 2023

ANNEXURE 3B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2023

Nature of liability	Opening bal- ance 1 April 2022	Liabilities incurred dur- ing the year	Liabilities paid / can- celled / re- duced during the year	Liabilities recoverable (Provide de- tails hereun- der)	Closing bal- ance 31 March 2023
	R'000	R'000	R'000	R'000	R'000
Non-payment of employment benefits	8	-	-	-	8
Not issuing import permits	53 315	-	-	-	53 315
OSD	121 642	-	22 509	-	99 133
Labour cases (COE related)	7 707	5 358	502	-	12 563
Prohibition of movement of animals	8 426	-	-	-	8 426
Vehicle accidents	712	228	605	-	335
Sub total	2 261 381	15 271	690 689	-	1 585 963
Other					
QCC	490 231	3 444 957	3 431 041	-	504 147
Sub total	490 231	3 444 957	3 431 041	-	504 147
TOTAL	2 751 612	3 460 228	4 121 730	-	2 090 110

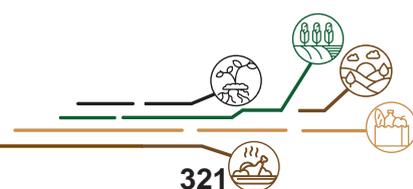
Annexures to the Annual Financial Statements

for the year ended 31 March 2023

ANNEXURE 4

CLAIMS RECOVERABLE

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 2022/23	
	31/03/2023	31/03/2022	31/03/2023	31/03/2022	31/03/2023	31/03/2022	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								
National Departments								
Department of Environmental, Forestry And Fisheries	-	-	1 645	1 821	1 645	1 821		-
Department of Justice	-	-	-	48	-	48		-
Department of Labour	-	-	-	43	-	43		-
Provincial Departments								
GP Treasury	38	-	-	-	38	-		-
GPW	21	-	-	-	21	-		-
Mpuedu	20	-	-	-	20	-		-
Sub total	79	-	1 645	1 912	1 724	1 912		-
Other Government Entities								
Deeds Registration Trading Account	1 198	1 092	-	-	1 198	1 092		-
TOTAL	1 277	1 092	1 645	1 912	2 922	3 004		-



Annexures to the Annual Financial Statements

for the year ended 31 March 2023

ANNEXURE 5

INTERGOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 2022/23 *	
	31/03/2023	31/03/2022	31/03/2023	31/03/2022	31/03/2023	31/03/2022	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								
Department of Justice and Constitutional Development	31 355	6 551	-	-	31 355	6 551		-
Department of Rural Development	-	13	-	-	-	13		-
Government motor transport – Western Cape	-	57	-	-	-	57		-
Department of Higher Education and Training	1 066	-	-	-	1 066	-		-
National School of Government	317	-	-	-	317	-		-
State Attorney	2	-	-	-	2	-		-
DIRCO	-	-	-	-	-	-		-
Government Printing Works	-	-	-	-	-	-		-
Gauteng Provincial Government	-	-	-	-	-	-		-
Western Cape Provincial Government	-	-	-	-	-	-		-
Total Departments	32 740	6 620	-	-	32 740	6 620		-

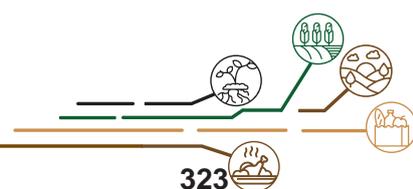
Annexures to the Annual Financial Statements

for the year ended 31 March 2023

ANNEXURE 5

INTERGOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 2022/23	
	31/03/2023	31/03/2022	31/03/2023	31/03/2022	31/03/2023	31/03/2022	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
OTHER GOVERNMENT ENTITIES								
Current								
Department of Public Works (Property Management trading Entity)	-	2 248			-	2 248		-
Telkom SA	10 541	1 228			10 541	1 228		-
Eastern Cape Rural Development Agency	-	22 205			-	22 205		-
The Office of the Auditor-General	1 158	624			1 158	624		-
ARC	75				75	-		-
SITA	25				25	-		-
Sub total Other Government Entities	11 799	26 305	-	-	11 799	26 305		-
TOTAL INTERGOVERNMENT PAYABLES	44 539	32 925	-	-	44 539	32 925		-



Annexures to the Annual Financial Statements

for the year ended 31 March 2023

ANNEXURE 6

INVENTORIES

Inventories for the year ended 31 March 2023	Clothing material and accessories	Farming Supplies	Food and Sup-plies	Fuel, oil and gas	Materials and Sup-plies	Me-dical Sup-plies	Medicine	Ma-chin-ery and equip-ment	Others	Other sup-plies: Am-mu-nition and Secu-rity	Other sup-plies: Oth-er assets for distri-bution	Total
	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000
Opening balance												
Add/(Less): Adjustments to prior year balances	4 684	776 861	1 952	18 532	14 699	281	213 262	57 186	1 807	1	6 246	1 095 511
Add: Additions/Purchases - Cash												
Add: Additions - Non-cash												
(Less): Disposals	(4 684)	(776 861)	(1 952)	(18 532)	(14 699)	(281)	(213 262)	(57 186)	(1 807)	(1)	(6 246)	(1 095 511)
(Less): Issues												
Add/(Less): Received current, not paid; (Paid current year, received prior year)												
Add/(Less): Adjustments												
Closing balance	-	-	-	-	-	-	-	-	-	-	-	-

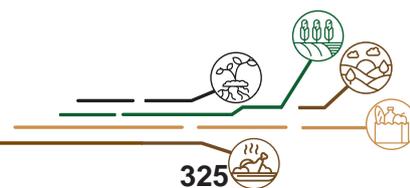
Annexures to the Annual Financial Statements

for the year ended 31 March 2023

ANNEXURE 6

INVENTORIES

Inventories for the year ended 31 March 2022	Clothing material and accessories	Farming Supplies	Food and Supplies	Fuel, oil and gas	Materials and Supplies	Medical Supplies	Medicine	Machinery and equipment	Bio-logical Assets	Others	Total
	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000
Opening balance											
Add/(Less): Adjustments to prior year balances	6 654	972 872	2 166	11 843	41 089	1 116	29 527	124 285	7 743	1 136	1 198 431
Add: Additions/Purchases - Cash											
Add: Additions - Non-cash											
(Less): Disposals	(6 654)	(972 872)	(2 166)	(11 843)	(41 089)	(1 116)	(29 527)	(124 285)	(7 743)	(1 136)	(1 198 431)
(Less): Issues											
Add/(Less): Received current, not paid; (Paid current year, received prior year)											
Add/(Less): Adjustments											
Closing balance	-	-	-	-	-	-	-	-	-	-	-



Annexures to the Annual Financial Statements

for the year ended 31 March 2023

ANNEXURE 7

MOVEMENT IN CAPITAL WORK IN PROGRESS

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

	Opening bal- ance	Current year CWIP	Ready for use (Asset Register) / Contract ter- minated	Closing bal- ance
	R'000	R'000	R'000	R'000
HERITAGE ASSETS	-	-	-	-
Heritage assets	-	-	-	-
MACHINERY AND EQUIPMENT	26 854	-	-	26 854
Transport assets	26 854	-	-	26 854
SPECIALISED MILITARY ASSETS	-	-	-	-
Specialised military assets	-	-	-	-
BIOLOGICAL ASSETS	-	-	-	-
Biological assets	-	-	-	-
BUILDINGS AND OTHER FIXED STRUCTURES	2 258 197	302 912	1 090 095	1 471 014
Dwellings	394 989	16 327	-	411 316
Non-residential buildings	787 887	67 032	854 919	-
Other fixed structures	1 075 321	219 553	235 176	1 059 698
LAND AND SUBSOIL ASSETS	447 311	1 302 808	966 696	783 423
Land	447 311	1 302 808	966 696	783 423
Mineral and similar non-regenerative resources	-	-	-	-
SOFTWARE	11 876	8 110	561	19 425
Software	11 876	8 110	561	19 425
TOTAL	2 744 238	1 613 830	2 057 352	2 300 716

Transport assets represent seven Mercedes mobile clinics.

Computer software represents the self-development in-house systems

Other fixed structures represents different capital projects.

Annexures to the Annual Financial Statements

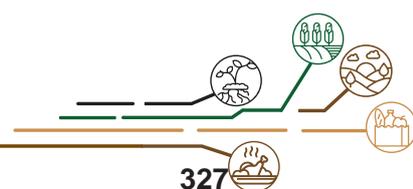
for the year ended 31 March 2023

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

	Opening balance	Prior period error	Current year CWIP	Ready for use (Asset Register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000	R'000
HERITAGE ASSETS	-	-	-	-	-
Heritage assets	-	-	-	-	-
MACHINERY AND EQUIPMENT	26 854	-	-	-	26 854
Transport assets	26 854	-	-	-	26 854
Computer equipment	-	-	-	-	-
SPECIALISED MILITARY ASSETS	-	-	-	-	-
Specialised military assets	-	-	-	-	-
BIOLOGICAL ASSETS	-	-	-	-	-
Biological assets	-	-	-	-	-
BUILDINGS AND OTHER FIXED STRUCTURES	1 592 906	(402)	873 591	(207 898)	2 258 197
Dwellings	306 653	-	88 336	-	394 989
Non-residential buildings	497 773	-	290 114	-	787 887
Other fixed structures	788 480	(402)	495 141	(207 898)	1 075 321
LAND AND SUBSOIL ASSETS	14 927	-	432 384	-	447 311
Land	14 927	-	432 384	-	447 311
SOFTWARE	8 507	-	4 310	(941)	11 876
Software	8 507	-	4 310	(941)	11 876
TOTAL	1 643 194	(402)	1 310 285	(208 839)	2 744 238

Transport assets represent seven Mercedes mobile clinics.

Computer software represents the self-development in-house systems.



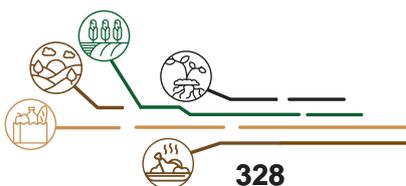
Annexures to the Annual Financial Statements

for the year ended 31 March 2023

ANNEXURE 8A

INTER ENTITY ADVANCES PAID (Note 13)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/3/2023	31/03/2022	31/3/2023	31/03/2022	31/3/2023	31/03/2022
	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL DEPARTMENTS						
Government Communications (GCIS)	-	-	1 482	2 973	1 482	2 973
Department of International Relations and Cooperations (DIRCO)	-	-	2 244	-	2 244	-
TOTAL	-	-	3 726	2 973	3 726	2 973



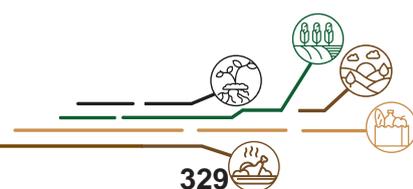
Annexures to the Annual Financial Statements

for the year ended 31 March 2023

ANNEXURE 8B

INTER ENTITY ADVANCES RECEIVED (Note 20 and Note 21)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/3/2023	31/03/2022	31/3/2023	31/03/2022	31/3/2023	31/03/2022
	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL DEPARTMENTS						
Current	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
<p><i>The following advances were received under the set of accounts: Agency Services</i> <i>NSF: R29,424 million, expensed R28,262 million with a balance of R1,162 million</i> <i>MERSETA: R154 thousand, expensed R153 thousand with a balance of R1 thousand</i> <i>NSF Bursaries: R79,929 million, expensed R0 million with a balance of R79,929 million</i></p>						
OTHER ENTITIES						
Current						
Citrus Growers	-	-	-	58	-	58
TOTAL	-	-	-	58	-	58



Annexures to the Annual Financial Statements

for the year ended 31 March 2023

ANNEXURE 9

ADDITIONAL INFORMATION ON IMMOVABLE ASSETS

1. *Surveyed unregistered land parcels*

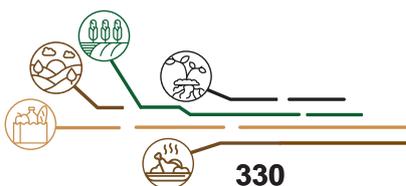
There are 1,378 land parcels that are surveyed but not yet registered at the Deeds Office.

2. *State Land held in Trust*

There are 815 land parcels that are held in Trust for communities.

3. *Deemed Vested Properties*

There are 2,673 land parcels that must still be vested.



Annexures to the Annual Financial Statements

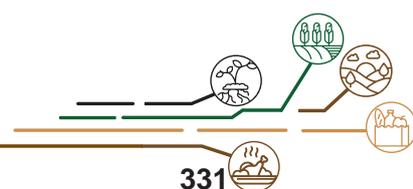
for the year ended 31 March 2023

ANNEXURE 11

COVID 19 RESPONSE EXPENDITURE

Per quarter and in total

Expenditure per economic classification	2022/23					2021/22
	Q1	Q2	Q3	Q4	Total	Total
	R'000	R'000	R'000	R'000	R'000	R'000
<i>Compensation of employees</i>						
<i>Goods and services</i>	1 106	25	11	-	1 142	3 556
<i>Cons Supplies</i>	1 036	-	1	-	1 037	1 877
<i>Contractors</i>	3	-	-	-	3	3
<i>Inv: Medical supplies</i>	16	15	10	-	41	2
<i>Property payments</i>	51	10	-	-	61	1 660
<i>Rental and hiring</i>	-	-	-	-	-	14
TOTAL COVID 19 RESPONSE EXPENDITURE	1 106	25	11	-	1 142	3 556





PART F

ANNUAL FINANCIAL STATEMENTS – AGRICULTURAL LAND HOLDINGS ACCOUNT (ALHA) For the period ended 31 March 2023

Agricultural Land Holdings Account

Table of contents

The reports and statements set out below comprise the annual financial statements presented to the Parliament:

	Page
Report of the Auditor-General	334 - 339
Annual Financial Statements	340 - 380
General Information	340
Audit Committee Members	341
Statement of Financial Position	342
Statement of Financial Performance	343
Statement of Changes in Net Assets	344
Cash Flow Statement	345
Statement of Comparison of Budget and Actual Amounts	346 - 349
Accounting Policies	350 - 364
Notes to the Annual Financial Statements	365 - 380

The annual financial statements as set out below were prepared on a going concern basis and approved by the accounting authority on 11 December 2023.



T Ndove

Deputy Director-General: LRTA



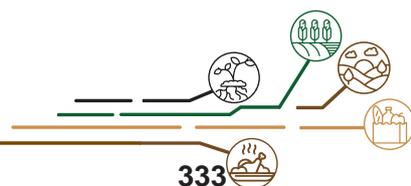
MM Mokono

Acting Chief Financial Officer



M Ramasodi

Director-General



Agricultural Land Holdings Account

Report of the Auditor-General to Parliament on the Agricultural Land Holdings Account

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of the Agricultural Land Holdings Account set out from pages 342 to 380, which comprise the statement of financial position as at 31 March 2023 statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the possible effects of the matter described in the basis for qualified opinion section of this report, the financial statements present fairly, in all material respects, the financial position of the Agricultural Land Holdings Account as at 31 March 2023 and its financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

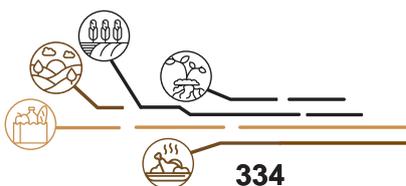
Basis for the qualified opinion

Trade and other receivables from non-exchange transactions

3. I was unable to obtain sufficient appropriate audit evidence for trade and other receivables from non-exchange transactions and the related provision for impairment. The entity was required to perform reconciliations to determine if any amounts are to be recognised as receivables, where funds were not utilised accordingly. As at 31 March 2023, some of the reconciliations were still not finalised for the grants disbursed to the farmers from 2011 to 2019, as part of the recapitalisation and development programme. According to the grant agreements, the farmers needed to submit proof that the funds were utilised for the intended purpose and due to lack of internal controls, the proof of documents was not followed up by the entity. Consequently, I am unable to determine if there is any adjustment necessary to trade and other receivables from non-exchange transactions stated at R774 607 000 (2021-22: R553 745 000), the events after the reporting date and the prior period error disclosure for the recapitalisation and development grants in note 7, 27 and 25 of the financial statements, respectively. I could not confirm the adjustment amounts by alternative means.

Context for opinion

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



Agricultural Land Holdings Account

Emphasis of matters

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

Impairment of trade receivables from exchange transactions

8. As disclosed in note 6 to the financial statement, the trading entity had receivables from exchange transactions totalling R681 251 000 (2021-22: R607 389 000), with an impairment provision for doubtful debts of R666 717 000 (2021-22: R597 802 000). The receivables relate to operating leases on farms that are leased out to beneficiaries.

Other matter

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

National Treasury Instruction Note No. 4 of 2022-23: PFMA Compliance and Reporting Framework

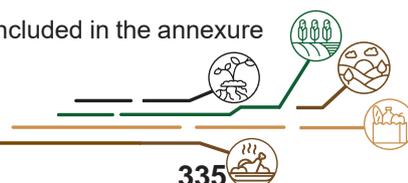
10. On 23 December 2022 National Treasury issued Instruction Note No. 4: PFMA Compliance and Reporting Framework of 2022-23 in terms of section 76(1)(b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA which came into effect on 3 January 2023. The PFMA Compliance and Reporting Framework also addresses the disclosure of unauthorised expenditure, irregular expenditure, and fruitless and wasteful expenditure (UIFW). Among the effects of this framework is that irregular and fruitless and wasteful expenditure incurred in previous financial years and not addressed is no longer disclosed in either the annual report or the disclosure notes of the annual financial statements, only the current year and prior year figures are disclosed in note 20 and 23 to the financial statements. Furthermore, the movements in respect of irregular expenditure and fruitless and wasteful expenditure are no longer disclosed in the notes to the annual financial statements of Agricultural Land Holdings Account. The disclosure of these movements (e.g., condoned, recoverable, removed, written off, under assessment, under determination and under investigation) are now included as part of other information in the annual report of Agricultural Land Holdings Account. I do not express an opinion on the disclosure of irregular expenditure and fruitless and wasteful expenditure in the annual report.

Responsibilities of the Accounting Officer for the financial statements

11. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the GRAP and the requirements of the PFMA and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
12. In preparing the financial statements, the accounting officer is responsible for assessing the trading entity's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the trading entity or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the Auditor-General for the audit of the financial statements

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



Agricultural Land Holdings Account

Report on the annual performance report

15. Section 40(3) (a) of the PFMA for departments, trading entities and constitutional institutions requires the trading entity to prepare an annual performance report. The trading entity's performance information was reported in the annual performance report of the Department of Agriculture, Land Reform and Rural Development. The usefulness and reliability of the reported performance information was tested as part of the audit of the Department of Agriculture, Land Reform and Rural Development and any audit findings are included in the management and auditor's report of the Department of Agriculture, Land Reform and Rural Development.

Report on the audit of compliance with legislation

Introduction and scope

16. 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 compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the trading entity's compliance with legislation.
17. 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.
18. 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 trading entity, 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.
19. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual financial statements

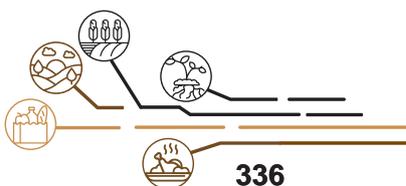
20. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework as required by section 40(1)(a) of the PFMA. Material misstatements of trade and other receivables from non-exchange transactions identified by the auditors in the submitted financial statements were not corrected, resulting in the financial statements receiving a qualified opinion.

Revenue management

21. Effective and appropriate steps were not taken to collect all money due, as required by section 38(1) (c) (i) of the PFMA.

Consequence management

22. Disciplinary steps were not taken against the officials who had incurred and/or permitted irregular expenditure, as required by section 38(1)(h)(iii) of the PFMA
23. Disciplinary hearings were not held for confirmed cases of financial misconduct committed by the officials, as required by treasury regulation 4.1.1.



Agricultural Land Holdings Account

Other information in the Annual Report

24. 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 and the auditor's report.
25. My opinion on the financial statements, 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.
26. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
27. I did not receive the other information prior to the date of this auditor's report. When I do receive and read the information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract the auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

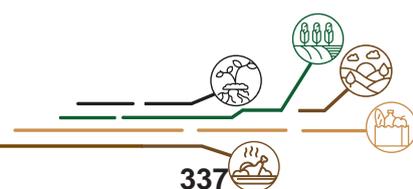
Internal control deficiencies

28. 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.
29. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion and the material findings on compliance with legislation included in this report.
30. Management did not finalise the reconciliations to ensure the accuracy of amounts recognised as receivables from the recapitalisation grants assessments.
31. Management did not ensure that internal controls around the management and monitoring of the recapitalisation grants were effective to ensure that the grants paid out were accounted for and management did not take appropriate steps to collect the money that was due to the entity when the contracts expired.
32. Management did not implement effective monitoring of compliance with applicable legislation. Non-compliance with legislation processes could have been prevented if compliance had been properly reviewed and monitored.

Auditor-General

Pretoria

07 December 2023



Agricultural Land Holdings Account

Annexure to the auditors report

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 on the trading entity's compliance with selected requirements in key legislation.

Financial statements

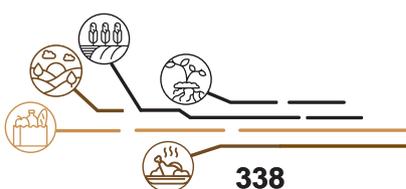
In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- 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 trading entity'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 trading entity to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a trading entity to cease operating as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

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.

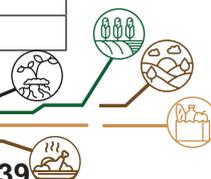
I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.



Agricultural Land Holdings Account

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999 (PFMA)	Section 1 Section 38(1)(b), 38(1)(c)(i), 38(1)(c)(ii), 38(1)(d), 38(1)(h)(iii), 38(1)(a)(iv), 39(1)(a), 39(2)(a), 40(1)(c)(i), 40(1)(b), 40(1)(a), 40(1)(b); 40(1)(c)(i), 43(4), 45(b), 57(b), 44, 44 (1), (2), 50(3); 50(3)(a)
Treasury regulations	Treasury reg 7.2.1 , 10.1.1(a), 10.1.2, 11.4.1, 11.5.1, 12.5.1, 15.10.1.2(c), 16A3.2 (fairness), 16A3.2(a) and (b), 16A6.1, 16A6.2(a) and b), 16A6.4, 16A6.5, 16A6.6, 16A8.3, 16A6.3 (a), (b), (c), (e) and (i), 16A.7.1, 16A.7.3, 16A.7.6, 16A.7.7, 16A8.4, 16A9.1(b)(ii), 16A9.1(b)(ii), (d), (e), (f), 16A9.2(a)(ii), 17.1.1, 18.2, 19.6.1, 19.8.4, 29.1.1(a),(c), 29.3.1, 30.1.1 , 30.1.3(a), (b), (d), 30.2.1, 31.1.2(c), 31.2.1, 31.3.3, 33.1.1, 33.1.3, 4.1.1, 4.1.3, 5.1.1, 5.2.1, 5.2.3(a), (b), 5.3.1, 6.3.1(a), (b), (c) and (d), 6.4.1(b), 8.1.1, 8.2.1, 8.2.1, 8.2.2, 8.2.3, 8.4.1, 9.1.1, 9.1.4
Public Service Act 103 of 1994 (PSA) and regulations issued in terms of the act	Section 30 (1) Public service regulation 13(c);18; 18 (1) and (2); 25(1)(e)(i); 25(1)(e)(iii)
Division of Revenue Act No. 5 of 2022	Section 16(1)
Prevention and Combating of Corrupt Activities Act No.12 of 2004 (PRECCA)	Section 29 Section 34(1)
Construction Industry Development Board Act 38 of 2000 and regulations issued in terms of the act	Section 18(1) CIDB regulation. 17; CIDB regulation. 25(1); 25 (5), 25(7A)
Preferential Procurement Policy Framework Act 5 of 2000	Definition, section 1; 2(1)(a); 2(1)(b); 2(1)(f)
Preferential procurement regulation of 2011 (PPR)	Regulation 9(1), 9(5)
Preferential procurement regulation of 2017 (PPR)	Paragraph 4.1; 4.2, 5.1; 5.3; 5.6; 5.7, 6.1; 6.2; 6.3; 6.5; 6.6; 6.8, 7.1; 7.2; 7.3; 7.5; 7.6; 7.8, 8.2; 8.5, 9.1; 9.2, 10.1; 10.2, 11.1; 11.2, 12.1 and 12.2
Preferential procurement regulation of 2022 (PPR)	Definition, paragraph 3.1, 4.1; 4.2; 4.3; 4.4, 5.1; 5.2; 5.3; 5.4
State Information Technology Agency Act 88 of 1998 and regulations issued in terms of the act	Section 7(3), 7(6)(b), 20(1)(a)(l)
SITA regulations	Regulation 8.1.1 (b); 8.1.4; 8.1.7, 9.6; 9.4, 12.3, 13.1 (a), 14.1; 14.2
PFMA SCM Instruction no. 09 of 2022/2023	Paragraph 3.1; 3.3 (b); 3.3 (c); 3.3 (e); 3.6
National Treasury Instruction No.1 of 2015/16	Paragraph 3.1; 4.1; 4.2,
NT SCM Instruction Note 03 2021/22	Definition, paragraph 4.1; 4.2 (b); 4.3; 4.4; 4.4(a); 4.4(c), 4.4(d); 4.6, 5.4, 7.2; 7.6
NT SCM Instruction 4A of 2016/17	Paragraph 6
NT SCM Instruction Note 03 2019/20	Par 5.5.1(vi); Paragraph 5.5.1(x);
NT SCM Instruction Note 11 2020/21	Paragraph 3.1; 3.4 (a) and (b); 3.9; 6.1; 6.2; 6.7
NT SCM Instruction note 2 of 2021/22	Paragraph 3.2.1; 3.2.2; 3.2.4(a) and (b) ; 3.3.1; 3.2.2, 3.2.4, 4.1
PFMA SCM Instruction 04 of 2022/23	Paragraph 4(1); 4(2); 4(4)
Practice Note 5 of 2009/10	Parapargh.3.3
PFMA SCM instruction 08 of 2022/23	Paragraph 3.2 Paragraph 4.3.2 and 4.3.3
NT instruction note 4 of 2015/16	Paragraph 3.4
NT instruction 3 of 2019/20 - Annexure A	Section 5.5.1 (iv) and (x)
NT SCM Instruction Note 05 2020/21	Paragraph 1; 2; 4.8; 4.9 & 5.3
Second amendment of NTI 05 of 2020/21	Paragraph 4.8; 4.9; 5.1; 5.3
Erratum NTI 5 of 202/21	Paragraph 1
Erratum NTI 5 of 202/21	Paragraph 2
Practice note 7 of 2009/10	Paragraph 4.1.2
Practice note 11 of 2008/9	Paragraph 3.1 Paragraph 3.1 (b)
NT instruction note 1 of 2021/22	Paragraph 3.4, 4.1
NT Instruction 07 of 2017/18	Paragraph 4.3
SCM Instruction Note 3 of 2016	Note 3
SCM Instruction Note 3 of 2016	Note 6
SBD	SBD 6.2 issued in 2015/16



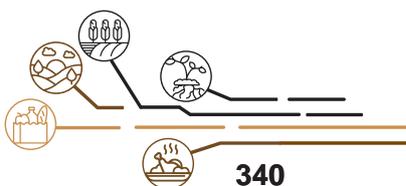
Agricultural Land Holdings Account:

Annual Financial Statements

for the year ended 31 March 2023

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Land Acquisition and Management
Business address	600 Lilian Ngoyi Street, Pretoria, 0002
Postal address	Private Bag X 833 Pretoria 0001
Bankers	ABSA
Auditors	Auditor-General of South Africa



Agricultural Land Holdings Account:

Annual Financial Statements

for the year ended 31 March 2023

Audit committee members

Ms SP Mzizi (Chairperson)

Ms SJ Sekgobela

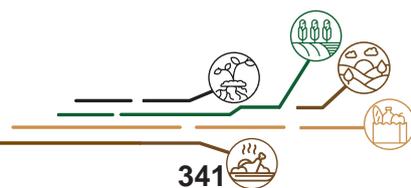
Ms AMM Badimo

Ms MK Mbonambi

Audit committee responsibility

The audit committee reports that it has complied with its responsibilities arising from section 38(10)(1) of the PFMA and Treasury Regulation 3.1.

The audit committee also reports that it has adopted appropriate formal terms of reference as its audit committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.



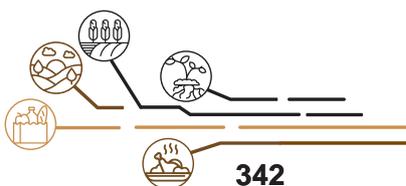
Agricultural Land Holdings Account:

Annual Financial Statements

for the year ended 31 March 2023

**Statement of Financial Position as at 31 March
2023**

	Note(s)	2023 R '000	2022 Restated* R '000
Assets			
Current Assets			
Cash and cash equivalents	5	563 503	682 077
Trade and other receivables from exchange transactions	6	115 819	111 627
Trade and other receivables from non-exchange transactions	7	774 607	553 745
Prepayments	9	19 814	11 642
		1 473 743	1 359 091
Non-Current Assets			
Property, plant and equipment	3	14 435 547	14 265 197
Intangible assets	4	1 896	
		14 437 443	14 265 197
Total Assets		15 911 186	15 624 288
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	8	118 405	86 928
Provisions	10	692 192	696 886
		810 597	783 814
Total Liabilities		810 597	783 814
Net Assets		15 100 589	14 840 474
Accumulated surplus		15 100 593	14 840 473



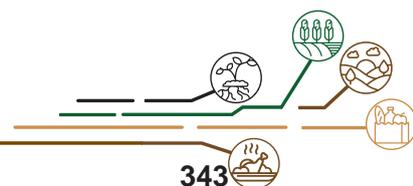
Agricultural Land Holdings Account:

Annual Financial Statements

for the year ended 31 March 2023

Statement of Financial Performance

	Note(s)	2023 R '000	2022 Restated* R '000
Revenue			
Revenue from exchange transactions			
Rental income on lease receivable	11	81 258	82 989
Interest on lease receivable	11	32 901	21 349
Interest income	11	68 363	31 373
Total revenue from exchange transactions		182 522	135 711
Revenue from non-exchange transactions			
Transfer revenue			
Grant income – non-exchange	11	596 760	937 986
Donation received	11	10 377	3 922
Other revenue		60 574	35 951
Total revenue from non-exchange transactions		667 711	977 859
Total revenue	11	850 233	1 113 570
Expenditure			
Depreciation and amortisation		(81 582)	(81 378)
Impairment	14	(97 362)	(164 817)
Interest expense		(1 225)	(3 040)
Bad debts written off		(16 976)	-
Grant expense farmers	13	(183 930)	(191 133)
General Expenses	12	(198 998)	(189 096)
Total expenditure		(580 073)	(629 464)
Operating surplus		270 160	484 106
Gain/Loss on disposal of assets		(10 042)	(12 646)
Surplus for the year		260 118	471 460



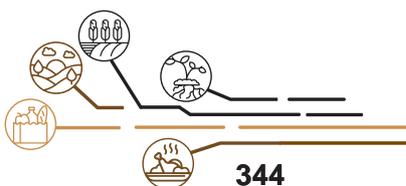
Agricultural Land Holdings Account:

Annual Financial Statements

for the year ended 31 March 2023

Statement of Changes in Net Assets

	Accumulated surplus	Total net assets
	R '000	R '000
Opening balance as previously reported	14 361 748	14 361 748
Adjustments		
Prior year adjustments - Note 25	7 265	7 265
Balance at 01 April 2021 as restated**	14 369 013	14 369 013
Changes in net assets Surplus for the year	471 460	471 460
Total changes	471 460	471 460
Restated* Balance at 01 April 2022	14 840 475	14 840 475
Changes in net assets		
Surplus/ (deficit) for the year	260 118	260 118
Total changes	260 118	260 118
Balance at 31 March 2023	15 100 593	15 100 593



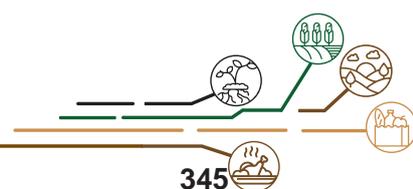
Agricultural Land Holdings Account:

Annual Financial Statements

for the year ended 31 March 2023

Cash Flow Statement

	Note(s)	2023 R '000	2022 Restated* R '000
Cash flows from operating activities			
Cash receipts			
Sale of goods and services		23 844	13 389
Grant income		596 760	937 986
Interest income		35 305	15 876
Other operating revenue		3 371	5 325
		659 280	972 576
Cash paid to suppliers and employees			
Suppliers and other payables		(512 147)	(288 661)
Net cash flows from operating activities	15	147 133	683 915
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(263 812)	(389 904)
Proceeds from sale of assets	3	-	12 559
Purchase of other intangible assets	4	(1 896)	-
Net cash flows from investing activities		(265 708)	(377 345)
Net increase/(decrease) in cash and cash equivalents		(118 575)	306 570
Cash and cash equivalents at the beginning of the year		682 077	375 506
Cash and cash equivalents at the end of the year	5	563 502	682 076



Agricultural Land Holdings Account:

Annual Financial Statements

for the year ended 31 March 2023

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis						
	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
	R '000	R '000	R '000	R '000	R '000	
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Rental income on lease receivable	63 098	12 368	75 466	81 258	5 792	8% - 1
Interest (outstanding debtors)	24 985	10 282	35 267	32 901	(2 366)	(7%) - 2
Interest income	42 198	(25 000)	17 198	68 363	51 165	297% - 3
Total revenue from exchange transactions	130 281	(2 350)	127 931	182 522	54 591	
Revenue from non-exchange transactions						
Transfer revenue						
Government grants & subsidies	965 860	(369 100)	596 760	596 760	-	
Donation received	8 784	(3 167)	5 617	10 377	4 760	85% - 4
Other revenue	15 000	-	15 000	60 574	45 574	304% - 5
Total revenue from non-exchange transactions	989 644	(372 267)	617 377	667 711	50 334	
Total revenue	1 119 925	(374 617)	745 308	850 233	104 925	
Expenditure						
Depreciation and amortisation	(79 138)	(5 148)	(84 286)	(81 582)	2 704	3%
Impairment	(48 448)	(24 505)	(72 953)	(97 362)	(24 409)	33% - 6
Interest expense	(1 500)	-	(1 500)	(1 225)	275	18% - 7
Bad debts written off	(27 613)	4 156	(23 457)	(16 976)	6 481	27% - 8
Grant expense farmers	(414 071)	154 071	(260 000)	(183 930)	76 070	33% - 9
General expense	(241 539)	(2 985)	(244 524)	(198 998)	45 526	19% - 10
Total expenditure	(812 309)	125 089	(686 720)	(580 073)	106 647	
Operating surplus	307 616	(249 028)	58 588	270 160	211 572	
Gains/Loss on disposal of assets	(6 000)	(25 214)	(31 214)	(10 042)	21 172	68% - 11
Surplus before taxation	301 616	(274 242)	27 374	260 118	232 744	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	301 616	(274 242)	27 374	260 118	232 744	

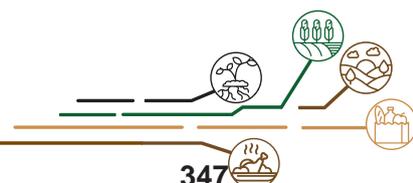
Agricultural Land Holdings Account:

Annual Financial Statements

for the year ended 31 March 2023

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis						
	Approved budget	Adjust- ments	Final Budget	Actual amounts on compa- rable basis	Difference between final budget and actual	Refer- ence
	R '000	R '000	R '000	R '000	R '000	
1.	Rental income on lease receivable — 8% variance for over performance is as a result of new contracts that were concluded during the year that were not anticipated for.					
2.	Interest on Outstanding lease debt - (7%) variance is as a result of improvement in collection that resulted into an improvement in the interest charged.					
3.	Interest income — 297% variance is as a result of low spending during the year that resulted into a high cash balance and a further increase relates to Land Development Support (LDS) interest received from grant holding account during the current financial that was not budgeted for.					
4.	Donation received - 85% variance is as a result of high acquisition of land in the last quarter of the financial year that resulted into an over achievement not anticipated for during the adjustment budget.					
5.	Other revenue - 304% variance is as a result of fewer irrigation boards approaching the entity for payment where the lessees failed to honour the payment of water right levies. The entity has the right to recover such costs as per signed lease agreement with the lessees. The entity further recognised other debtors from beneficiaries who have breached conditional grant agreements.					
6.	Impairment – 33% variance is as a result of low payment from other debtors which was anticipated for.					
7.	Interest expense – 18% variance is relating to an improvement in payments of suppliers within 30 day that resulted into lower interest charged as anticipated.					
8.	Bad Debts written off – 27% variance is as a result of less bad debt written off in comparison to what was budgeted for.					
9.	Grant expense farmers – 33% variance is as a result of slow spending of infrastructure grants from farmers grant holding bank accounts due to limited engineers within the department that implement, assess infra structure works,					
10.	General expense – 19% variance is as a result of underperformance of planned rates and taxes for properties earmarked for acquisition in the current financial year but were not concluded in the year.					
11.	Gain/Loss on disposal of assets — 68% variance is as a result of slow processing of transfer of title deeds to farm dwellers and labour tenants as approved by National Treasury.					



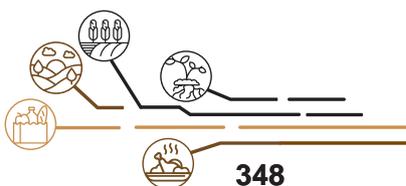
Agricultural Land Holdings Account:

Annual Financial Statements

for the year ended 31 March 2023

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis						
	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
	R '000	R '000	R '000	R '000	R '000	
Statement of Financial Position						
Assets						
Current Assets						
Trade and other receivables from exchange transactions	118 593	(7 875)	110 718	115 819	5 101	5% - 12
Trade and other receivables from non-exchange transactions	367 610	275 442	643 052	774 607	131 555	20% - 13
Prepayments	11 035	-	11 035	19 814	8 779	79% - 14
Cash and cash equivalents	178 005	(19 408)	158 597	563 503	404 906	255% - 15
	675 243	248 159	923 402	1 473 743	550 341	
Non-Current Asset						
Property, plant and equipment	13 887 871	280 609	14 168 480	14 435 547	267 067	2%
Intangible assets	-	-	-	1 896	1 896	0%
	13 887 871	280 609	14 168 480	14 437 443	268 963	
Total Assets	14 563 114	528 768	15 091 882	15 911 186	819 304	
Liabilities						
Current Liabilities						
Trade and other payables from exchange transactions	33 707	-	33 707	118 405	84 698	251% - 16
Provisions	460 924	206 182	667 106	692 192	25 086	4%
	494 631	206 182	700 813	810 597	109 784	
Total Liabilities	494 631	206 182	700 813	810 597	109 784	
Net Assets	14 068 483	322 586	14 391 069	15 100 589	709 520	
Net Assets Attributable to Owners of Controlling Entity						
Reserves						
Accumulated surplus	14 068 483	322 586	14 391 069	15 100 589		715 164
Total Net Assets	14 068 483	322 586	14 391 069	15 100 589		715 164



Agricultural Land Holdings Account:

Annual Financial Statements

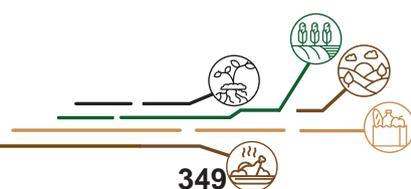
for the year ended 31 March 2023

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
	R '000	R '000	R '000	R '000	R '000	

12. **Trade and other receivables from exchange transactions – 5%** variance is as a result of an improvement in collection as compared to previous year.
13. **Trade and other receivables from non-exchange transactions – 20%** variance is as a result of underspending on Land Development Support programme as well as low payment received from other debtors than anticipated and a further increase on LDS relates to the interest that has been received from grant holding account of the beneficiaries that was not budgeted for.
14. **Prepayments – 79%** variance is as a result of increased use of advance payments for production inputs by farmers than anticipated.
15. **Cash and cash equivalent – 255%** variance is due to the slow spending of budget during the current financial year.
16. **Trade and other payables from exchange transactions – 251%** variance is as a result of high receipt of outstanding invoices from municipalities than anticipated.



Agricultural Land Holdings Account

Annual Financial Statements

for the year ended 31 March 2023

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise.

In the absence of an issued and effective Standard of GRAP, accounting policies for material transactions, events or conditions were developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 as read with Directive 5.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

1.1 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the entity.

1.2 Rounding

Unless otherwise stated all financial figures have been rounded off to the nearest one thousand rand (R'000).

1.3 Prior year comparatives

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are also reclassified and restated, unless such comparative reclassification is not required by a Standard of GRAP. The nature and reasons for such reclassification and restatement are also disclosed.

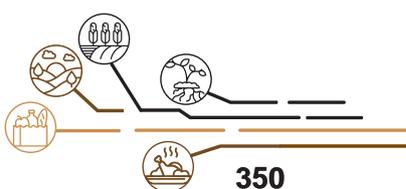
Where material accounting errors, which relate to prior periods have been identified in the current year, the correction is made retrospectively as far as practicable and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly.

Presentation and classification of items in the current year are consistent with prior periods.

1.4 Budget

Budget information has been provided in a separate disclosure note in accordance with GRAP 1 and 24. GRAP 24 is applicable to all entities preparing their financial statements on accrual basis of accounting and is also applicable to all entities that are required or elect to make their approved budget publicly available.

ALHA budget does not meet the scope of GRAP 24 because its budget is not approved by parliament. The Trading Entity has elected to make their approved budget available. ALHA presents separate statement of comparison of budget in the annual financial statements.



Agricultural Land Holdings Account

Annual Financial Statements

for the year ended 31 March 2023

Accounting Policies

1.5 Significant judgements and estimates

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Impairment of trade receivable

The entity assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the trading entity makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Appropriate allowances for estimated irrecoverable amounts are recognised in surplus or deficit when there is objective evidence that the asset is impaired.

Debtors are assessed on an individual basis; however, groups of debtors could be affected by the same evident circumstances which warrants a specific sub - grouping to be justifiable. Those debtors are classified according to those underlying circumstances for the purpose of compilation of an allowance for doubtful debts.

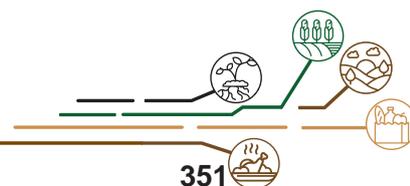
The following are some of the factors that should be considered, but the list is not exhaustive.

Category

Debt acknowledged/Entity/Commercial
Debt acknowledged/Entity/Limited Operation
Debt acknowledged/Entity/No Operation/Not Categorized
Debt acknowledged/Entity/Recapitalisation/Land Development Support
Debt acknowledged/Individual/Commercial
Debt acknowledged/Individual/Limited Operation
Debt acknowledged/Individual/No Operation/Not Categorized
Debt acknowledged/Individual/Recapitalisation/Land Development Support
Debt not acknowledged
Refusal to pay
Debt not assessed
Deceased
Debt acknowledged or not/Intergovernmental debt
Debt acknowledged or not/Other debt Individual/Entity

Impairment of non-financial assets

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the entity for similar financial instruments.



Agricultural Land Holdings Account

Annual Financial Statements

for the year ended 31 March 2023

Accounting Policies

1.5 Significant judgements and estimates (continued)

Value in use of non-cash generating assets

The Trading Entity reviews and tests the carrying value of the assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. If there are indicators that impairment may have occurred, the remaining service potential of the asset is determined. This estimate is based on the availability of information to determine the remaining service potential of the asset.

Remaining useful lives of property, plant and equipment

The Trading Entity's management determines the estimated remaining useful lives and related depreciated charges for property, plant and equipment. This estimate is based on management's judgement, farming activities and operational factors. These estimates are based on the pattern in which an asset's future economic benefits or service potential is expected to be consumed by the Trading Entity.

Depreciation

Depreciation is recognised on property, plant and equipment and is determined with reference to the useful lives of the underlying items. The useful lives of the assets are based on management's estimation of the assets condition at the end of the period of use, its current use and expected future use.

Replacements costs

Replacement costs is calculated using the average price asset purchased within ALHA, since a willing buyer willing seller market is used for acquisition of ALHA property, plant and equipment.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included for rates and taxes where average of payment was made for properties owned.

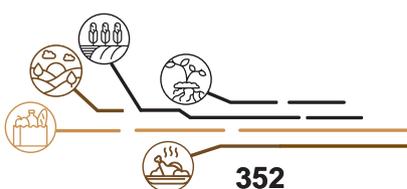
Budget information

Variances between budget and actual amounts are regarded as material when a 5% variance exists. All material differences are explained in the notes to the annual financial statements.

Impairment of other financial asset

The impairment loss on financial asset measured at amortized cost is calculated as the difference between the asset carrying amount and the present value of the estimated future cash flow discounted at the financial asset original interest rate.

The present value of the future cash flows is determined based on the budgeted percentage performance achieved by entities that have been advanced concessionary loans.



Agricultural Land Holdings Account

Annual Financial Statements

for the year ended 31 March 2023

Accounting Policies

1.6 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the estimated cost of dismantling the asset and restoring the site on which it's operated.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

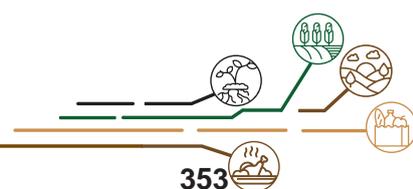
Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

Where the Trading Entity replaces parts of an asset, it derecognizes the part of the asset being replaced and capitalizes the new component.

Subsequent expenditure including major spare parts and servicing equipment qualify as property, plant and equipment if the recognition criteria is met.

Property, plant and equipment are depreciated on the straight-line basis over their expected useful lives. Components of assets that are significant in relation to the whole assets and that have different useful lives are depreciated separately. The Trading Entity maintains and acquires assets to provide a social service to the community, with no intention to dispose of the assets for any economic gain.



Agricultural Land Holdings Account

Annual Financial Statements

for the year ended 31 March 2023

Accounting Policies

1.6 Property, plant and equipment (continued)

The assets residual values, useful lives and depreciation methods are reviewed at each financial year end and adjusted prospectively, if appropriate.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

The annual depreciation of items of property, plant and equipment have been assessed and based on the estimated asset useful lives as follows:

Item	Depreciation method	Average useful life
Agricultural land	Straight line	Unlimited
Infrastructure - Production facility - e.g., Broilers	Straight line	40 - 50
Infrastructure - Production infrastructure – e.g., kraal	Straight line	30 - 50
Buildings - Farm dwellings/ buildings	Straight line	5 – 10
Agricultural Equipment - No Moving parts e.g., Ploughs	Straight line	20 – 30
Agricultural Equipment - High intensity moving parts e.g., Chain Saws	Straight line	5 – 7
Agricultural Equipment - Mechanical e.g., Tractors	Straight line	10 – 15
Agricultural Equipment - Water low intensity – non electrical	Straight line	30
Agricultural Equipment - Water low intensity – electrical	Straight line	15 – 20
Electrical	Straight line	15
Office equipment	Straight line	5 – 10
Motor vehicles	Straight line	5 – 10

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

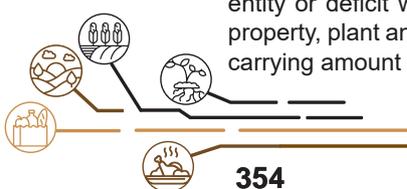
The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the entity. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The entity assesses at each reporting date whether there is any indication that the entity expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the entity revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognized in trading entity or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognized when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in trading entity or deficit when the item is derecognized. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.



Agricultural Land Holdings Account

Annual Financial Statements

for the year ended 31 March 2023

Accounting Policies

1.7 Intangible assets

An asset is identifiable if it either:

- is separable, i.e., is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity; and
- the cost or fair value of the asset can be measured reliably.

The entity assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

The amortization period and the amortization method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortized over its useful life. Where the carrying amount of an item of an intangible asset is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charge to the Statement of Financial Performance.

Amortization is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Share packaging rights	Straight line	finite/indefinite

The entity discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note).

Intangible assets are derecognized:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of an intangible assets is included in trading entity or deficit when the asset is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback) and is recognized in the Statement of Financial Performance.



Agricultural Land Holdings Account

Annual Financial Statements

for the year ended 31 March 2023

Accounting Policies

1.8 Revenue and Expenditure

1.8.1 Revenue from non-exchange transactions:

Revenue from non-exchange transactions refer to transactions where the trading entity received revenue from another Entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Revenue from non-exchange transactions is measured at the amount of the increase in net assets recognised by the Trading Entity.

1.8.2 Revenue from exchange transactions:

Revenue from exchange transactions is measured at the fair value of the consideration received or receivable taking into account the amount of any discounts allowed by the Trading Entity, for goods and services provided in the normal course of business.

Revenue from the sale of farms is recognised when all the following conditions have been satisfied:

- The entity has transferred to the purchaser the significant risks and rewards of ownership of the property;
- The entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the property sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits or service potential associated with the transaction will flow to the Trading Entity and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest is recognised in surplus or deficit using the effective interest rate method.

Rental revenue arising from operating leases is accounted for on a straight line basis over the lease terms.

1.8.3 Expenditure

The trading entity recognises expenses on transactions that result in a decrease in the net financial position of the entity, other than decreases arising from ownership distributions.

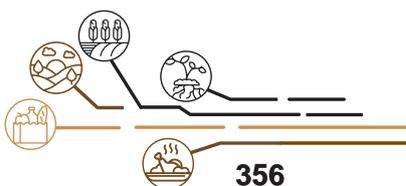
1.9 Interest in joint ventures

The Trading Entity as a lessor

Classification

A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. An operating lease is a lease other than a finance lease.

The Trading Entity classifies its leases as operating leases. The classification of the leases is based on the extent that the Trading Entity does not transfer substantially all the risks and rewards incidental to ownership of the assets to the lease.



Agricultural Land Holdings Account

Annual Financial Statements

for the year ended 31 March 2023

Accounting Policies

1.9 Interest in joint ventures (continued)

Measurement

- Lease income from operating leases is recognised in income on a straight line basis over the lease term;
- Lease income is disclosed in the Statement of Financial Performance:
- Any contingent rental income is recognised as surplus or deficit in the period in which it is receivable.

1.10 Financial instruments

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- It is settled at a future date.

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

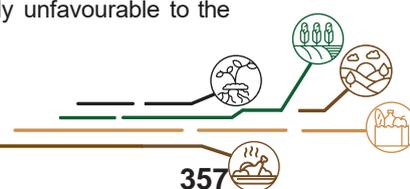
A financial asset is:

- cash;
- a residual interest of another entity; or
- a contractual right to:
 - receive cash or another financial asset from another entity; or
 - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.



Agricultural Land Holdings Account

Annual Financial Statements

for the year ended 31 March 2023

Accounting Policies

1.10 Financial instruments (continued)

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions. Loans payable are financial liabilities, other than short-term payables on normal credit terms.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

A residual interest is any contract that manifests an interest in the assets of an entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

- equity instruments or similar forms of unitised capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an entity's net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

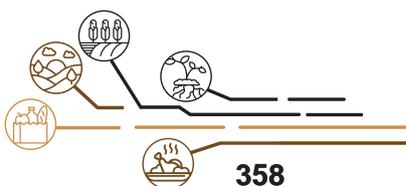
Financial instruments at amortized cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the entity designates at fair value at initial recognition; or
- are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:



Agricultural Land Holdings Account

Annual Financial Statements

for the year ended 31 March 2023

Accounting Policies

1.10 Financial instruments (continued)

- it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
- on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
- non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
- financial instruments that do not meet the definition of financial instruments at amortized cost or financial instruments at cost.

Classification

The Trading Entity classifies its financial instruments at amortized cost i.e. non-derivative financial assets or non-derivative financial liabilities that have a fixed or determined payments, excluding instruments that:

- The Trading Entity designates at fair value at initial recognition; or
- Are held for Trading.

The classification depends on the purpose for which the financial instruments were obtained or incurred and takes place at initial recognition. Classification is re-assessed on an annual basis.

Initial recognition

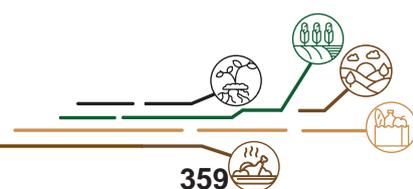
Financial instruments are recognised initially when the Trading Entity becomes a party to the contractual provisions of the instruments.

The Trading Entity classifies financial instruments, or their component parts on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and to the extent that the instrument satisfies the definition of a financial liability, a financial assets or a residual interest.

Initial measurement

Financial instruments are measured initially at fair value except for equity investments for which a fair value is not determined, which are measured at cost.

For financial instruments which are not at fair value, transaction costs are included in the initial measurement of the instrument.



Agricultural Land Holdings Account

Annual Financial Statements

for the year ended 31 March 2023

Accounting Policies

1.10 Financial instruments continued

Subsequent measurement

All financial assets at amortised cost are subsequently measured at amortised cost using the effective interest rate method, less accumulated impairment losses.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest rate method.

Impairment of financial assets

The entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

For amounts due to the Trading Entity, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default on payments are all considered indications of impairment.

If there is objective evidence that an impairment loss on financial assets measured at amortised costs have been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the future cash flows discounted at the financial asset's original effective interest rate.

The carrying amount of the loss is reduced through the use of an allowance amount. The amount of the loss is recognised in surplus or deficit.

Impairment deficits are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had not the impairment been recognised.

Where financial assets are impaired through use of an allowance account, the amount of the deficit is recognised in surplus or deficit within operating expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Trade and other receivables

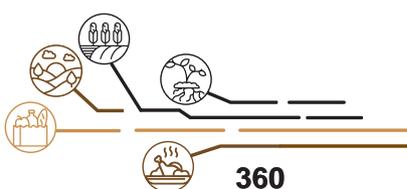
The trade receivables are initially recognised at fair value and are subsequently stated at amortised costs less provision for impairment.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and are subject to an insignificant risk of changes in value. These are classified as financial assets at amortised cost.



Agricultural Land Holdings Account

Annual Financial Statements

for the year ended 31 March 2023

Accounting Policies

1.11 Services in kind

The Trading Entity does not recognise services in kind as revenue. Services in kind are disclosed under related parties.

1.12 Commitments

No provision is made for projects approved for Grant farmers at year end, unless the service in terms of the contract has been delivered or the contract is of an onerous nature. Where a project has been approved and the contract has been awarded at reporting date, but no expenditure has accrued it is disclosed as commitment in the notes of the annual financial statements.

1.13 Irregular, fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.14 Irregular expenditure

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including -

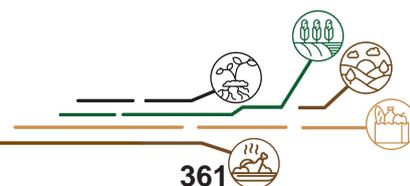
- (a) this Act; or
- (b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
- (c) any provincial legislation providing for procurement procedures in that provincial government.

National Treasury practice note no. 4 of 2008/2009 which was issued in terms of sections 76(1) to 76(4) of the PFMA requires the following (effective from 1 April 2006):

Irregular expenditure that was incurred and identified during the current financial year and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.



Agricultural Land Holdings Account

Annual Financial Statements

for the year ended 31 March 2023

Accounting Policies

1.14 Irregular expenditure continued

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if I

such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

1.15 Related parties

The Trading Entity has controls in place to aid in the identification of the related parties. The Trading Entity provides information on transactions with related parties in its financial statements. Disclosure of transactions with other government entities is only provided to the extent that the transaction was not on normal terms (not at arm's length).

1.16 Accounting by principals and agents

Identification

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

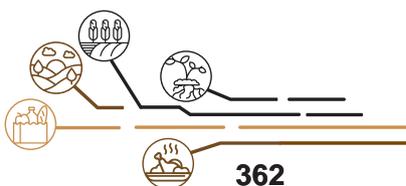
A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

Recognition

The entity, as a principal, recognizes revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirements of the relevant Standards of GRAP.

The entity, as an agent, recognizes only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

The entity recognizes assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant Standards of GRAP.



Agricultural Land Holdings Account

Annual Financial Statements

for the year ended 31 March 2023

Accounting Policies

1.17 Going concern assumption

These annual financial statements have been prepared based on the expectation that the entity will continue to operate as a going concern for at least the next 12 months.

1.18 Other non-exchange receivables

1.18.1 Unspent Grant Farmers

Trade and other non-exchange receivables arising from the trading entity unconditional right to the return of the funds from the beneficiaries in cases of default, breach and or termination of the contractual arrangement. Any contractual party that determines a default, breach and or termination must communicate through a written notice to the party that is in default. The legal remedies available in a situation of default, breach and/or termination as well as subsequent recovery of the funds will be dictated by various agreement signed by all parties.

All contractual agreements are assessed to determine the unconditional right for the return of the funds at initial recognition and subsequent measurement. In case of subsequent measurement whereby a receivable is recognised, the receivable will be dealt with in line with policy on other debtors.

1.18.2 Trade and Other Receivables from other debtors

Trade and other receivables are categorised as financial assets and are initially recognised at fair value and subsequently carried at amortised cost. Amortised cost refers to initial carrying amount plus interest less payments and impairments.

Assessment of impairment of non-exchange receivable shall be done in line with policy of impairment of receivable non-exchange par 1.5.

1.19 Contingent Asset

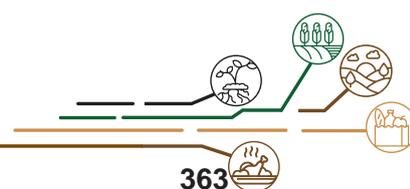
A contingent asset is disclosed by the Trading Entity where there is a possible asset that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Trading Entity.

1.20 Contingent Liability

A contingent liability is disclosed by the Trading Entity where there is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non - occurrence of one or more uncertain future events not wholly within control of ALHA; OR where there is a present obligation arising from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

1.21 Prepayments

Prepaid expenses are amounts paid for by the Trading Entity representing costs incurred from which services or benefits are expected to be derived in the future.



Agricultural Land Holdings Account

Annual Financial Statements

for the year ended 31 March 2023

Accounting Policies

1.21 Prepayments continued

The future write off period of the incurred cost will normally be determined by the period of benefit covered by the prepayment. When the period arrives to which a prepaid cost relates the costs will be treated as a period cost for the period in question. Normally such prepaid costs will be written off based on the elapse of time.

Prepaid expenses should be classified as current assets unless a portion of the prepayment covers a period longer than 12 months. If there are prepayment costs with a benefit beyond 12 months, they should be classified as deferred charges in the Statement of Financial Position.

Prepaid expenses will be measured at the value of the services or goods to be received/receivable in the future.

1.22 Leasehold improvements

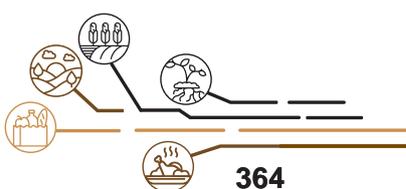
A leasehold improvement is an improvement made to a leased building/structure by a department that has the right to use this leasehold improvement over the term of the lease. This improvement will revert to the lessor in the event that the lease is terminated as a consequence of actions and omissions of the lessee.

1.23 Adoption of new GRAP standard

In the current year the trading entity has adopted all new and revised standards and interpretations issued by the ASB that are relevant to its operations and are effective.

The trading entity has early adopted the standard of GRAP 105 for the first time when the minister of finance sets the effective dates for the trading entity as 01 April 2019.

The adoption of the standard has not had a material impact on the result of the trading entity that has resulted in more disclosures than would have provided in the interim financial statements.



Agricultural Land Holdings Account

Annual Financial Statements

for the year ended 31 March 2023

Notes to the Annual Financial Statements

Figures in Rand thousand

	2023	2022
	R '000	R '000

2. New standards and interpretations

2.1 Standards and interpretations not yet effective or relevant

The following standards and interpretations have been approved but not yet effective and have not been adopted by the Entity:

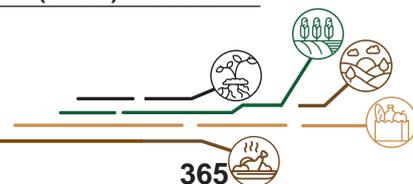
Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 104: Financial Instruments		

3. Property, Plant and Equipment

	2023			2022		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Agricultural land	12 335 826	-	12 335 826	12 134 707	-	12 134 707
Buildings	1 565 033	(383 668)	1 181 365	1 535 899	(345 584)	1 190 315
Motor vehicles	15 508	(14 391)	1 117	15 502	(13 994)	1 508
Infrastructure	911 049	(253 379)	657 670	887 979	(223 967)	664 012
Work in progress	104 004	-	104 004	104 593	-	104 593
Agricultural equipment	348 536	(192 971)	155 565	339 054	(168 992)	170 062
Total	15 279 956	(844 409)	14 435 547	15 017 734	(752 537)	14 265 197

Reconciliation of Property, Plant and Equipment - 2023

	Opening balance	Additions	Additions through donations	Disposals	WIP Movement	Depreciation	Impairment loss	Total
Agricultural land	12 134 707	209 618	-	(8 499)	-	-	-	12 335 826
Buildings	1 190 315	28 490	1 800	(898)	-	(33 104)	(5 238)	1 181 365
Motor vehicles	1 508	96	-	-	-	(487)	-	1 117
Infrastructure	664 012	18 938	4 192	(39)	-	(23 538)	(5 895)	657 670
Work in progress	104 593	-	-	-	(589)	-	-	104 004
Agriculture equipment	170 062	6 668	4 384	(605)	-	(24 453)	(491)	155 565
	14 265 197	263 810	10 376	(10 041)	(589)	(81 582)	(11 624)	14 435 547



Agricultural Land Holdings Account

Annual Financial Statements

for the year ended 31 March 2023

Notes to the Annual Financial Statements

			2023	2022			
			R '000	R '000			
3. Property, Plant and Equipment continued							
Reconciliation of Property, Plant and Equipment - 2022							
	Opening balance	Additions	Additions through donations	Disposals	Depreciation	Impairment loss	Total
Agricultural land	11 826 467	325 710	-	(17 470)	-	-	12 134 707
Buildings	1 207 721	21 068	1 781	(4 134)	(32 718)	(3 403)	1 190 315
Motor vehicles	2 118	-	-	-	(610)	-	1 508
Infrastructure	653 246	32 962	1 964	(736)	(22 146)	(1 278)	664 012
Work in progress	98 352	6 241	-	-	-	-	104 593
Agriculture equipment	194 931	3 923	176	(2 867)	(25 904)	(197)	170 062
	13 982 835	389 904	3 921	(25 207)	(81 378)	(4 878)	14 265 197

Additional information

3.1. Property, Plant and Equipment

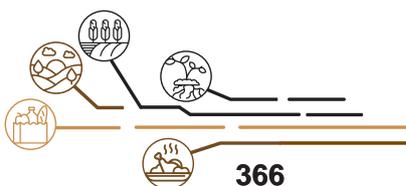
Property, plant and equipment is carried at cost less accumulated depreciation and impairment losses.

Net carrying value for PPE amounts to R14,436billion (2022: R14,265billion) after depreciation of R81,582million and impairment of R11,624million.

3.2 Gain /Loss on disposal of assets

Total disposal for the period amounts to R10,041million which relates to the following:

- 3.2.1** Donation of land to Communal Property Association (CPA) for agriculture, Land claim settlement, Farm Dwellers for the purpose of security of tenure amounting to R9,436million.
- 3.2.2** Transfer of Land Development Support Machinery and Equipment under LDS programme amounting to R407thousand.
- 3.2.3** Scrapping of redundant, obsolete and unserviceable assets amounting to R198thousand.



Agricultural Land Holdings Account

Annual Financial Statements

for the year ended 31 March 2023

Notes to the Annual Financial Statements

	2023		2022			
	R '000		R '000			
4. Intangible assets						
	2023		2022			
	Cost / Valuation	Accumulated amortization and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortization and accumulated impairment	Carrying value
Accumulated Amortization and Impairment	-	(980)	(980)	-	(980)	(980)
Intangible assets under development	1 896	-	1 896	-	-	-
Intangible assets	980	-	980	980	-	980
Total	2 876	(980)	1 896	980	(980)	-

Reconciliation of intangible assets - 2023

	Opening balance	Additions	Total
Amortization	(980)	-	(980)
Intangible assets under development	-	1 896	1 896
Share on packaging houses	980	-	980
	-	1 896	1 896

Reconciliation of intangible assets - 2022

	Opening balance	Total
Amortization	(980)	(980)
Share on packaging houses	980	980
	-	-

Additional information

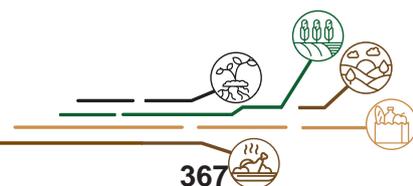
The work in progress on intangible asset relates to development of an asset verification and production monitoring tool that will be utilized by extension officers for conducting asset verification in farms and also to be used for the collection of farm data.

5. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash at bank	563 503	682 077
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The decrease in cash and cash equivalent are held with a registered banking institution which is subjected to insignificant credit risk. The maximum exposure to credit risk at reporting date is the fair value of cash and cash equivalents mentioned above.



Agricultural Land Holdings Account

Annual Financial Statements

for the year ended 31 March 2023

Notes to the Annual Financial Statements

	2023 R '000	2022 R '000
6. Trade and other receivables from exchange transactions		
Deferred lease assets	100 492	101 516
Operating lease receivable	14 534	9 587
Accrued interest - from bank	793	524
	115 819	111 627

Credit quality of trade and other receivables

6.1. Operating lease receivable

Net carrying value for operating lease receivable and servitude amounts to R14,534million (2022: R9,587million) after impairment.

The ageing of amounts impaired is as follows:

Reconciliation of the allowance

Balance at the beginning of the year	597 802	507 584
Contributions to provision	68 915	90 218
	666 717	597 802

Trade and other receivables past due but not impaired

The ageing of amounts past due but not impaired is as follows:

Less than 3 months	695	433
3 to 6 months	400	263
6 to 12 months	1 296	860
Over 12 months	12 143	8 031
	14 534	9 587

Trade and other receivables before impairment

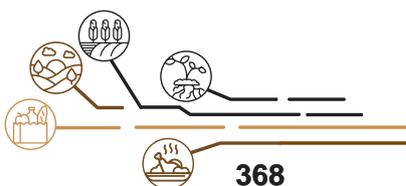
Trade and other receivables of R681,251million (2022: R607,389million).

The ageing of the impairment loss is as follows:

Current to 6 months	51 746	43 048
6 to 12 months	59 730	52 573
Over 12 months	569 775	511 768
	681 251	607 389

7. Trade and other receivables from non-exchange transactions

Unspent conditional grant farmers - LDS	686 929	509 235
Other debtors	87 678	44 510
	774 607	553 745



Agricultural Land Holdings Account

Annual Financial Statements

for the year ended 31 March 2023

Notes to the Annual Financial Statements

	2023 R '000	2022 R '000
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7. Trade and other receivables from non-exchange transactions continued

7.1 Unspent conditional grant farmers – Land Development Support

Conditional grants given to farmers of which the farmers bank accounts are controlled by the department and participating Financial Institutions. The balance relates to the difference between payments made by the department into individual beneficiary's bank accounts and payments from the same bank accounts.

7.2 Other debtors

The net carrying value for other debtors amounts to R87,678million after impairment. Other debtors raised in non-exchange.

8. Trade and other payables from exchange transactions

Trade payables	103 939	73 873
Rental received in advance	14 466	13 055
	118 405	86 928

Trade payables relate to rates and taxes invoices from Municipalities, valuations, professional fees and other expenditure that was due to be paid at the end of the reporting date.

9. Prepayments

Prepayments amounting to R19,814million (2023) and R11,642million (2022) relates to payments of goods and services prior to delivery as per the terms and conditions indicated in the Land Development Support programme and rates and taxes.

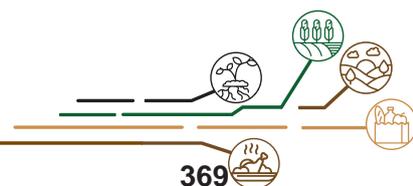
10. Provisions

Reconciliation of other provisions - 2023

	Opening Balance	Additions	Utilized during the year	Total
Other provisions	696 886	118 512	(123 206)	692 192

Reconciliation of other provisions - 2022

	Opening Balance	Additions	Utilized during the year	Total
Other provisions	624 710	137 060	(64 884)	696 886



Agricultural Land Holdings Account

Annual Financial Statements

for the year ended 31 March 2023

Notes to the Annual Financial Statements

	2023 R '000	2022 R '000
10. Provisions continued		
Provision for rates and taxes has been provided as a result of an entity having a legal obligation to pay rates and taxes of properties owned. A reliable estimate for the provision was calculated using available historical data per municipalities.		
No reliable estimate could be calculated for payment of rates and taxes between the period of 2007/08 to 2013/14 as a result of initial government properties initially being paid at Department of Public Works and Infrastructure.		
11. Revenue		
Rental income on lease receivable	81 258	82 989
Interest on lease receivable	32 901	21 349
Interest received	68 363	31 373
Grant income - non exchange	596 760	937 986
Donation received - non exchange	10 377	3 922
Other revenue - non exchange	60 574	35 951
	850 233	1 113 570
12. General expenses		
Audit fees	3 665	-
Advertising	742	348
Bank charges	53	45
Feasibility Study	139	-
Valuation	268	260
Professional fees	5 924	1 544
Water and electricity	1 796	440
Tools and kit	25	-
Other operating expenditure	-	2
Water rights levies	3 481	6 301
Computer services	387	360
Rates and taxes	176 262	173 148
Security expenses	2 179	4 003
Business planning	-	20
Management fees	4 077	2 625
	198 998	189 096

12.1 Audit Fees

The audit fees for the previous financial year amounting to R5,177million were paid as a service in kind for Agricultural Land Holdings Account (ALHA) by the Department refer to note 19.

Agricultural Land Holdings Account

Annual Financial Statements

for the year ended 31 March 2023

Notes to the Annual Financial Statements

	2023 R '000	2022 R '000
13. Grant expense farmers		
Covid consumable: Seeds/Feeds/Medicine/Fertiliser/Livestock	118	30
Biological assets	664	9 052
Land Development Support programme	183 054	181 898
Recapitalization and development support programme	94	153
	183 930	191 133

13.1 Covid consumable: Seeds/Feeds/Medicine/Fertiliser Livestock

As a result of the impact on COVID-19 pandemic on food security, the Department approved farmers under COVID-19 Relief Fund implemented within the Trading Entity, the funds provided qualifying smallholder farmers with vouchers for production inputs.

13.2 Biological assets

Biological assets acquired and donated to beneficiaries upon allocation of land.

13.3. Land Development Support

Land Development Support (LDS) programme is a programme where farmers are assisted with infrastructure development, production inputs and working capital for the objective of commercialisation of previously disadvantage individual.

13.4 Recapitalisation and Development Support Programme (RADP)

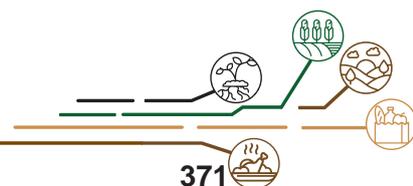
Relates to invoices that were paid during the current year for Recapitalisation and Development Support Program (RADP) support.

13.5 Losses and damages

The losses and damages relate to a payment amounting to R8,500million for payment of veld fire that occurred in the neighbouring farms. The matter was taken to court and a settlement was reached with the Plaintiffs. A contingent liability for a matter relating to lack of maintenance of fire belt on a PLAS farm which enabled the spread to other farms.

14. Impairment

Property, plant and equipment	11 624	4 877
Lease debtors and other debtors	85 738	159 940
	97 362	164 817



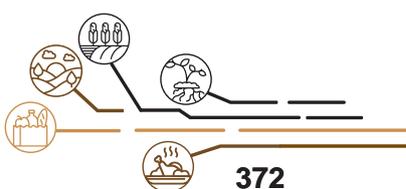
Agricultural Land Holdings Account

Annual Financial Statements

for the year ended 31 March 2023

Notes to the Annual Financial Statements

	2023 R '000	2022 R '000
15. Cash generated from operations		
Surplus	260 118	471 460
Adjustments for:		
Depreciation and amortization	81 582	81 378
Interest - land bank	-	-
Gain/Loss on disposal of asset	10 042	12 646
Adjust for Donations received	(10 376)	(3 921)
Impairment of assets	11 624	4 877
Additions in provisions	118 513	137 060
Changes in working capital:		
Trade and other receivables from exchange transactions	(4 192)	(2 348)
Trade and receivables from non-exchange transactions	(220 862)	75 918
Prepayments	(8 173)	(5 500)
Movement in provisions	(123 206)	(64 883)
Trade and other payables from exchange transactions	31 697	(22 774)
Trade and other payables from non-exchange	366	2
	147 133	683 915
16. Financial instruments disclosure		
Categories of financial instruments		
2023		
Financial asset by category		
	At amortized cost	Total
Trade and other receivables from exchange transactions	14 534	14 534
Cash and cash equivalents	563 503	563 503
	578 037	578 037
Financial liability by category		
	At amortized cost	Total
Trade and other payables from exchange transactions	103 939	103 939



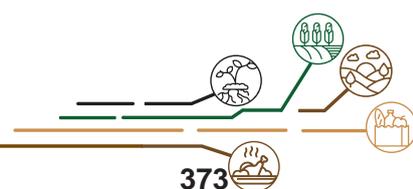
Agricultural Land Holdings Account

Annual Financial Statements

for the year ended 31 March 2023

Notes to the Annual Financial Statements

	2023 R '000	2022 R '000
16. Financial instruments disclosure (continued)		
2022		
Financial asset by category		
	At amortized cost	Total
Trade and other receivables from exchange transactions	9 587	9 587
Cash and cash equivalents	682 077	682 077
	<u>691 664</u>	<u>691 664</u>
Financial liabilities		
	At amortized cost	Total
Trade and other payables from exchange transactions	73 873	73 873
17. Related parties		
Related party balances		
Inter-departmental payables		
Department: Agriculture, Land Reform and Rural Development: Payable	2	2
Related party transactions		
Department: Agriculture, Land Reform and Rural Development: Grant Income	596 760	937 986
Relationships		
Controlling entity - Department of Agriculture Land Reform and Rural Development (DALRRD)		
Entities under common control		
1. Agricultural Research Council ARC - 3A		
2. National Agricultural Marketing Council (NAMC) - 3A		
3. Onderstepoort Biological Products (OBP) - 3B		
4. Perishable Products Export Control Board (PPECB) - 3A		
5. KwaZulu-Natal Ingonyama Trust Board (ITB) - 3A		
6. Registration of Deeds Trading Account - 2A		
7. Office of the Valuer General (OVG) - 3A		
8. Commission on the Restitution of Land Rights - Restitution Act 22 of 1994 as amended, read together with section 1 of the PFMA.		



Agricultural Land Holdings Account

Annual Financial Statements

for the year ended 31 March 2023

Notes to the Annual Financial Statements

	2023 R '000	2022 R '000
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Entities under common control (continued)

All National spheres of Government of South Africa

No executive emoluments are paid by the Trading Entity as executives are remunerated by the Department of Agriculture, Land Reform and Rural Development.

The Department of Agriculture, Land Reform and Rural Development also provides administrative services to the Trading Entity at no cost. These are not accounted for but disclosed as services in kind, refer to note 18.

18. Risk management

Financial risk management

The Trading Entity's activities expose it to a variety of financial risks including credit risk and liquidity risk.

The Trading Entity's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Trading Entity's performance. Risk management is carried out by management committee of the Department under the risk management framework approved by the Audit Committee.

Liquidity risk

At 31 March 2023	Less than 3 months R'000	Between 3 to 6 months R'000	Between 6 months and 1 year R'000	Total
Trade and other payables from exchange transactions	63 069	40 870	-	103 939
At 31 March 2022	Less than 3 months R'000	Between 3 to 6 months R'000	Between 6 months and 1 year R'000	Total
Trade and other payables from exchange transactions	661	66 924	6 288	73 873

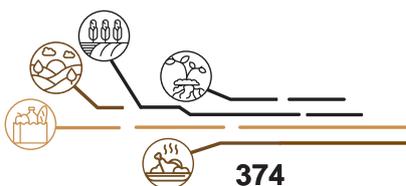
The table above analyses the Trading Entity's financial liabilities into relevant maturity groups based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are contractual undiscounted cash flows.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The entity only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Financial assets exposed to credit risk at year end were as follows:

	2023	2022
Financial instrument		
Cash and Cash equivalents	563 503	682 077



Agricultural Land Holdings Account

Annual Financial Statements

for the year ended 31 March 2023

Notes to the Annual Financial Statements

	2023 R '000	2022 R '000
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Trade and other receivables from exchange transactions	14 534	9 587
--	--------	-------

Interest rate risk

As the Trading Entity has no significant interest-bearing assets, the entity's income and operating cash flows are substantially independent of changes in market interest rates.

19. Services in kind

The Trading Entity falls under the Administration of the Department of Agriculture, Land Reform and Rural Development (DALRRD). The Executives, Provincial, District and National officials of the DALRRD spent some of their time on the affairs of the Trading Entity. Furthermore, the DALRRD provides the services of internal audit function, information technology, staff training, salaries, accommodation, furniture and equipment. There is no cost charged by the DALRRD in this regard.

During the 2021/22 financial year audit fees amounting to R5,177million were paid as a service in kind to the entity. The service has been discontinued in the current financial year, total audit costs were paid by the entity, refer to note 11.

20. Fruitless and wasteful expenditure

Current year - Fruitless and Wasteful expenditure	9 396	1 867
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21. Future minimum lease receivable

	4 667 579	4 698 609
	4 667 579	4 698 609

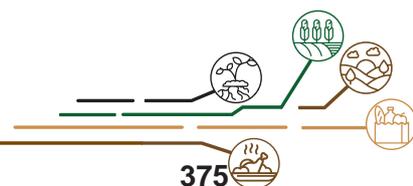
The Trading entity leases farms to farmers for short to long term periods. The total lease payments for short term is based on 5% of the projected net income calculated using the approved business plan per financial year and long term is based on 2% of the land price escalated using CPIX price. Farmers that are assisted by the trading entity through recapitalisation and development are exempted from paying rental for a period lesser than 5 years in which they are being assisted. All old lease contracts are not billable due to the implementation of the State land and lease disposal policy.

Medium- to large-scale commercial farmers who have already been farming commercially at various scales are allocated long term leases with the option to purchase after five years from the effective date of the lease. In the event of the option to purchase being exercised within the lease period, the value of the leasehold improvement done by the lessee shall be deducted from the sale price.

22. Commitments

Contracted for but not provided for

Guarantees land acquisition	59 791	102 058
Open Orders	4 317	2 551
Project management	-	1 710
Land Development Support - Grant Farmers	180 384	200 168
	244 492	306 487



Agricultural Land Holdings Account

Annual Financial Statements

for the year ended 31 March 2023

Notes to the Annual Financial Statements

	2023 R '000	2022 R '000
23. Irregular expenditure		
Current year - irregular expenditure	864	9 089

24. Contingent asset and liabilities

24.1 Contingent Asset

24.1.2 Claims instituted by the Department against third parties in relation to Grant funding programs

24.1.2.1 Recapitalisation and Development (RADP)

The Department has instituted legal proceedings against beneficiaries to recover the losses suffered by the Department due to mismanagement of RADP funds. The total amount of the claims instituted is R4,745million.

24.1.2.2 Strengthening of Relative Rights (SRR)

The Department instituted legal proceedings against third parties for the mismanagement of funds that were allocated to one of the SRR projects. The total amount of the claim instituted is R65,000million.

24.1.3 Leasehold Improvements

The department has entered into a lease agreement which allowed the lessee to effect leasehold improvements. The contract indicates that the lessee shall forfeit compensation for his/her improvements on the property in the case where the farmer agreement is terminated.

Certain lessee have breached the agreement and the process of finalizing whether the breach will result in the termination of the state land and disposal policy indicates once the agreement is terminated then the farmer loses his future economic benefit and will instead flow to be state (Agricultural Land Holdings Account Trading Entity).

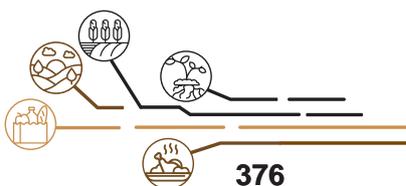
In the event the lease is terminated as a consequence of the actions or omissions of the lessee, the improvement shall become the property of the department and no compensation shall be paid to the lessee for such improvements. Lessees that have breached the contract are being taken through legal eviction process.

It is not practical for the Trading Entity to estimate the value of the improvements since the lessees were not able to keep proper supporting documents and in such case a detail valuation of property will be conducted upon the cases being settled.

24.2 Contingent Liability

24.2.1 Rates and Taxes

Subsequent to the rates and taxes assessment and communication with municipalities, the Trading Entity has at the end of the current financial year not received invoices for some accounts. The extent of the liability unknown relates to the period of 2007 to 2014 period as the municipalities are required to submit invoices together with statements for proper reconciliation, therefore the amount and the timing is uncertain but it is probable that the proceedings will result in cash outflows to the municipalities.



Agricultural Land Holdings Account

Annual Financial Statements

for the year ended 31 March 2023

Notes to the Annual Financial Statements

	2023 R '000	2022 R '000
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25. Disclosure of prior period errors

The Trading Entity identified the following prior period errors during the 2022/23 financial year and all the corrections have been done from the beginning of 2020/21 financial year accordingly as follows:

25.1 Property, Plant and Equipment (PPE)

During the current financial year management discovered errors in relation to cost, depreciation, impairment of certain assets in the asset register and disposal of assets. The errors resulted into an understatement of property, plant and equipment of R3,371million. The errors were further corrected in the statement of financial performance on depreciation and impairments.

25.2 Trade and other receivable non exchange:

25.2.1 Unspent Grant: Land Development Support

During the current financial year management discovered expenditure amounting to R6,861million on Land Development Support (LDS) unspent grant that relates to the previous financial years. The expenditure resulted into an overstatement of unspent grant LDS and the statement of financial performance and position was corrected.

A further adjustment on Land Development Support (LDS) was done amounting to R30,561million that relates to interest earned from the grant holding accounts that have been opened. The adjustment of the interest was adjusted correctly with an increase on interest received and increase on unspent grant LDS.

25.2.2 Other debtors

During the current financial year an understatement of receivable - other debtors was discovered as a result of an error in billing and interest charged on other debtors, which resulted to an understatement of receivable by R6,346million. The error was corrected accordingly.

25.3 Trade and other payable - Exchange

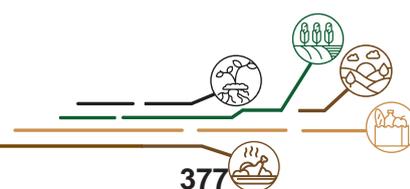
During the current financial year management discovered an error amounting to R21,559million relates to general expenditure invoices not accrued at year end and a reversal of rental received in advance. The error was correctly adjusted in the correct financial periods.

25.4 Prepayments

The total amount of R99thousand relates to grant farmers expenditure that was incorrectly allocated as a prepayment during the previous financial year, an adjustment against grant farmers expenditure was done accordingly.

25.5 Trade and other receivable exchange

During the current financial year an understatement of receivable was discovered as a result of an error in billing, interest charged of lease contracts and rental received in advance, which resulted to an understatement of receivable by R15,636million. The error was corrected accordingly.



Agricultural Land Holdings Account

Annual Financial Statements

for the year ended 31 March 2023

Notes to the Annual Financial Statements

	2023 R '000	2022 R '000
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25.6 Deferred lease asset

A total amount of R7,390million on deferred lease asset relates to lease contracts of the previous financial year where lease smoothing was not recognised. An adjustment has been done retrospectively with an increase on the deferred lease asset.

25.7 Future minimum lease

Future minimum lease debt has been adjusted during the current financial year with lease contracts that were not recognised in the previous financial year. The adjustment resulted into an increase in the future minimum lease that was reported last year by R334,725thousand.

25.8 Provision for doubtful debt - Lease debt and other debtors

A total adjustment during the current year of R22,107million relates to lease contracts and other debtors of the previous financial year that were not recognised which resulted to an understatement on the provision. The adjustment has been done retrospectively with an increase on provision for doubtful debt and impairment on lease debt.

25.9 Land Development Support (LDS) Commitment

The closing balance on LDS for 2021/22 has been restated by R118thousand which resulted to a reduction on the opening balance for the current financial year.

25.10 Business planning

During the current financial year management discovered a misallocation of business planning costs amounting to R184thousand, the reallocation of the expenditure from business planning to management fees, the reclassification has no financial implication.

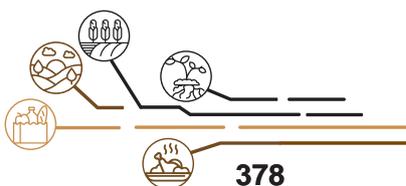
25.11 One Hectare One Household - Grant Farmers

During the current financial management discovered that 1H1H contracts have expired and the commitment ceases to exist upon the expiry of the contract. The error was corrected from 2021/22 financial year.

The correction of the error(s) results in adjustments as follows:

Statement of financial position

Property, plant and equipment	3 371
Trade and other receivable non exchange	(30 046)
Trade and other payables exchange	21 559
Prepayments	99
Trade and other receivable exchange	(15 636)
Deferred lease asset	(7 390)
Provision for doubtful debt - lease debt - receivable exchange	15 764
Provision for doubtful debt - other debtors - receivable non exchange	6 343
Accumulated surplus	7 265
	(1 329)



Agricultural Land Holdings Account

Annual Financial Statements

for the year ended 31 March 2023

Notes to the Annual Financial Statements

	2023 R '000	2022 R '000
Statement of financial performance		
Depreciation and Impairment		375
General expenses		(8 446)
Grant expense farmers		(5 701)
Gain/Loss on disposal of assets		(643)
Rental income - lease receivable		13 534
Rental income - other debtors		6 040
Interest received		15 620
Impairment		(22 108)
		1 329

From the beginning of 2020/21 financial year the effect on retained earnings has been restated by R7,265million.

26. Change in accounting estimate

The annual review of useful life of assets resulted in a decrease of R5,941million in the depreciation charge to the Statement of financial performance.

27. Events after the reporting date

Non Adjusting Events

The entity has taken a decision to declare a breaches to Recapitalisation and Development Programme (RADP) grant recipient for non-accounting of funds transferred as per signed contractual agreements and further to refer cases of suspected irregularities for forensic investigations. The impact of the decision will have a significant increase to contingent asset and trade and other receivable non exchange in the 2023/24 financial year. In some cases, the process of remedying the breaches to the contract have been concluded after the reporting date.

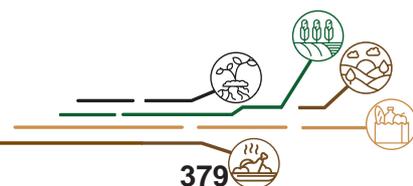
The following is the financial effect for remedying the breaches:

1. Cases where letters claiming for specific performance were issued amount to R138,448million
2. Cases where litigation process within the entity has commenced amount to R158,750million
3. Cases where forensic investigations have been referred amount to R50,575million
4. Cases where matters of breach requires condonation amount to R23thousand

Adjusting events

Trade and other receivable from non-exchange

Recognition of other receivable from Recapitalisation and Development grant recipients who have submitted supporting documents for accounting for conditional grant funds prior to reporting date, however the reconciliations to determine the unconditional right to the return of the funds were concluded after reporting date. A total amount of R32,923million was adjusted on the financial statements.



Agricultural Land Holdings Account

Annual Financial Statements

for the year ended 31 March 2023

Notes to the Annual Financial Statements

	2023 R '000	2022 R '000
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Adjusting events continued

Contingent assets

Adjustments to contingent asset on cases that amounts to R3,147million are for cases where a claim after the reporting date has been issued to the Executor of the estate or the Master of the High Court for the grant recipients who have breached Recapitalisation and Development grant conditions prior to their death. The determination of possible asset will be concluded by the Executor and the Master of the High Court.

28. Accounting by Agent and Principal

In 2018/19 financial year a service level agreement was entered with National Emergent Red Meat Producers (NERPO) commodity organisation whose responsibility was to procure goods and services for farmers under the Land Development Support Programme under the Department of Agriculture, Land Reform and Rural Development (DALRRD).

A total amount of R1,077million was paid to NERPO as management fees as at 31 March 2023.

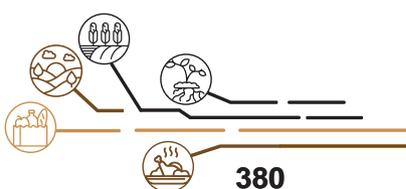
Significant risk that arose in the financial year related to compliance with Supply Chain management prescripts as well as communication with affected farmers concerned. The risk has been mitigated through cancellation of the procurement of services by NERPO and only agreeing in providing technical agricultural services to farmers. The procurement agreement has since been stopped only prior commitments are being implemented by NERPO.

29. Other important disclosure

29.1. Forensic and litigation for unaccounted fund under - Recapitalisation and Development Programme (RADP)

The department has approved forensic investigations and/or legal assessment for the projects funded with grants under Recapitalisation and Development Programme as a result of beneficiaries breach in submission of valid reconciliations and financial records to assess if funds were used for the intended purpose and/or if cash balances after the expiry of contract are realised, where funds are mismanaged and not expended or committed at expiry of the contract, such funds are to be returned to the entity.

Each case of breach is assessed on its merits, each merit has resulted in cases being at different stages on recovery. Stages of recovery includes forensic investigations where allegations of misappropriation or irregularities are found, pre-litigation process of claiming for specific performance, issuing letters of demand and/or for claiming for damages/losses.





PART F

**ANNUAL FINANCIAL
STATEMENTS –
Deeds Registration
Trading Entity
For the period
ended 31 March
2023**

Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

Table of contents

The reports and statements set out below comprise the audited annual financial statements presented to the parliament:

	Page
Report of the Auditor-General	383 - 387
General Information	388
Statement of Financial Position	389
Statement of Financial Performance	390
Statement of Changes in Net Assets	391
Cash Flow Statement	392
Statement of Comparison of Budget and Actual Amounts	393
Accounting Policies	394 - 418
Notes to the Audited Annual Financial Statements	419 - 459

The audited annual financial statements set out from page 389 to 459, which have been prepared on the going concern basis, were approved by the accounting authority on 31 July 2023 and were signed on its behalf by:



CC Swart
Director: Financial Management and Accounting



SJ Ratema
(A)Senior Financial Officer



CCE Knoesen
Chief Registrar of Deeds



M Ramasodi
Director-General

Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

Report of the Auditor-General

Opinion

1. I have audited the financial statements of the Deeds Registration Trading Entity set out from pages 389 to 459, which comprise the statement of financial position as at 31 March 2023, the statement of financial performance, statement of changes in net assets, cash flow statement and the Statement of Comparison of budget information with actual information for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Deeds Registration Trading Entity as at 31 March 2023, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for opinion

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

Emphasis of matters

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

Restatement of corresponding figures

7. As disclosed in note 27 to the financial statements, the corresponding figures for 31 March 2022 were restated as a result of an error in the financial statements of the trading entity at, and for the year ended, 31 March 2023.

An uncertainty relating to the future outcome of exceptional litigation

8. As disclosed in note 25 to the financial statements, litigation processes against the trading entity were underway relating to disputes on the registration of property and other legal matters. The total litigation before the courts is R319 415 000 (2021-22: R308 526 000) and the remainder of the litigation could not be quantitatively measured for financial impact.

Other matter

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

National Treasury Instruction Note No. 4 of 2022-23: PFMA Compliance and Reporting Framework

10. On 23 December 2022 National Treasury issued Instruction Note No. 4: PFMA Compliance and Reporting Framework of 2022-23 in terms of section 76(1)(b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA, which came into effect on 3 January 2023. The PFMA Compliance and Reporting Framework also addresses the disclosure of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure. Among the effects of this framework is that irregular and fruitless and wasteful expenditure incurred in previous financial years and not addressed is no longer disclosed in the disclosure notes of the annual financial statements, only the current year and prior year figures are disclosed in note 30 to the financial statements.

Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

The movements in respect of irregular expenditure and fruitless and wasteful expenditure are no longer disclosed in the notes to the annual financial statements of Deeds Registration Trading Entity. The disclosure of these movements (e.g, condoned, recoverable, removed, written off, under assessment, under determination and under investigation) are now required to be included as part of other information in the annual report of the auditees. I do not express an opinion on the disclosure of irregular expenditure and fruitless and wasteful expenditure in the annual report.

Responsibilities of the Accounting Officer for the financial statements

11. The Accounting Officer is responsible for the preparation and fair presentation of the financial statements in accordance with the GRAP and the requirements of the PFMA, and for such internal control as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
12. In preparing the financial statements, the Accounting Officer is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the trading entity or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the Auditor-General for the audit of the financial statements

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

Report on the audit of the annual performance report

15. In terms of section 40(3) (a) of the PFMA, the trading entity is required to prepare an annual performance report. The performance information of the trading entity was reported in the annual performance report of the Department of Agriculture, Land Reform and Rural Development. The usefulness and reliability of the reported performance information was tested as part of the audit of the Department of Agriculture, Land Reform and Rural Development and any audit findings are included in the management and auditor's report of the Department of Agriculture, Land Reform and Rural Development.

Report on the audit of compliance with legislation

16. 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 compliance with applicable legislation relating to financial matters, financial management and other related matters. The Accounting Officer is responsible for the entity's compliance with legislation.
17. 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.
18. 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 trading entity, 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.

Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

19. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Consequence management

20. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred and/or permitted irregular, fruitless and wasteful expenditure in the prior years as required by section 38(1)(e)(iii) of the PFMA. This was due to proper and complete records that were not maintained as evidence to support the investigations into irregular, fruitless and wasteful expenditure.

Other information in the annual report

21. The Accounting Officer is responsible for the other information in the annual report. The other information referred to does not include the financial statements and the auditor's report.

Other information in the annual report (continue)

22. My opinion on the financial statements, 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.
23. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
24. I did not receive the other information prior to the date of this auditor's report. When I do receive and read the information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract the auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

25. I considered internal control relevant to my audit of the financial statements, and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
26. The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on compliance with legislation included in this report.
27. Management did not implement proper record keeping ensuring that all documents requested are accessible and available on a timely manner.
28. Management did not ensure that the processes followed in dealing with consequence management were adequate in relation to the nature of misconduct to protect and enhance the best interests of the entity.

Auditor-General

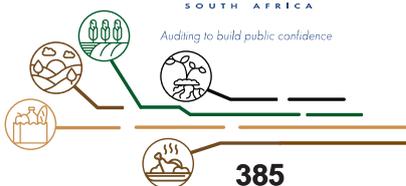
Pretoria

31 July 2023



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence



Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

The annexure includes the following:

- The Auditor-General's responsibility for the audit
- The selected legislatives 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 on the trading entity'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, also:

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

Communication with those charged with governance

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 to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied. The selected legislative requirements are as follows:

Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999 (PFMA)	Sections 51 (1)(a)(iv); Sections 51 (l)(b)(i); 51(1)(b)(ii); Section 51 (1)(e)(iii); Sections 53(4); Sections 55(1 - (b); 55(1 Sections 57(b);
Treasury regulations	TR 8,2,1; 8,2,2 TR 16A3.2(a); 16A 3.2 (fairness); TR 16A6.1; 16A6.2(a) & TR 16A6.3(a) - 16A6.4; TR 16A9.1(b)(ii); TR 16A9.2(a)(ii) TR 16A6.5; 16A6.6; TR 16A.7.1; 16A.7.3; 16A.7.6; TR 16A.7.7; 16A8.3; 16A8.4 TR 16A9.1(d) - TR 30.1.1; 30.1.3(a) - TR 30.1.3(d); TR 30.2.1; 31.2.1; TR 31.2.5; 31.2.7(a) TR 32.1.1(a) - (c); 33.1.1; 33.1.3
Preferential Procurement Policy Framework Act 5 of 2000 PPPFA	Sections l(i); 2.1 (a),(b) and (f)
Preferential Procurement regulations (PPR), 201 1	Regulations 4.1; 4.3; 5.5; 6.1 ; 6.5; 7.1 ; Regulations 9 . 1 • , 9.5; 11.2; 11.5
Preferential Procurement regulations (PPR), 2017	Regulations 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; Regulations 6.1; 6.2; 6.3; 6.5; 6.6; 6.8; Regulations 7.1; 7.2; 7.3; 7.5; 7.6; 7.8; Regulations 8.2; 8.5; 9.1; 10.1; 10.2; Regulations 11.1 • 11.2
Preferential Procurement regulations (PPR), 2022	Regulations 4.4
Construction Industry Development Board Act 38 of 2000 and regulations issued in terms of the act	Section 18(1)
State Information Technology Agency Act 88 of 1998 and reg- ulations issued in terms of the act	Section 7(3)
Prevention and Combating of Corrupt Activities Act 12 of 2004 PRECCA	Section 34(1)
NT SCM Instruction Note 04 of 2015-16	Par 3.4
NT SCM Instruction Note 4A of 2016-17	Par 6
NT SCM Instruction Note 07 of 2017-18	Par 4.3
NT SCM Instruction Note 05 of 2020-21	Par 3.2; 3.7; 43 . ; 46,. • 4.8; 4.9; 5.3
Erratum NT SCM Instruction Note 05 of 202021	Par 1; 2
Second Amendment to NT SCM Instruction Note 05 of 2020-21	Par 1
NT Instruction Note 1 1 of 2020-21	Par 3.1; 3.4(b),• 3.9
NT SCM Instruction Note 01 of 2021-22	Par 4.1
NT SCM Instruction Note 02 of 2021-22	Par 3.2.1; 3.2.4(a); 3.2.4(b); 3.3.1; 4.1
NT SCM Instruction Note 03 of 2021-22	Definition

Legislation	Sections or regulations
	Par. 4.1; 4.2 (b); 4.3; 4.4; 7.2
SCM Practice Note 8 of 2007-08	Par 3.3.1; 3.3.3; 3.4.1; 3.5
SCM Practice Note 7 of 2009-10	Par 4.1.2

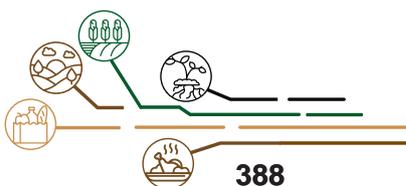
Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Registration of Deeds
Business address	20 Steve Biko Road, Agriculture Place Arcadia Pretoria 0001
Postal address	Private Bag X250 Arcadia Pretoria 0001
Bankers	Standard Bank
Auditors	Auditor-General of South Africa



Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

Statement of Financial Position

	Note(s)	2023 R '000	2022 Restated* R '000
Assets			
Current Assets			
Inventories	3	2 917	2 597
Other receivables from exchange transactions	6	18 246	7 632
Prepayments	4	5 019	2 619
Statutory receivables from exchange transactions	5	77 095	83 988
Cash and cash equivalents	7	518 763	484 420
		622 040	581 256
Non-Current Assets			
Property, plant and equipment	8	138 666	67 105
Intangible assets	9	52 607	52 199
		191 273	119 304
Total Assets		813 313	700 560
Liabilities			
Current Liabilities			
Finance lease liability	10	1 262	1 160
Payables from exchange transactions	11	79 437	72 950
Grant liability - Unspent conditional grants and receipts	12	49 911	214 052
Provisions	13	14	-
		130 624	288 162
Non-Current Liabilities			
Finance lease liability	10	987	1 002
Provisions	13	9 496	9 567
Grants liability - Unspent conditional grants and receipts	12	162 033	-
		172 516	10 569
Total Liabilities		303 140	298 731
Net Assets		510 173	401 829
Accumulated surplus		510 173	401 829
Total Net Assets		510 173	401 829

Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

Statement of Financial Performance

		2023	2022
	Note(s)	R'000	Restated* R'000
Revenue			
Revenue from exchange transactions			
Registration of deeds and sale of information		899 065	865 990
Management fees earned		5 902	15 833
Other income		1 139	2 020
Interest received	17	25 718	10 723
Total revenue from exchange transactions		931 824	894 566
Revenue from non-exchange transactions			
Transfer revenue			
Government grants		2 108	1 810
Total revenue	16	933 932	896 376
Expenditure			
Employee related costs	20	(593 238)	(586 814)
Depreciation and amortisation		(13 931)	(11 410)
Impairment loss/ Reversal of impairments		(1 564)	(890)
Finance costs	18	(144)	(179)
Loss on disposal of assets		(394)	(307)
General expenses	21	(216 317)	(197 983)
Total expenditure		(825 588)	(797 583)
Surplus for the year		108 344	98 793

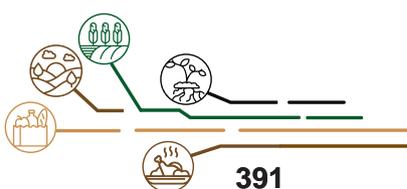
Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

Statement of Changes in Net Assets

	Accumulated surplus/ (deficit) R'000	Total net assets R'000
Balance at 01 April 2021	303 036	303 036
Changes in net assets		
Surplus/(Deficit) for the year	98 793	98 793
Total changes	98 793	98 793
Restated* Balance at 01 April 2022	401 829	401 829
Changes in net assets		
Surplus/(Deficit) for the year	108 344	108 344
Total changes	108 344	108 344
Balance at 31 March 2023	510 173	510 173



Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

Cash Flow Statement

		2023	2022
	Note(s)	R'000	Restated* R'000
Cash flows from operating activities			
Receipts			
Registration of deeds and sale of information		912 637	871 382
Interest income		23 851	10 179
Other receipts		2 037	51 579
		<u>938 525</u>	<u>933 140</u>
Payments			
Cash paid for employee costs		(610 920)	(634 090)
Cash paid to suppliers and others		(216 357)	(189 315)
		<u>(827 277)</u>	<u>(823 405)</u>
Net cash flows from operating activities	24	<u>111 248</u>	<u>109 735</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	8	(72 382)	(11 441)
Proceeds from sale of property, plant and equipment	8	72	7
Purchase of intangible assets	9	(2 239)	(1 120)
Net cash flows from investing activities		<u>(74 549)</u>	<u>(12 554)</u>
Cash flows from financing activities			
Finance lease payments		(2 356)	(1 753)
Net increase/(decrease) in cash and cash equivalents		34 343	95 428
Cash and cash equivalents at the beginning of the year		484 420	388 992
Cash and cash equivalents at the end of the year	7	<u>518 763</u>	<u>484 420</u>

Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	% Variance	Reference / Note
	R'000	R'000	R'000	R'000	R'000		

Statement of Financial Performance

Revenue

Revenue from exchange transactions

Registration of deeds and sale of information	920 002	62 747	982 749	899 065	(83 684)	9%	35.1
Management fees earned	-	-	-	5 902	5 902	100%	35.2
Other income	-	-	-	1 139	1 139	100%	35.3
Interest received - investment	10 153	10 000	20 153	25 718	5 565	22%	35.4
Total revenue from exchange transactions	930 155	72 747	1 002 902	931 824	(71 078)		

Revenue from non-exchange transactions

Transfer revenue

Government grants & subsidies	121 797	(119 797)	2 000	2 108	108	5%	35.5
Total revenue	1 051 952	(47 050)	1 004 902	933 932	(70 970)		

Expenditure

Personnel	(675 667)	-	(675 667)	(593 238)	82 429	14%	35.6
Depreciation and amortisation	(13 999)	-	(13 999)	(13 931)	68	1%	35.7
Impairment loss/ Reversal of impairments	-	-	-	(1 564)	(1 564)	100%	35.8
Finance costs	-	-	-	(144)	(144)	100%	35.9
General Expenses	(362 286)	47 050	(315 236)	(216 317)	98 919	46%	35.10
Total expenditure	(1 051 952)	47 050	(1 004 902)	(825 194)	179 708		
Operating surplus	-	-	-	108 738	108 738		
Loss on disposal of assets	-	-	-	(394)	(394)	100%	35.11

Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

Accounting Policies

1. Presentation of Audited Annual Financial Statements

The audited annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999).

These audited annual financial statements have been prepared on an accrual basis of accounting and incorporated the historical cost conventions as the basis of measurement, except where specified otherwise. All amounts have been presented in the currency of the South African Rand (R), which is also the functional currency of the entity. Unless otherwise stated, all financial figures have been rounded to the nearest One Thousand Rand (R'000). Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a standard of GRAP.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these audited annual financial statements, are disclosed below.

These accounting policies are consistent with the previous period.

1.1 Going concern assumption

These audited annual financial statements have been prepared based on the expectation that the entity will continue to operate as a going concern for at least the next 12 months.

1.2 Materiality

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

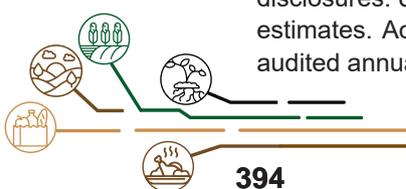
1.3 Comparative figures

Where material accounting errors, which relate to prior periods have been identified in the current year, the correction is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly. Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

The nature and reasons for the reclassification and restatement are disclosed in note 27 (Prior period errors) to the Annual Financial Statements.

1.4 Significant judgements and sources of estimation uncertainty

In preparing the audited annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the audited annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the audited annual financial statements. Significant judgements include:



Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

Accounting Policies

1.4 Significant judgements and sources of estimation uncertainty (continued)

Statutory and other receivables

The entity assesses its statutory and other receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in the surplus or deficit, the entity makes judgment as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for statutory and other receivables is calculated on amounts that are over by 90 days or more. Assessment for the impairment has been made on individual debtors based on specific probability of recovery. Consideration is also given with regard to payment received from long outstanding debtors after year end, as well as information obtained from any debt collector used by the Trading Entity. The fair value includes the initial recognition of the debts. Interest is levied on dates when debt is due and payable but outstanding.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 13 - Provisions.

Depreciation and amortisation

Depreciation recognised on property, plant and equipment is determined with reference to the useful lives and residual values of the underlying items. The useful lives and residual values of assets are based on management's estimation of the asset's condition, expected condition at the end of the period of use, its current use, expected future use and the entity's expectations about the availability of finance to replace the asset at the end of its useful life. In evaluating how the condition and use of the asset informs the useful life and residual value, management considers the impact of technology and minimum service requirements of the assets.

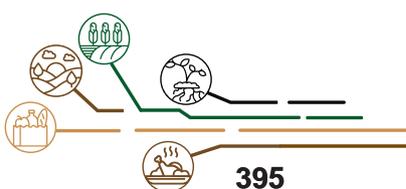
Management determines fair value using available information to determine fair value of PPE acquired through non-exchange transactions.

Impairment of non-financial assets

In testing for and determining the value-in-use of non-financial assets, management is required to rely on the use of estimates about the asset's ability to continue to generate cash flows (in the case of cash-generating assets).

1.5 Property, plant, and equipment

Property, plant, and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.



Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

Accounting Policies

1.5 Property, plant, and equipment (continued)

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

Property, plant, and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

Subsequent to initial recognition, items of property, plant and equipment are carried at cost less accumulated depreciation and any impairment losses.

Depreciation is calculated on the depreciable amount using the straight -line method over the estimated useful life of the asset. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The depreciable amount is determined after taking into account an asset residual value, where applicable

The asset residual values, useful lives and depreciation methods are reviewed at each financial year-end and adjusted prospectively, in accordance with GRAP 3 if appropriate.

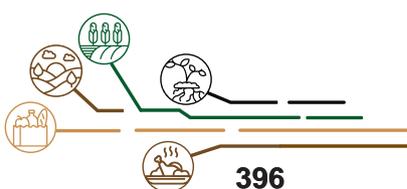
Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight-line	15 - 30 years
Office equipment	Straight-line	3 - 10 years
IT equipment	Straight-line	3 - 10 years
Leasehold improvement	Straight-line	5 - 25 years
Photographic and technical equipment	Straight-line	13 years

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.



Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

Accounting Policies

1.5 Property, plant, and equipment (continued)

The entity assesses at each reporting date whether there is any indication that the entity expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the entity revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Assets that the entity holds for rentals to others, and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

The entity separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 8).

The entity discloses relevant information relating to assets under construction or development, in the notes to the financial statements.

1.6 Intangible assets

An asset is identifiable if it either:

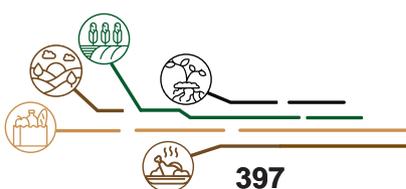
- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity; and
- the cost or fair value of the asset can be measured reliably.

The entity assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.



Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

Accounting Policies

1.6 Intangible assets (continued)

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial, and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight-line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result, the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

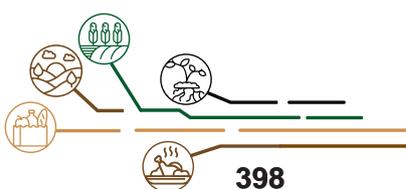
Item	Average useful life
Licenses and franchises	1 – 3 years
Computer software	Indefinite

1.7 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or collectability.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.



Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

Accounting Policies

1.7 Financial instruments (continued)

A financial asset is:

- cash;
- a residual interest of another entity; or
- a contractual right to:
 - receive cash or another financial asset from another entity; or
 - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Initial recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument. The entity recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

The entity measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The entity first assesses whether the substance of a concessionary loan is in fact a loan. On initial recognition, the entity analyses a concessionary loan that is:

- a social benefit in accordance with the Framework for the Preparation and Presentation of Financial Statements, where it is the issuer of the loan; or
- non-exchange revenue, in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers), where it is the recipient of the loan.

Subsequent measurement of financial assets and financial liabilities

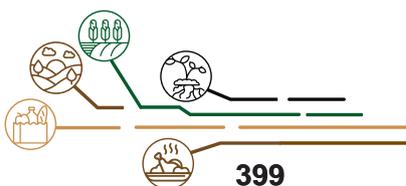
The entity measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at amortised cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Impairment and uncollectability of financial assets

The entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets are impaired.



Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

Accounting Policies

1.7 Financial instruments (continued)

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced directly. The amount of the loss is recognised in the surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly or by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in the surplus or deficit.

Derecognition:

Financial assets

The entity derecognises financial assets using trade date accounting.

The entity derecognises a financial asset only when:

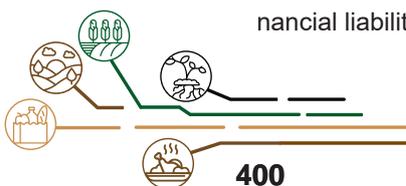
- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
 - derecognises the asset; and
 - recognises separately any rights and obligations created or retained in the transfer.

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

Financial liabilities

The entity removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.



Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

Accounting Policies

1.7 Financial instruments (continued)

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

Presentation:

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Losses and gains relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

1.8 Statutory receivables

Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

Carrying amount is the amount at which an asset is recognised in the statement of financial position.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

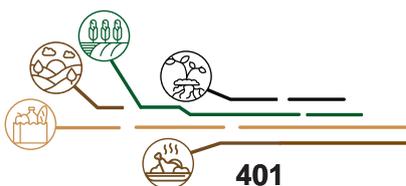
Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount for a statutory receivable means the amount specified in, or calculated, levied, or charged in accordance with, legislation, supporting regulations, or similar means.

Recognition

The entity recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using GRAP 9;
- if the transaction is a non-exchange transaction, using GRAP 23; or
- if the transaction is not within the scope of GRAP, recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.



Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

Accounting Policies

1.8 Statutory receivables (continued)

Initial measurement

The entity initially measures statutory receivables at their transaction amount.

Subsequent measurement

The entity measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

Accrued interest

Where the entity levies interest on the outstanding balance of statutory receivables, it adjusts the transaction amount after initial recognition to reflect any accrued interest. Accrued interest is calculated using the nominal interest rate.

Interest on statutory receivables is recognised as revenue in accordance with the policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (Taxes and transfers), whichever is applicable.

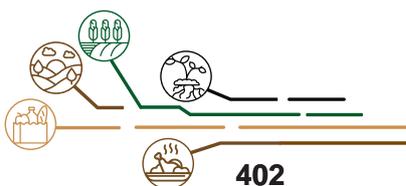
Impairment losses

The entity assesses at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired.

In assessing whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired, the entity considers, as a minimum, the following indicators:

- Significant financial difficulty of the debtor, which may be evidenced by an application for debt counselling, business rescue or an equivalent.
- It is probable that the debtor will enter sequestration, liquidation or other financial re-organisation.
- A breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied).
- Adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns.

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the entity measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, is reduced, either directly or through the use of an allowance account. The amount of the losses is recognised in surplus or deficit.



Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

Accounting Policies

1.8 Statutory receivables (continued)

In estimating the future cash flows, an entity considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the entity discounts the estimated future cash flows using a rate that reflects the current risk-free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

Any previously recognised impairment loss is adjusted either directly or by adjusting the allowance account. The adjustment does not result in the carrying amount of the statutory receivable or group of statutory receivables exceeding what the carrying amount of the receivable(s) would have been had the impairment loss not been recognised at the date the impairment is revised. The amount of any adjustment is recognised in surplus or deficit.

Derecognition

The entity derecognises a statutory receivable, or a part thereof, when:

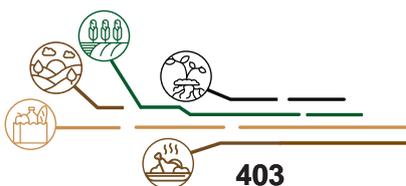
- the rights to the cash flows from the receivable are settled, expire or are waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
- the entity, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
 - derecognise the receivable; and
 - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The entity considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

1.9 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.



Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

Accounting Policies

1.9 Leases (continued)

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.10 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Inventories consisting of consumable stores are subsequently measured at the lower of cost and current replacement cost. The basis of determining cost is the weighted-average method.

Differences arising on the valuation of inventory are recognised in the statement of financial performance in the year in which they arose. The amount of any reversal of any write-off of inventories arising from an increase in current replacement cost is recognised as a reduction of inventories recognised as an expense in the period in which the reversal occurs.

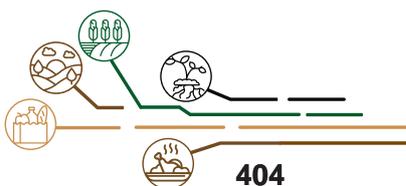
If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs.

1.11 Impairment of cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon. A cash-generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.



Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

Accounting Policies

1.11 Impairment of cash-generating assets (continued)

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the entity; or
- the number of production or similar units expected to be obtained from the asset by the entity.

Judgements made by management in applying the criteria to designate assets as cash-generating assets or non-cash-generating assets, are as follows:

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The entity assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the entity estimates the recoverable amount of the asset.

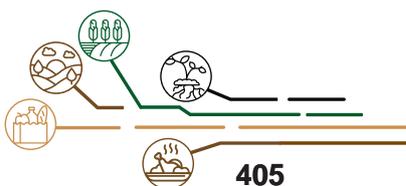
Irrespective of whether there is any indication of impairment, the entity also tests a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Reversal of impairment loss

The entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.



Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

Accounting Policies

1.12 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees.

Termination benefits are employee benefits payable as a result of either:

- an entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

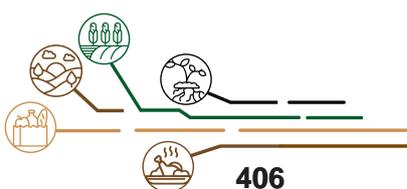
- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

Post-employment benefits: Defined contribution plans

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to the entity during a reporting period, the entity recognises the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, an entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.



Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

Accounting Policies

1.13 Provisions and contingencies

Provisions:

Provisions are recognised when:

- the entity has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating surplus (deficit).

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

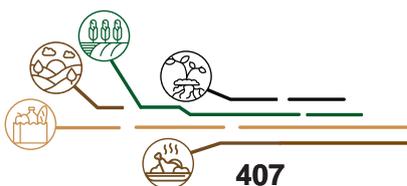
Contingent Liabilities:

Contingent liabilities is a possible obligation that arises from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly in the control of the entity; or a present obligation that arises from past events that is not recognised because;

- it is not probable that an outflow of resources and embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.
- the contingent liability is recognised awaiting the outcome of legal action or dispute between two parties.

Contingent Assets:

A contingent asset is a possible asset that arises from past events, and whose existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.



Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

Accounting Policies

1.13 Provisions and contingencies (continued)

An entity shall not recognise a contingent asset.

When an inflow of economic benefits or service potential is probable, an entity shall disclose a brief description of the nature of contingent asset at the reporting date, and, where practicable, an estimate of their financial effect measured using the principles set out for provisions.

1.14 Impairment of non-cash-generating assets

Non-cash-generating assets are assets that are not used with the objective of generating a commercial return. They are used to deliver goods and services.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

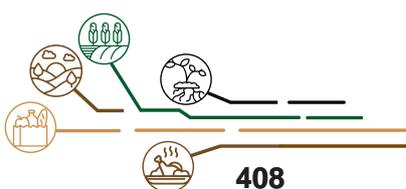
The entity assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the entity estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the entity also tests a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

1.15 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by an entity, which represents an increase in net assets, other than an increase relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.



Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

Accounting Policies

1.15 Revenue from non-exchange transactions (continued)

Control of an asset arises when the entity can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Expenses paid through the tax system are amounts that are available to beneficiaries regardless of whether or not they pay taxes.

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting entity.

Tax expenditures are preferential provisions of the tax law that provide certain taxpayers with concessions that are not available to others.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

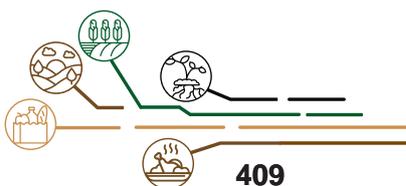
Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the entity.



Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

Accounting Policies

1.15 Revenue from non-exchange transactions (continued)

When, as a result of a non-exchange transaction, the entity recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Receivables that arise from statutory (non-contractual) arrangements are initially measured in accordance with this accounting policy, as well as the accounting policy on Statutory Receivables. The entity applies the accounting policy on Statutory Receivables for the subsequent measurement, derecognition, presentation and disclosure of statutory receivables.

Interest is recognised using the effective interest rate method for financial instruments and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

Services in-kind

Except for financial guaranteed contracts, the entity recognise services in-kind that are significant to its operations and/or service delivery objectives as assets and recognise the related revenue when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably.

Where services in-kind are not significant to the entity's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the entity discloses the nature and type of services in-kind received during the reporting period.

1.16 Revenue from exchange transactions

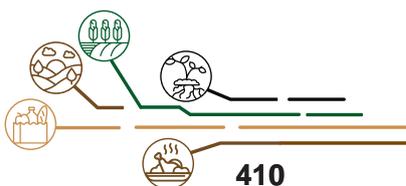
Revenue is the gross inflow of economic benefits or service potential during the reporting when those inflows result in an increase in net assets, other than increase relating to contributions from owners.

An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished, and directly gives equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.



Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

Accounting Policies

1.16 Revenue from exchange transactions (continued)

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the entity has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight-line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Interest income

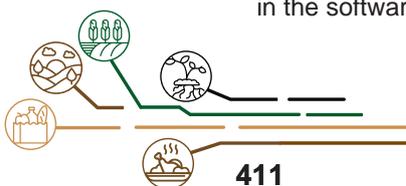
Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the entity, and
- The amount of the revenue can be measured reliably.

Interest is recognised, in the surplus or deficit, using the effective interest rate method.

1.17 Rounding

Immaterial rounding differences could not be eliminated and were as a result of rounding inconsistencies in the software used to compile financial statements.



Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

Accounting Policies

1.18 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and could have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.19 Irregular expenditure

Irregular expenditure as defined in section 1 of the PFMA means expenditure, other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including-

1. The PFMA; or
2. The State Tender Board Act, 1968 (Act No.86 of 1968), or any regulations made in terms of that Act; or
3. Any provincial legislation providing for procurement procedures in that provincial government;

National Treasury Instruction No.4 of 2022/2023 which was issued in terms of section 51(1)(b)(ii) and 57(c) of the PFMA requires the following (effective from 3 January 2023):

Expenditure recognised as irregular expenditure is expenditure that must have been recognised in the statement of financial performance or a liability recognised in the statement of financial position. The earlier of an invoice or payment will trigger irregular expenditure for these transactions.

Irregular expenditure is recorded in the annual financial statements disclosure when incurred and confirmed. This relates to irregular expenditure incurred in the current financial year with a one-year comparative.

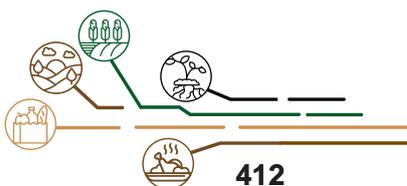
Irregular expenditure for the previous financial year (comparative amounts) must be recognised in the period in which they occurred as follows:

- a) Irregular expenditure incurred and confirmed in the previous financial year;
- b) Irregular expenditure that was under assessment in the previous financial year and confirmed in the current financial year, and
- c) Irregular expenditure that was not discovered in the previous financial year and identified and confirmed in the current financial year.
- d) Irregular expenditure payments relating to multi-year contracts that was not condoned or removed.

1.20 Prepaid expenses

Prepaid expenses are cash paid amounts that represent costs incurred from which a service or benefit is expected to be derived in the future.

The future write-off period of the incurred cost will normally be determined by the period of benefit covered by the prepayment. When the period arrives to which a prepaid cost relates the costs will be treated as a period cost for the period in question. Normally such prepaid costs will be written off based on the lapse of time and receipt of services rendered/goods received.



Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

Accounting Policies

1.20 Prepaid expenses (continued)

Prepaid expenses should be classified as current assets unless a portion of the prepayment covers a period longer than 12 months. If they are prepayment costs with a benefit beyond 12-months, they should be classified as non-current in the Statement of Financial Position.

1.21 Cash and cash equivalents

Cash for reporting purposes will include cash in the bank and any petty cash.

Cash equivalents to be included on the cash line in the financial statements will consist primarily of term deposits, and all other highly liquid investments with a maturity of twelve months or less. Cash equivalents are stated at cost.

The following should be excluded from the cash and cash equivalents line in the financial statements reported in current assets:

- a) Cash subjected to restrictions that prevent its use within the next year; and
- b) Cash appropriated for other than its current purposes unless such cash offsets a current liability. Cash is measured at fair value.

Cash is measured at fair value.

1.22 Expense recognition

The entity reports its expenses on the accrual basis, meaning when the expenses are incurred, not when they are paid. Expenses are incurred when goods are received and services are rendered, whether or not an invoice has been received or payment has been made.

The policy exists to ensure adherence with GRAP, to promote consistent accounting treatment across the entity, and to ensure the operating results of the entity are not misstated as a result of expenses unrecorded or recorded improperly.

1.23 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control. As a minimum, the following are regarded as related parties of the reporting entity:

- a) A person or a close member of that person's family is related to the reporting entity if that person:
 - i. has a control or joint control over the reporting entity;
 - ii. has significant influence over the reporting entity; or
 - iii. is a member of the management of the entity or its controlling entity
- b) An entity is related to the reporting entity if any of the following conditions apply:
 - i. the entity is a member of the same economic entity (which means that each controlling entity, controlled entity and fellow controlled entity is related to the others);
 - ii. one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of an economic entity of which the other entity is a member);
 - iii. both entities are joint ventures of the same third party;
 - iv. one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

Accounting Policies

1.23 Related parties (continued)

- v. the entity is a post-employment benefit plan for the benefit of employees of either the entity or an entity related to the entity. If the reporting entity is itself such a plan, the sponsoring employers are related to the entity;
- vi. the entity is controlled or jointly controlled by a person identified in (a); and
- vii. a person identified in (a)(i) has significant influence over that entity or is a member of the management of that entity (or its controlling entity).

An entity controls another entity when the entity is exposed, or has rights, to variable benefits from its involvement with the other entity and has the ability to affect the nature or amount of those benefits through its power over the other entity.

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies.

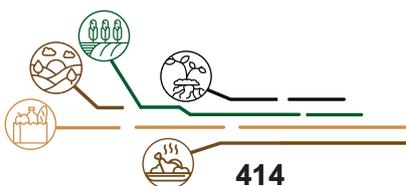
Management comprises those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by that person in their dealings with the entity. As a minimum, disclosure include:

- a) the amount of the transactions;
- b) the amount of outstanding balances, including commitments; and
 - i. their terms and conditions, including whether they are secured, and the nature of the consideration to be provided in settlement; and
 - ii. details of any guarantees given or received;
- c) provisions for doubtful debts related to the amount of outstanding balances; and
- d) the expense recognised during the period in respect of bad or doubtful debts due from related parties.

The reporting entity is exempt from all the disclosure requirements above in relation to related party transactions if that transaction occurs within:

- a) normal supplier and or client/ recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the entity to have adopted if dealings with that individual entity or person in the same circumstances; and
- b) terms and condition within the normal operating parameters established by that reporting entity's legal mandate.



Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

Accounting Policies

1.24 Prior period errors and changes in accounting estimates

Prior period errors

Prior period errors are omissions from, and misstatements in, the entity's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that;

- was available when financial statements for those periods were authorised for issue; and
- could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.

Such errors may include the effects of mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretation of facts, and fraud.

Material prior period errors are retrospectively corrected by:

- restating the comparative amounts for the prior period presented in which the error occurred; or
- if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented.

Changes in accounting estimates:

As a result of uncertainties inherent in delivering services, conducting trading or other activities, many items in financial statements cannot be measured with precision but can only be estimated. The use of reasonable estimates is an essential part of the preparation of financial statements and does not undermine their reliability. An estimate may need revision if changes occur in the circumstances on which the estimates was based or as a result on new information or more experience. By its nature, the revision of a estimates does not relate to prior periods and is not a correction of an error.

The effect of a change in accounting estimates shall be recognised prospectively by including it in surplus or deficit in:

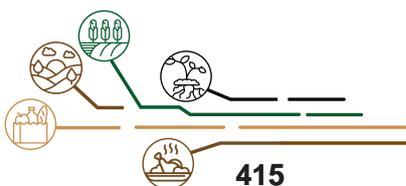
- the period of the change, if the change affects that period only; or
- the period of the change and future periods, if the change affects both.

1.25 Segment information

A segment is an activity of an entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

If the above criteria are all met for a specific activity, the activity is classified as a segment and is reported in the financial statements.



Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

Accounting Policies

1.25 Segment information (continued)

Aggregation criteria:

Segments are combined if the segments have similar economic characteristics and share a majority of the aggregation criteria or are individually insignificant.

Two or more segments may be aggregated into a single segment if the segments have similar economic characteristics, and the segments share a majority of the following:

- the nature of the goods and/or services delivered;
- the type or class of customer, or consumer to which goods and services are delivered;
- the method used to distribute the goods or provide the service; or
- if applicable, the nature of the regulatory environment that applies to the segment.

Measurement

The amount of each segment item reported is the measure reported to management for the purposes of making decisions about allocating resources to the segment and assessing its performance.

1.26 Payables from exchange transactions

A liability is a present obligation of the entity arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits or service potential.

Payable from exchange transactions will be recognised if:

- it is probable that any future economic benefit or service potential associated with the item will flow from the entity; and
- the item has a cost or value that can be measured reliably.

As part of the process of maintaining the accounting records in conformity with GRAP, once a transaction or obligating event has taken place, the liability shall be recorded in the accounting records. This will normally occur upon the earlier of receipt of the invoice or delivery of services/ goods.

1.27 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

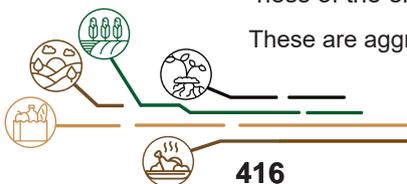
Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

Additional disclosure is made for unrecognised contractual commitments for routine, steady state business of the entity.

These are aggregated to the commitments above except for commitments relating to salary commitments.



Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

Accounting Policies

1.28 Accounting by principals and agents

Identification

- An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.
- A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.
- A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

Recognition

The entity, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal-agent arrangement in accordance with the requirements of the relevant Standards of GRAP.

The entity, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

The entity recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

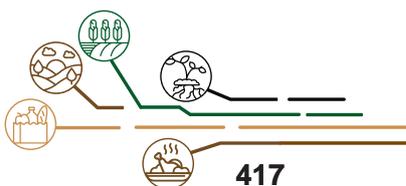
1.29 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The entity will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The entity will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.



Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

Accounting Policies

1.30 Budget information

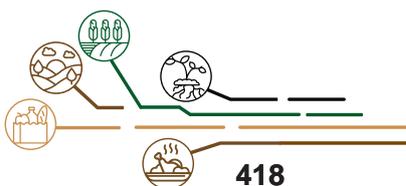
Entity is typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by entity shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on an accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 01/04/2022 to 31/03/2023.

The audited annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of Comparison of budget and actual amounts.



Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

Notes to the Audited Annual Financial Statements

	2023	2022
	R'000	R'000

2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2023 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
Guideline: Guideline on Accounting for Landfill Sites	01 April 2023	Unlikely there will be a material impact
GRAP 25 (as revised): Employee Benefits	01 April 2023	Unlikely there will be a material impact
iGRAP 7 (as revised): Limit on defined benefit asset, minimum funding requirements and their interaction	01 April 2023	Unlikely there will be a material impact
Guideline: Guideline on the Application of Materiality to Financial Statements	01 April 2009	Unlikely there will be a material impact
GRAP 104 (as revised): Financial Instruments	01 April 2025	Unable to reliably estimate the impact
iGRAP 21: The Effect of Past Decisions on Materiality	01 April 2023	Unlikely there will be a material impact
GRAP 2020: Improvements to the standards of GRAP 2020	01 April 2023	Not expected to impact results but may result in additional disclosure
GRAP 1 (amended): Presentation of Financial Statements	01 April 2023	Not expected to impact results but may result in additional disclosure

3. Inventories

Stationery and consumable on hand

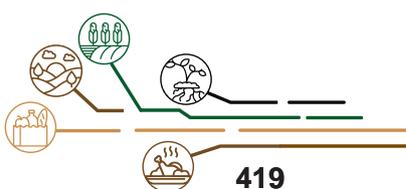
2 917

2 597

None of the entity's inventory is carried at current replacement cost. Accordingly, the balance as presented, represents the cost of inventories on hand. Inventories consist mainly of stationery and consumable material.

Inventory to the value of R3, 355 million (2022: R3, 289 million) was recognised as an expense during the year. The inventories are recognised as an expense as and when consumed within the entity and the related expense.

The basis of determining cost is the weighted-average method.



Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

Notes to the Audited Annual Financial Statements

	2023	2022
	R'000	R'000
4. Prepayments		
Opening balance	2 620	2 473
Add: prepayments during current year	15 450	20 632
Less: expensed during current year	(13 051)	(20 485)
	5 019	2 620

The amount of R245 (2022: R1 016) is prepaid to the South African Broadcasting Corporation for television licenses for some of the Deeds Registries.

The amount of R18 609 (2022: R16 392) is prepaid to the Post Office for post box renewals for some of the Deeds Registries.

The amount of R4,563 million (2022: R2, 596 million) is prepaid to Oracle Corporation (Pty) Ltd for software update license and support.

The amount of R0 (2022: R3 253) is prepaid to South African Institute of Chartered Accountants for annual membership.

The amount of R3 235 (2022: R786) is prepaid to SASFIN Commercial Solution (Pty) Ltd for maintenance and support of franking machines.

The amount of R1 340 (2022: R1 227) is prepaid to FRAMA (Pty) Ltd for maintenance and support of franking machines.

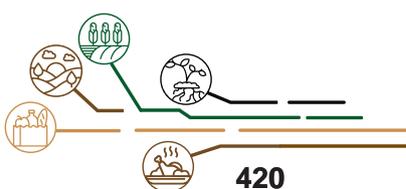
The amount of R2 101 (2022: R0) is prepaid to PBSA (Pty) Ltd for maintenance and support of franking machines.

The amount of R355 200 (2022: R0) is prepaid to The National School of Governance for training scheduled for May and June 2023.

The amount of R24 451 (2022: R0) is prepaid to Truworths limited for parking for the month of April 2023.

The amount of R47 050 (2022: R0) is prepaid to Advance on Point Solutions for parking for the month of April 2023.

The amount of R3 995 (2022: R0) is prepaid to Multichoice for annual subscription of DSTV.



Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

Notes to the Audited Annual Financial Statements

	2023	2022
	R'000	R'000

5. Statutory receivables from exchange transactions

The statutory receivables arise from transactions outlined in the Deeds Registries Act, 1937 (Act No. 47 of 1937) and includes transactions relating to:

- Sale of information and copies;
- Sale of bulk information;
- Registration of property transfers;
- Registration of Bonds and other documents;
- Bond cancellations and;
- Other annual fees such as subscription and cancellation fees;

The transactions amounts are determined by the Deeds Regulation Board after consideration of charges in the Deeds environment. The fees are approved and gazetted by the Minister. The current year fees have been gazetted in terms of Gazette no. 45981, notice no. R.1802.

Interest is charged on debts that have not been settled within the prescribed time from statement date. The interest rate applied to these debts is determined by the Minister of Finance by notice in the national Government Gazette in accordance with section 80(2) of the Public Finance Management Act, 1999 (Act No.1 of 1999). Other charges refers to re-connection fees for clients who have been disconnected due to non-payment and are determined as stated above in line with the Gazette by the Minister.

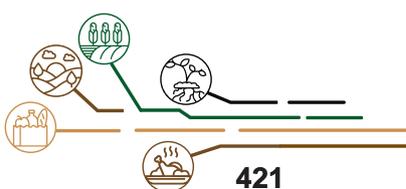
The entity assesses at each reporting date whether there is any indication of impairment on statutory receivables. This assessment is based on the ageing of statutory receivables as historical experience indicates that the more mature the receivable the more likely the occurrence of default.

Other factors are also considered when known and could also be the basis of assessment for indication of impairment, such as:

- Debtors financial difficulty evidenced by application for debt counselling, business rescue or an equivalent;
- It is probable that the debtor will enter sequestration, liquidity or enter financial re-organisation.
- A breach of terms of the transactions such as default or delinquency.
- Adverse changes in economic conditions.

Due to the fact that all debts relating to statutory receivables are due be settled within 30 days from date of transaction, effect of the time value of money are often immaterial.

The gross statutory receivables of R80,749 million (2022: R87, 187 million) is stated before a provision for impairment of statutory receivables of R3, 654 million (2022: R3,199 million). The impairment of statutory receivables is determined from the age analysis of statutory receivables that are overdue for 90 days or longer. The prospects of recovery are assessed per individual account.



Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

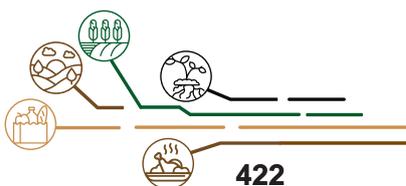
Notes to the Audited Annual Financial Statements

	2023	2022
	R'000	R'000

5. Statutory receivables from exchange transactions (continued)

Statutory receivables carrying amount		
Statutory receivables	80 749	87 187
Impairments of statutory receivables	(3 654)	(3 199)
	77 095	83 988
Impairment of statutory receivables - age analysis		
3 to 6 months	(3 654)	(3 199)
Statutory receivables age analysis		
Current	73 890	80 708
30 days	2 468	2 182
60 days	98	179
Over 90 days	4 293	4 118
	80 749	87 187
Reconciliation of impairment of statutory receivables		
Opening balance	(3 199)	(3 107)
Increase in impairments	(1 622)	(780)
Amount written off as uncollectible	701	20
Impairment reversal	387	770
Interest accrued on impaired receivables	(135)	(126)
Subsequent payments	214	24
	(3 654)	(3 199)

The current change in impairment of statutory and other receivables has been included in operating expenses in the statement of financial performance, under the account "Impairment loss/ Reversal of impairment". Amounts charged to impairment of statutory receivables are generally written off when there is no expectation of recovery. The maximum exposure to credit risk at reporting date is the carrying value of each class of receivables recognised above. Deeds Registration Trading Entity does not hold any collateral as security.



Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

Notes to the Audited Annual Financial Statements

	2023	2022
	R'000	R'000
6. Other receivables from exchange transactions		
Sundry debtor	14 682	6 021
Internal debtor – other	1 586	1 243
Interest receivable	2 691	1 099
Impairment of other receivables	(713)	(731)
	18 246	7 632
Other receivable age analysis		
Current	17 564	7 442
30 days	56	1
60 days	1	8
Over 90 days	1 338	912
	18 959	8 363
Impairment of other receivables – age analysis		
Current	(1)	(1)
Over 90 days	(712)	(730)
	(713)	(731)
7. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand (Petty Cash)	35	35
Bank balances - Standard bank	518 728	484 385
	518 763	484 420

Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

Notes to the Audited Annual Financial Statements

	2023	2022
	R'000	R'000

8. Property, plant and equipment

	2023			2022		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Furniture and fixtures	50 941	(30 968)	19 973	49 420	(29 453)	19 967
Office equipment (finance leases)	4 390	(2 252)	2 138	3 963	(1 915)	2 048
IT equipment	232 867	(181 082)	51 785	192 377	(177 648)	14 729
Leasehold improvements	35 374	(15 703)	19 671	34 925	(14 234)	20 691
Leasehold improvements - WIP	10 450	-	10 450	7 088	-	7 088
Photographic equipment	42 352	(7 703)	34 649	9 505	(6 923)	2 582
Total	376 374	(237 708)	138 666	297 278	(230 173)	67 105

Reconciliation of property, plant and equipment - March 2023

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	19 967	2 452	(168)	(2 278)	19 973
Office equipment (finance leases)	2 048	1 331	-	(1 241)	2 138
IT equipment	14 729	44 277	(213)	(7 008)	51 785
Leasehold improvements	20 691	449	-	(1 469)	19 671
Leasehold improvements - WIP	7 088	3 362	-	-	10 450
Photographic equipment	2 582	32 997	-	(930)	34 649
	65 105	84 868	(381)	(12 926)	138 666

Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

Notes to the Audited Annual Financial Statements

	2023	2022
	R'000	R'000

8. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - March 2022

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	20 630	1 962	(131)	(2 494)	19 967
Office equipment (finance leases)	1 910	1 358	-	(1 220)	2 048
IT equipment	17 362	2 183	(166)	(4 650)	14 729
Leasehold improvements	22 179	171	-	(1 659)	20 691
Leasehold improvements – WIP	-	7 088	-	-	7 088
Photographic equipment	3 059	10	(11)	(476)	2 582
	65 140	12 772	(308)	(10 499)	67 105

The Department of Public Works provides office accommodation for all Deeds Registries. The category of Leasehold Improvements represents costs incurred by the Deeds Registration Trading Entity to improve the buildings that are owned/ leased on behalf of Deeds Registries by the Department of Public Works. The lease improvements are depreciated over the lease period or useful life, whichever is regarded as a shorter period.

Office equipment comprises of photocopy machines which are leased in term of finance lease agreements. The period of the lease agreements is from two to five years and the carrying value is R2, 137 million (2022: R2, 048 million). Refer to note.10 - Finance lease obligation where the finance lease obligation is disclosed.

Work-in-Progress amounting to R7, 491 million (2022: R7, 088 million) relates to climate control system in one of the Deeds Registries. The project started from the 13th April 2021, it is impractical to anticipate completion date due to delays of items ordered by service providers.

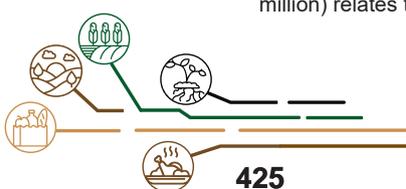
An amount of R2, 959 million (2022: R0) relates to refurbishment and rehabilitation in one of the Deeds Registries. The project commenced on 7 March 2022 and is due to be completed by 24 July 2023.

Expenditure incurred to repair and maintain property, plant and equipment

Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance

Machinery and Equipment	23 204	19 528
Telephone system	19	29
Building and other material	735	719
	23 958	20 276

Of the total repairs and maintenance disclosed above R23, 204 million (2022: R19, 528 million) relates to repairs and maintenance for Property, Plant and Equipment.



Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

Notes to the Audited Annual Financial Statements

	2023	2022
	R'000	R'000

9. Intangible assets

	2023			2022		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Licenses	1 413	(344)	1 069	1 236	(575)	661
Computer software	52 116	(1 917)	50 199	52 116	(1 917)	50 199
Computer software - WIP	1 617	(278)	1 339	1 617	(278)	1 339
Total	55 146	(2 539)	52 607	54 969	(2 770)	52 199

Reconciliation of intangible assets - March 2023

	Opening balance	Additions	Amortisation	Total
Licenses	661	1 413	(1 005)	1 069
Computer software	50 199	-	-	50 199
Computer software - WIP	1 339	-	-	1 339
	52 199	1 413	(1 005)	52 607

Reconciliation of intangible assets - March 2022

	Opening balance	Additions	Other changes, movements	Amortisation	Total
Licenses	540	1 236	(204)	(911)	661
Computer software	50 199	-	-	-	50 199
Computer software - WIP	1 339	-	-	-	1 339
	52 078	1 236	(204)	(911)	52 199

Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

Notes to the Audited Annual Financial Statements

9. Intangible assets (continued)

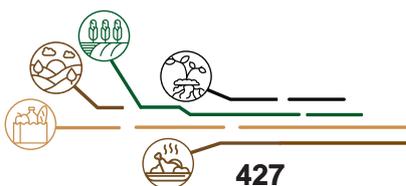
Because history has shown rapid changes in technology, computer software and many other intangible assets are susceptible to obsolescence. However, a lot of the owners of the software are aware of these rapid changes in technology and are now subjecting their products to constant software developments. This maintains service potential and ability to use them for longer terms.

The current computer software is comprised of Oracle software that has been used to run as an operating system for the entities servers that house registration information. The entity has demonstrated its intention to use the software on a continued basis through entering into support and maintenance contracts with service providers in order to ensure constant upgrades and maintenance of the system.

The useful life of the software is considered to be indefinite due to the fact that the entity intends on using it into the foreseeable future with continued maintenance to sustain service potential at required levels. The following factors played a significant role in determining that the asset has an indefinite useful life:

- Period over which software has been in existence in the entity.
- Period over which the entity has been using it for.
- Rate of technology turn over and advancements in government.
- Availability of support and maintenance including availability of resources to support and maintain solution.

All computer software with an indefinite useful life is tested for impairment annually. Licenses useful lives are reviewed annually at the same time.



Deeds Registration Trading Entity

Audited Annual Financial Statements

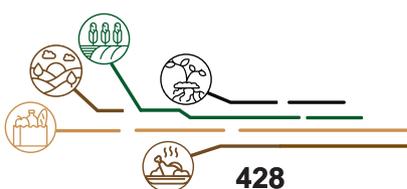
for the year ended 31 March 2023

Notes to the Audited Annual Financial Statements

	2023	2022
	R'000	R'000
10. Finance lease liability		
Minimum lease payments due		
- within one year	1 415	1 275
- in second to fifth year inclusive	1 075	1 045
	2 490	2 320
less: future finance charges	(241)	(158)
Present value of minimum lease payments	2 249	2 162
Present value of minimum lease payments due		
- within one year	1 262	1 160
- in second to fifth year inclusive	987	1 002
	2 249	2 162
Non-current liabilities	987	1 002
Current liabilities	1 262	1 160
	2 249	2 162

The average lease term ranges from two to five years for office equipment, with an average interest rate of 7.75% applied to the leases. The finance leases are secured by the assets leased in terms of the agreement. Refer to note 8 - Property plant and equipment where the assets held under the finance leases are disclosed as part of office equipment.

Contingent rent recognised as an expense in the period amounted to R1, 062 million (2022: R755 134). The contingent rents relate to copy charges per copy machine.



Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

Notes to the Audited Annual Financial Statements

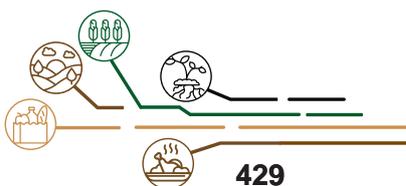
	2023	2022
	R'000	R'000
11. Payables from exchange transactions		
Trade payables	21 433	14 502
Unallocated cash	92	73
Accrued leave pay	24 579	26 601
Accrued bonus	16 102	15 507
Sundry accruals	12 916	12 724
Other payables	4 315	3 543
	79 437	72 950

Unallocated cash represents money deposited at the bank but not yet identified and allocated to statutory receivables or other receivables at the end of the financial year.

12. Grants liability - Unspent conditional grants and receipts

An extension of grant liability amounting to R208 033 million to 31 March 2026 was granted and approved by Department of Agriculture, Land Reform and Rural Development for the purposes of development of the Electronic Deeds Registration System (e-DRS) and its related projects. Over and above the mentioned condition the following are stipulated condition for the grant:

- The grant shall be applied in accordance with the project timelines as approved and,
- The grantor reserves the right to approve other uses (reprioritization) and may recall the funds if the conditions for spending are not satisfied.



Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

Notes to the Audited Annual Financial Statements

	2023	2022
	R'000	R'000
12. Grants liability - Unspent conditional grants and receipts(continues)		
Unspent conditional grants and receipts comprises of:		
Unspent conditional grants and receipts		
Opening balance	214 052	215 862
Less: Grants utilised	(2 108)	(1 810)
	211 944	214 052
Differed conditional grant - eDRS	208 033	208 033
Grant liability - DALRRD	3 911	6 019
	211 944	214 052
Current/ Non-current classification		
Current portion	49 911	214 052
Non-current portion	162 033	-
	211 944	214 052

*Grants received are made up of R208,032 million received for the implementation of e-DRS and the remaining balance of R3,911 million for any other services that DALRRD might require from Deeds Registration Trading Entity.

13. Provisions

Reconciliation of provisions - March 2023

	Opening Balance	Additions	Utilised during the year	Total
Provision - Other	-	14	-	14
Provision - Capped Leave	9 567	-	(71)	9 496
	9 567	14	(71)	9 510

Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

Notes to the Audited Annual Financial Statements

	2023	2022
	R'000	R'000

13. Provisions (continues)

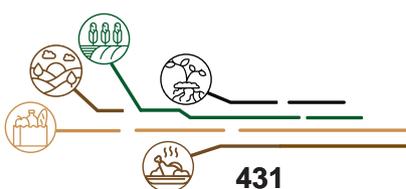
Reconciliation of provisions - March 2022

	Opening balance	Utilised during the year	Total
Provision - Other	736	(736)	-
Provision - Capped Leave	10 918	(1 351)	9 567
	11 654	(2 087)	9 567
Non-current liabilities		9 496	9 567
Current liabilities		14	-
		9 510	9 567

The leave pay provision relates to long term/ capped leave that accrued to employees. It is not possible to anticipate the timing of the cash-out of this balance. Accordingly, the uncertainty related to the balance is limited to the timing of realisation. A review of the trends has however evidenced that it is unlikely that the full balance will be realised within the short term. Accordingly, the balance is classified as non-current.

The value of the provision is determined with reference to the capped leave days that have accrued to employees and the basic salaries of the employees. This represents the weighted average probable economic outflow that may be required to settle the capped leave balance.

Other provisions relate to services rendered for which either the timing or amount is uncertain and is measured on the best available estimate.



Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

Notes to the Audited Annual Financial Statements

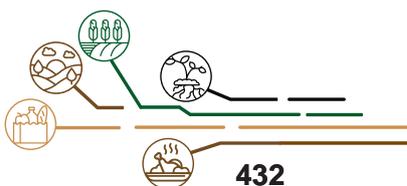
	2023	2022
	R'000	R'000

14. OVG management fees receivable

Reconciliation of OVG management fees receivable

Opening balance	(5 353)	(3 052)
Expenditure incurred during the financial year	(14 138)	(51 603)
Re-imbursment of expenditure incurred	5 353	49 302
	(14 138)	(5 353)

The closing balance of R14, 138 million (2022: R5, 353 million) is a result of transactions paid for, on behalf of the OVG and has been recognised as a sundry debtor in the current financial year.



Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

Notes to the Audited Annual Financial Statements

	2023	2022
	R'000	R'000

15. Financial instruments disclosure

Categories of financial instruments

March 2023

Financial assets

	At amortised cost	Total
Other receivables from non-exchange transactions	18 959	18 959
Cash and cash equivalents	518 762	518 762
	537 721	537 721

Financial liabilities

	At amortised cost	Total
Payables from exchange transactions and other liabilities	64 169	64 169

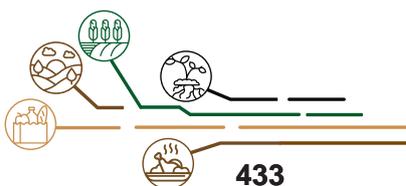
March 2022

Financial assets

	At amortised cost	Total
Other receivables from non-exchange transactions	7 928	7 928
Cash and cash equivalents	484 419	484 419
	492 347	492 347

Financial liabilities

	At amortised cost	Total
Payables from exchange transactions and other liabilities	55 353	55 353



Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

Notes to the Audited Annual Financial Statements

	2023 R'000	2022 R'000
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16. Revenue

Registration of deeds and sale of information	899 065	865 990
Management fees earned	5 902	15 833
Other income	1 139	2 020
Interest received	25 718	10 723
Government grants	2 108	1 810
	933 932	896 376

The amount included in revenue arising from exchanges of goods or services are as follows:

Registration of deeds and sale of information	899 065	865 990
Management fees earned	5 902	15 833
Other income	1 139	2 020
Interest received	25 718	10 723
	931 824	894 566

The amount included in revenue arising from non-exchange transactions is as follows:

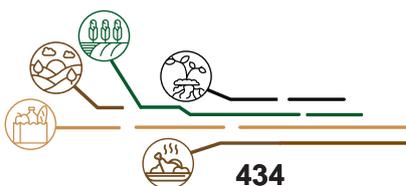
Transfer revenue		
Government grants	2 108	1 810

17. Investment revenue

Interest revenue

Interest received - bank	25 442	10 552
Interest received - statutory receivables	247	149
Interest received - staff debtors	29	22
	25 718	10 723

The amount included in investment revenue is arising from interest received from favourable bank balance and interest from outstanding debtor balances.



Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

Notes to the Audited Annual Financial Statements

	2023	2022
	R'000	R'000
18. Finance costs		
Finance leases	144	179
19. Auditors' remuneration		
Audit fees	3 870	4 145
External audit fees (Auditor-General) amounted to R3,870 million (2022: R4,145 million).		
20. Employee related costs		
Basic salary	402 961	408 016
Service bonuses	30 583	29 426
Performance bonuses	82	3 079
Medical aid - Employer contributions	32 604	31 396
Pension fund contribution	47 665	46 301
Overtime payments	57 186	51 510
Car Allowance	2 008	2 193
Housing benefits and allowances	19 150	18 860
Employer contribution: Bargaining council	117	113
Leave: Accumulated short term	560	(4 153)
Leave: Accumulated capped	322	73
	593 238	586 814

Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

Notes to the Audited Annual Financial Statements

	2023	2022
	R'000	R'000
21. General expenses		
Advertising	481	90
Auditors' remuneration	3 870	4 145
Bad debts written off	27	40
Bank charges	266	246
Cleaning	9 601	9 752
Consulting and professional fees	37 657	50 660
Consumables	1 028	1 772
Catering	426	417
IT expenses	54 887	51 181
Legal fees	204	559
Operating leases	19 351	19 779
Printing and stationery	5 787	4 505
Repairs and Maintenance	23 958	20 275
Security services	14 480	13 192
Staff welfare	86	139
Subscription and membership fees	3 537	3 920
Telephone and fax	4 829	3 656
Thefts, losses, damages and claims against the state	3 258	1 195
Transport and freight	12 813	3 325
Training	6 578	1 663
Travel - local	13 193	7 472
	216 317	197 983

Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

Notes to the Audited Annual Financial Statements

	2023	2022
	R'000	R'000

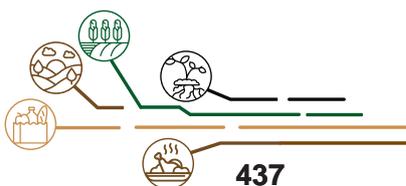
22. Operating lease

Minimum lease payments due:

Due within 1 year	8 534	16 009
Due within 2 - 5 years	7 076	11 131
	15 610	27 140

The above amounts are due in future years due to contractual obligations. Operational leases relate to service level agreements for the leasing of parking bays for officials, digital scanners, water dispensers, card swiping machines, UPS systems and telephone management system.

For operating leases payments recognised in the statement of Financial Performance refer to note 21 - General expenses.



Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

Notes to the Audited Annual Financial Statements

	2023 R'000	2022 R'000
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23. Commitments

Authorised capital expenditure

Already contracted for but not provided for

Due within 1 year 89 919 52 989

Due within 2 - 5 years 35 352 70 542

125 271 123 531

Total capital commitments

Already contracted for but not provided for 125 271 123 531

Authorised operational expenditure

Already contracted for but not provided for

Due within 1 year 45 575 21 064

Due within 2 - 5 years 68 105 105 523

113 680 126 587

Total operational commitments

Already contracted for but not provided for 113 680 126 587

Commitments relate to operating and capital contracts due in future years. The future commitments detailed above are either non-cancellable or are only cancellable at a significant cost and relate to something other than the routine, steady, state business of the entity. Below are the total commitments including those that are routine, steady, state business of the entity.

Total commitments

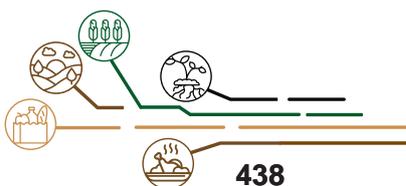
Operational commitments due within 1 year 91 936 68 358

Operational commitments due between 2 - 5 years 105 427 119 075

Capital commitments due within 1 year 89 921 52 992

Capital commitments due within 2 - 5 years 35 352 70 544

322 636 310 969



Deeds Registration Trading Entity

Audited Annual Financial Statements

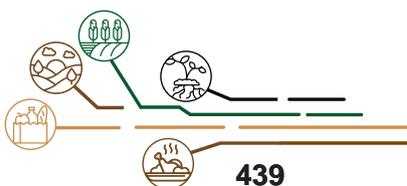
for the year ended 31 March 2023

Notes to the Audited Annual Financial Statements

	2023	2022
	R'000	R'000

24. Cash generated from operations

Surplus	108 344	98 793
Adjustments for:		
Depreciation and amortisation	13 931	11 410
Loss on disposal of assets	394	307
Finance costs - Finance leases	144	179
Impairment loss	1 564	890
Movements in provisions	(57)	(2 087)
Interest receivable	(2 691)	(1 099)
Other non-cash items	(7 883)	8 262
Changes in working capital:		
Inventories	(320)	731
Other receivables from exchange transactions	(10 596)	(2 931)
Prepayments	(2 400)	(147)
Statutory receivables from exchange transactions	6 439	(3 759)
Payables from exchange transactions	6 487	996
Grant liability - Unspent conditional grants and receipts	(2 108)	(1 810)
	111 248	109 735



Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

Notes to the Audited Annual Financial Statements

2023
R'000

2022
R'000

25. Contingent liabilities

Litigation is in process against the Deeds Registration Trading Entity relating to disputes around registration of property and other legal matters. The total litigation before the courts is R319, 415 million (2022: R308, 526 million).

Litigations that could not be quantitatively measured for financial impact are as follows:

- Aboobaker Abdul Rahman - An order that the employment contract was cancelled.
- TJ Mampe Trading and projects CC - Transfer and property registration.
- Sindiswa Bongwiwe Mandisa Sihlali and others - Reversal of property transfer and registration.
- The forum of concerned residents of Naledi and Dr Ruth S Mompoti District - Interim interdict related to proclaim a decision to re-align the jurisdiction area.
- Themba Collen Mavundza - Transfer and property registration, removal of a name on title deed.
- Nedbank limited - Transfer of property, reconstruction of title deed and mortgage bond, removal of interdict from property.
- Kriel Barnard - Antenuptial contract lodged for registration of property was rejected.
- Emily Thumani Mbatha - Unlawful registration of property and transfer which was against a court order.
- Casper Combrick Electronics T/A Security Integrated Systems - Breach of contract for failure to deliver by service provider.
- Khoi Khoi Zan - Notice to compel fourth respondent to place before the Honourable the document as requested from fourth respondent.
- Hans Merenkys Land Owner Association NPC - Interdict and restraining of registration and transfer of property.
- Satesh Dayamand Maharaj Jeffrey and Loius Harman - Transfer and registration of property to third party after the court granted relief.
- Mapule Maria Dlamini N.O - Equally contribute to the settlement of the costs which was awarded by North Gauteng High Court.
- Diakanyo Phahlane and Occupiers of 240 Mmakau Street, Molapo Township - Court application for cancellation and setting aside of registration of property and for declaration of the property as a family home.
- Robert Allan Schmidt N.O - Application for cancellation of the bond.
- Ramokone Virginia Mowasa - Plaintiff is suing the defendant for an amount paid by the plaintiff to the 1st and 2nd defendant as purchase for the property situated within the jurisdiction of Johannesburg deeds office.
- TJ Mampe Trading & Projects CC - The Registrar of Deeds Vryburg to execute the registration of the transfer of property to the applicant. The Registrar of Deeds Vryburg to immediately remove the interdict / caveat. To declare applicant as lawfully. Legal costs against any responded opposing the application.

Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

Notes to the Audited Annual Financial Statements

	2023 R'000	2022 R'000
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25. Contingent liabilities (continue)

There are labour disputes with officials which are currently in arbitration amounting to R0 (2022: R89, 800) which have not been settled and the outcome could result in settlement in cash.

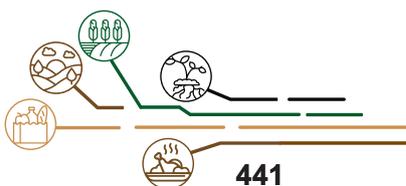
The surplus of R108, 343 million (2022: R98, 793 million) has been classified as a contingent liability at 31 March 2023 as there is no approval received as yet from National Treasury to retain the surplus funds. In terms of Treasury Regulations 19.7.1 the relevant treasury may apply such surplus to reduce any proposed allocation to the trading account, or that all or part of it be deposited in the Exchequer bank account. The Deeds Registration Trading Entity is obliged to re-deposit to National Treasury any amount of the surplus for which National Treasury requires to be refunded.

Contingent assets

Litigation is in process for the Deeds Registration Trading Entity relating to disputes. The total litigation claims before the court are R 467, 788 million (2022: R444, 061 million).

Parking deposit of R71 501 (2022: R47 050) is held by service providers. The deposit shall be retained by Advance on Point Solutions until termination of the agreement, whereupon it will be applied to any amount owing in terms of this agreement. The balance remaining shall be returned to the entity.

Theft and losses amounting to R796 882 (2022: R586 715) are under investigation for the entity's assets lost or damaged by officials, liability depends on the outcome of theft and loss committee.



Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

Notes to the Audited Annual Financial Statements

	2023 R'000	2022 R'000
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26. Related parties

Relationships

DEPARTMENT OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT (DALRRD)

The Deeds Registration Trading Entity is a trading entity under the Department of Agriculture, Land Reform and Rural Development as such certain services between the DALRRD and Deeds are rendered in kind and are not at arm's length, these have been disclosed below:

OFFICE OF THE VALUER-GENERAL (OVG)

The Office of the Valuer-General is a schedule 3A entity of the Department of Agriculture, Land Reform and Rural Development. A Memorandum of Agreement entered into between Deeds and the OVG for rendering of support services. The transactions that are not at arm's length are disclosed below:

The remainder of the transactions and balances resulting from the Principal Agent arrangement between Deeds and OVG have been disclosed in note.28 - Accounting by Principal Agent.

AGRICULTURAL LAND HOLDING ACCOUNT (ALHA)

Agricultural Land Holding Account is a schedule 2A entity of the Department of Agriculture, Land Reform and Rural Development. A related party transaction exists as a result of Deeds paying software license and software assurance programme on behalf of ALHA, these have been disclosed below:

INGONYAMA TRUST BOARD (ITB)

Ingonyama Trust Board is a schedule 3A entity of the Department of Agriculture, Land Reform and Rural Development. The ITB received services from Chief Financial Officer through secondment arrangement or agreement: the CFO is an employee of the Deeds Registration Trading Entity. The Department of Agriculture, Land Reform and Rural Development is responsible for all costs related to secondment of the CFO.

Related party balances:

Amounts included in Trade receivable (Trade Payable) regarding related parties

Management fees receivable from OVG	14 138	5 353
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Related party transactions:

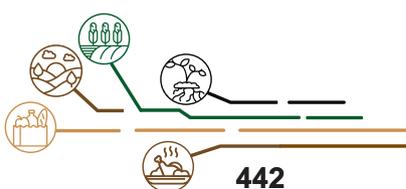
Rendering of services to DALRRD (by Deeds)

Information search and copies	(8 920)	(8 019)
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Amounts paid on behalf of Deeds (DALRRD)

Office accommodation and municipal services	84 633	64 212
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Government Garage vehicle (G-fleet management)	-	2 112
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Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

Notes to the Audited Annual Financial Statements

	2023	2022
	R'000	R'000

26. Related parties (continued)

Remuneration of management

Senior Managers on level 14 and above

March 2023

Names and Positions	Basic Salary	Bonuses and performance related payments	Other short-term employee benefits	Post-employment benefits	Other benefits received	Total
Knoesen CCE - Chief Registrar	1 114	-	487	133	-	1 734
Gubuza P - Chief Director: Delivery Coordination	916	-	404	110	-	1 430
Hlatswayo HJ - Chief Director: ICT	968	-	322	126	-	1 416
Tsotetsi GDN - Registrar	958	-	421	115	-	1 494
Mogoba MF - SFO	798	-	821	104	11	1 734
Gwangwa AF - Registrar	958	68	421	115	-	1 562
Ntuli M - Registrar	858	-	481	112	-	1 451
Lemme MT - Registrar	958	-	421	115	-	1 494
Mukhakhululi RO - Registrar	1 085	-	236	130	-	1 451
Pillay K - Registrar	972	-	427	117	11	1 527
Frazenburg UJ - Registrar	930	-	409	112	-	1 451
Moshodi PP - Registrar	797	-	398	108	-	1 408
Mngcolwani MD - Registrar	902	-	393	103	-	1 348
	12 214	68	5 696	1 500	22	19 500

Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

Notes to the Audited Annual Financial Statements

	2023	2022
	R'000	R'000

26. Related parties (continued)

Senior Manager on level 13

Names and Positions	Basic salary	Bonuses and performance payments	Other short-term employee benefits	Post-employment benefits	Other benefits received	Total
Reynolds A - Deputy Registrar	945	-	208	113	-	1 266
Matthys R - Deputy Registrar	797	-	354	96	-	1 247
Ratema SJ - Director: SCM	821	-	364	99	-	1 284
Swart CC - Director: Financial Financial Management	810	-	475	97	22	1 404
Gwangwa PJH - Deputy Registrar	747	-	452	97	-	1 296
Mesefo PE - Deputy Registrar	797	-	354	96	-	1 247
Zwartland P - Deputy Registrar	903	-	200	108	-	1 211
Mothlasedi MN - Deputy Registrar	809	-	359	97	-	1 265
Maphosa ES - Deputy Registrar	903	-	200	108	-	1 211
Ndlovu F - Deputy Registrar	810	-	359	97	-	1 266
Maphomolo PJ - Deputy Registrar	858	-	277	112	11	1 258
Van Der Ross A - Deputy Director	809	-	389	97	-	1 295
Gabara TG - Deputy Registrar	930	-	205	112	11	1 258
Duma SE - Deputy Registrar	930	-	205	112	-	1 247
Mdunge BR - Deputy Registrar	930	-	226	112	-	1 268
Monnanyana TD - Deputy Registrar	930	-	205	112	-	1 247
Mketshane M - Deputy Registrar	930	-	205	112	-	1 247
Dreyer JP - Deputy Registrar	930	-	205	112	-	1 247
Ngapo GWM - Deputy Registrar	864	-	192	103	-	1 159
Hoko ND - Deputy Registrar	864	-	192	103	-	1 159
Shawe TE - Deputy Registrar	851	-	190	102	-	1 143
Davids I - Deputy Registrar	838	-	285	101	-	1 224
Phali TS - Deputy Registrar	864	-	276	103	-	1 243

Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

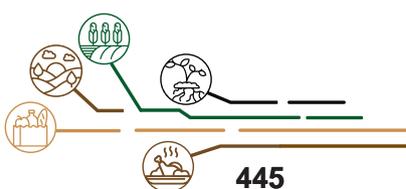
Notes to the Audited Annual Financial Statements

				2023		2022
				R'000		R'000
26. Related parties (continued)						
Swarts D - Deputy Registrar	774	-	252	101	-	1 127
Shoko T - Director: ICT	988	-	217	118	-	1 323
Masilela TP - Director: Human & Auxiliary Services	838	-	187	101	-	1 126
Keetse MS – Deputy Registrar	145	-	35	19	-	194
Phungula XJ – Deputy Registrar	141	-	35	18	-	199
Sebola NM – Deputy Registrar	86	-	32	11	64	193
Vilakazi SB – Director: QA	157	-	101	20	-	278
Jezile VP - Director: Entity Development	323	-	57	34	-	414
	23 322	-	7 293	2 823	108	33 546

Middle Managers acting on senior positions.

Names and Positions	Basic salary	Other short-term employee benefits	Post-employment benefits	Total
Govender E – Acting Deputy Registrar	677	213	88	978
Phungula XJ - Acting Deputy Registrar	527	306	68	901
Keetse MS - Acting Deputy Registrar	480	145	62	687
Nitsky GO - Acting Deputy Registrar	645	330	84	1 059
Moremane K - Acting Deputy Registrar	593	306	78	977
Machimana A - Acting Director	559	297	73	929
	3 481	1 597	453	5 531

The officials below are relatives of senior management at the entity which qualifies as related party in accordance with



Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

Notes to the Audited Annual Financial Statements

	2023	2022
	R'000	R'000

26. Related parties (continued)

GRAP 20.35.

Names of management officials	Relatives	Positions of relatives	Relations to management officials
Van der Ross A	Mustafa Y	Clerk	Spouse
Mothlasedi MN	Mothlasedi M	Snr Registration Officer	Brother
Hoko ND	Hoko AS	Chief Auxiliary Officer	Brother
Davids I	Brinkhuis IRC	Junior Examiner	Spouse
Ntuli M	Ntuli M	Snr Registration Officer	Brother
Duma S	Duma S	Assistant Registrar	Brother
Ndlovu F	Ndlovu E	Assistant Registrar	Spouse
Gwangwa PJH	Gwangwa MY	Junior Examiner	Spouse

Management on level 14 and above

March 2022

Names and Positions	Basic salary	Bonuses and performance related payments	Other short-term employee benefits	Post-employment benefits	Other benefits received	Total
Knoesen CCE - Chief Registrar	1 149	119	502	138	-	1 908
Gubuza P - Chief Director: Delivery Coordination	902	67	398	108	11	1 486
Hlatswayo HJ - Chief Director: ICT	929	63	298	121	-	1 411
Tsotetsi GDN - Registrar	944	-	415	113	1 192	2 664
Mogoba MF - SFO	858	68	845	112	-	1 883
Gwangwa AF - Registrar	944	-	415	113	-	1 472
Ntuli M - Registrar	845	68	474	110	-	1 497
Lemme MT - Registrar	944	-	415	113	-	1 472
Mukhakhululi RO - Registrar	1 067	67	233	128	11	1 506
Pillay K - Registrar	937	70	410	113	-	1 530
Frazenburg UJ - Registrar	915	67	404	110	-	1 496

Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

Notes to the Audited Annual Financial Statements

	2023	2022
	R'000	R'000

26. Related parties (continued)

Moshodi PP - Registrar	780	63	438	101	-	1 382
Mngcolwani MD - Registrar	889	65	393	107	-	1 454
	12 103	717	5 640	1 487	1 214	21 161

Senior Manager on level 13

Names and Positions	Basic salary	Bonuses and performance related payments	Other short-term employee benefits	Post-employment benefits	Termination benefits	Other benefits received	Total
Reynolds A - Deputy Registrar	930	-	205	112	-	-	1 247
Matthys R - Deputy Registrar	785	-	349	94	-	90	1 318
Ratema SJ - Director: Financial Management	808	60	674	97	-	22	1 661
Swart CC - Director: Financial Management	797	59	664	96	-	-	1 616
Gwangwa PJH - Deputy Registrar	736	-	415	96	-	-	1 247
Mesefo PE - Deputy Registrar	774	-	345	93	-	-	1 212
Zwartland P - Deputy Registrar	889	56	197	107	-	-	1 249
Mothlasedi MN - Deputy Registrar	1 043	53	453	108	-	252	1 909
Maphosa ES - Deputy Registrar	890	56	197	107	-	56	1 306
Ndlovu F - Deputy Registrar	796	-	354	96	-	-	1 246
Maphomolo PJ - Deputy Registrar	846	58	273	110	-	-	1 287
Van Der Ross A - Deputy Registrar	797	-	354	96	-	-	1 247

Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

Notes to the Audited Annual Financial Statements

						2023	2022
						R'000	R'000
26.	Related parties (continued)						
	Gabara TG - Deputy Registrar	915	58	203	110	-	1 286
	Duma SE - Deputy Registrar	915	-	203	110	-	1 228
	Mdunge BR - Deputy Registrar	915	-	203	110	-	1 228
	Monnanyana TD - Deputy Registrar	916	-	203	110	-	1 229
	Fatyela DS - Deputy Registrar	918	-	183	100	1 000	1 201
	Mketshane M - Deputy Registrar	915	-	203	110	-	1 244
	Dreyer JP - Deputy Registrar	916	-	203	110	-	1 229
	Ngapo GWN - Deputy Registrar	851	54	189	102	-	1 291
	Hoko ND - Deputy Registrar	851	-	189	102	-	1 142
	Shawe TE - Deputy Registrar	837	-	187	101	-	1 125
	Davids I - Deputy Registrar	814	-	182	98	-	1 094
	Phali TS - Deputy Registrar	851	-	189	102	-	1 227
	Swarts D - Deputy Director	751	-	245	98	-	1 094
	Shoko T - Director: ICT	959	62	211	115	-	1 347
	Masilela TP - Director: Human & Auxiliary Services	814	-	479	98	-	1 402
	Jezile VP - Director: Entity Development	349	43	83	45	-	520
		23 578	559	7 835	2 833	1 000	36 432

Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

Notes to the Audited Annual Financial Statements

	2023	2022
	R'000	R'000

26. Related parties (continued)

Middle management acting on senior positions

March 2022

Names and Positions	Basic salary	Other short-term employee benefits	Post-employment benefits	Other benefits received	Total
Govender E -Acting Deputy Registrar	494	60	64	117	735
Phungula XJ-Acting Deputy Registrar	151	47	20	42	260
Keetse MS - Acting Deputy Registrar	279	113	36	113	541
	924	220	120	272	1 536

The below officials are relatives of senior management at the entity which qualifies as the related party in accordance with GRAP20.35.

Names of management officials	Relatives	Positions of relatives	Relation to management officials
Van der Ross A	Mustafa Y	Clerk	Spouse
Mothlasedi MN	Mothlasedi M	Snr Reg Officer	Brother
Hoko ND	Hoko AS	Chief Auxiliary Officer	Brother
Davids I	Brinkhuis IRC	Jnr Examiner	Spouse
Ntuli M	Ntuli M	Snr Reg Officer	Brother
Duma S	Duma S	Assistant Registrar	Brother
Ndlovu F	Ndlovu E	Assistant Registrar	Spouse
Gwangwa PJH	Gwangwa MY	Jnr Examiner	Spouse

Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

Notes to the Audited Annual Financial Statements

2023
R'000

2022
R'000

27. Prior-year adjustments

Presented below are those items contained in the statement of financial position, statement of financial performance that have been affected by prior-year adjustments:

Statement of financial position

March 2022

	Note	Previously reported	Correction of error	Restated
Office equipment (Finance lease) - cost	8	3 884	79	3 963
Furniture equipment - cost	8	49 345	75	49 420
Accumulated Depreciation – Office equipment (finance lease)	8	(1 904)	(11)	(1 915)
Accumulated Depreciation – Furniture equipment	8	(29 448)	(5)	(29 453)
Intangible assets – Computer license	9	52 912	440	53 352
Accumulated amortisation – Software license	9	(2 099)	(393)	(2 492)
Creditors – AP/ delivery note	11	(3 784)	26	(3 758)
Finance lease liability - LT	10	(958)	(44)	(1 002)
Finance lease liability - ST	10	(1 135)	(25)	(1 160)
Sundry accruals	11	(8 528)	(440)	(8 968)
Accumulated surplus		(303 240)	204	(303 036)
		(244 955)	(94)	(245 049)

Statement of financial performance

March 2022

	Note	As previously reported	Correction of error	Restated
Depreciation - Office equipment	8	1 209	11	1 220
Depreciation – Furniture equipment	8	2 489	5	2 494
Domestic consumable	21	1 007	(75)	932
Amortisation of intangible assets	9	722	189	911
Transport and freight	21	30	(26)	4
Finance lease	21	22	(12)	10
Finance cost	10	177	2	179
Surplus for the year		5 656	94	5 750

Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

Notes to the Audited Annual Financial Statements

	2023 R'000	2022 R'000
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27. Prior-year adjustments (continued)

An amount of R79 271 for office equipment (finance lease assets) cost and accumulated depreciation amounting to R11 009 was correctly adjusted.

An amount of R75 030 furniture & equipment cost and accumulated depreciation amounting to R5 002 was correctly adjusted.

An amount of R440 411 for intangible assets (cost) and accumulated amortisation amounting to R393 224 relating to PDF software license was correctly adjusted.

An amount of R26 100 for creditors/ AP/ delivery note, transport and freight was correctly adjusted.

An amount of R43 900 for finance lease liability - long term and finance lease liability short-term amounting to R25 328 was correctly adjusted.

An amount of R204 476 for accumulated surplus was correctly adjusted.

An amount of R188 747 for amortisation of intangible assets - software license.

An amount of R11 009 for depreciation of office equipment (finance lease assets) and depreciation of furniture and equipment amounting to R5 002 was correctly adjusted.

An amount of R12 238 finance lease expense was correctly adjusted.

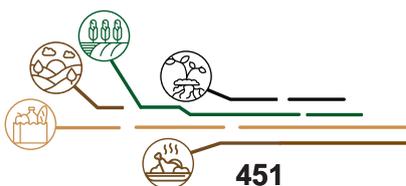
An amount of R2 195 for finance cost was correctly adjusted.

Disclosure

March 2022

	Note	As previously reported	Correction of error	Restated
Contingent liabilities	25	317 732	(9 206)	308 526

An amount of R9, 206 million related to interest charged on GJJIMA counter claim was understated in the prior years.



Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

Notes to the Audited Annual Financial Statements

	2023 R'000	2022 R'000
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28. Accounting by principals and agents

Details of the arrangement is as follows:

In July 2014 the Property Valuation Act brought into existence the Office of the Valuer-General (OVG), the "Principal" whose responsibility in accordance with the Act is to perform property valuation for the purposes of the Department of Agriculture, Land Reform and Rural Development. Section 4 and 5 of the Act establishes the office as a juristic person.

Due to unavailability of resources as this office had not been structurally established, a Memorandum of Agreement (MOA) was entered into with the Deeds Registration Trading Entity (Deeds) who is the "Agent". This MOA states that the OVG will receive and pay for services rendered by Deeds and DALRRD will transfer funds due to the OVG to Deeds for rendering of services.

The following transactions will be undertaken by the Agent on behalf of the principal:

Transactions relating to Human Resource Management will include:

- Payment of salaries and wages.
- **Transactions relating to Finance includes:**
- Payment of expenses and liabilities;
- Preparation of Financial Statements;
- Management of grant funds in the agent bank account;
- Management of finance lease contracts and
- Purchases of Property, Plant and Equipment

Transactions relating to Supply Chain Management:

- Contract Management and
- Procurement of Goods and Services

All transactions are performed in line with the internal policies of the Agent. The management fee paid by the principal is based on the assumption that there is even distribution or spending of funds during any given financial period. This management fee is the interest received resulting from Principal monies held in the Agent's bank account.

Due to unavailability of resources the Office of the Valuer-General as this office had not been structurally established, a memorandum of agreement has been entered into with the Deeds Registration Trading Entity (Deeds) who is the "Agent". This MOU/MOA states that Deeds will render administrative support and services, the OVG will pay Deeds for services rendered. The MOU/MOA ended 31 March 2023. The MOA/MOU between Agent and Principal was signed on the 24 April 2022.

Revenue

Management fees received from principal

5 902

15 833

Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

Notes to the Audited Annual Financial Statements

	2023 R'000	2022 R'000
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29. Risk management

Liquidity risk

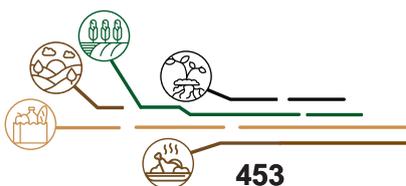
Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Deeds Registration Trading entity manages its liquidity risk through ongoing review of working capital, capital expenditure, future commitments and the budgeting process which monitors spending against available resources (cash and other financial assets). Adequate reserves and liquid resources are maintained.

The table below analyses the entities financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to contractual maturity date. The amounts disclosed in the table are the undiscounted contractual cashflows. The balances due within 12 months equal the carrying amounts of these liabilities as the impact of discounting is not significant.

At 30 March 2023	Carrying amount	Less than 1 year	Between 2 and 5 years
Payables from exchange transactions	52 423	52 423	-
Finance lease liability	2 249	1 262	987
Provisions	9 496	-	9 496
At 31 March 2022	Carrying amount	Less than 1 year	Between 2 and 5 years
Payables from exchange transactions	44 106	44 106	-
Finance lease liability	2 162	1 160	1 002
Provisions	9 567	-	9 567

The entity does not hold any derivative financial liabilities.



Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

Notes to the Audited Annual Financial Statements

2023 R'000	2022 R'000
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29. Risk management (continued)

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Financial assets which potentially subject the Deeds Registration trading entity to risk of non-performance and thereby subject to credit risk consist mainly on cash and cash equivalents and receivables from exchange transactions as per GRAP 104.

The Deeds Registration Trading Entity limits its treasury counter party exposure by dealing with well-established institutions approved by National Treasury and its exposure is constantly monitored by the Accounting Officer.

Credit risk with respect to fee paying customers is limited due to the nature of the services provided by the entity, however statutory receivables are scoped out of this disclosure in accordance with GARP 104.3(i). The Deeds Registration Trading Entity does not have any material exposure to any individual or counterparty. No events occurred in the industry during the financial year that may have an impact on other accounts receivables that has not been adequately provided for. All financial assets are due to be settled in the next 12 months.

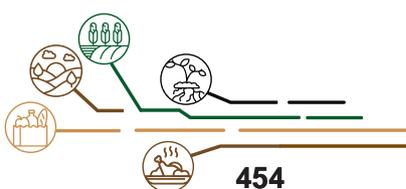
Financial assets exposed to credit risk at year end were as follows:

At 30 March 2023	Gross amount	Impairment	Carrying amount
Other receivables from exchange transactions	18 959	(713)	18 246
Cash and cash equivalents	518 762	-	518 762
At 31 March 2022	Gross amount	Impairment	Carrying amount
Other receivables from exchange transactions	7 927	(732)	7 195
Cash and cash equivalents	484 419	-	484 419

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

The entity is exposed to interest rate fluctuations on past due receivables and thus changes in the interest rate will result in changes in future cash flows expected from these financial instruments. No other financial assets are past due or impaired in the current year.



Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

Notes to the Audited Annual Financial Statements

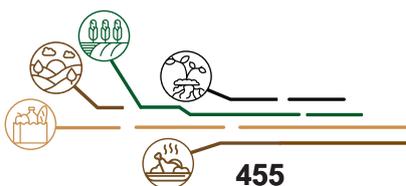
	2023 R'000	2022 R'000
30. Irregular expenditure		
Current year: Irregular expenditure confirmed	609	4 843
31. Fruitless and Wasteful expenditure		
Current year: Fruitless and wasteful expenditure confirmed	37	22

32. Services in kind

Administrative services in kind:

Deeds Registration Trading Entity falls under the administration of the Department of Agriculture, Land Reform and Rural Development. The executive of the department spends some of their time on the affairs of the Trading Entity.

All services paid for by the department which could be quantified have been disclosed as related party transactions, excluded from those are services that cannot be quantified due to their nature, these include risk management services and Internal Audit services provided by the department. Due to their nature, these service in kind cannot be reliably measured and therefore have not been recognised.



Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

Notes to the Audited Annual Financial Statements

	2023 R'000	2022 R'000
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33. Alignment of Deeds Registries areas of jurisdictions to coincide with provincial boundaries

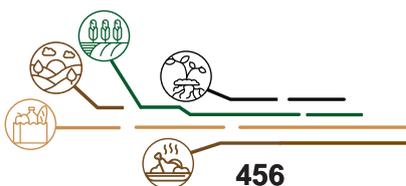
The business case for the alignment of Deeds Registries areas of jurisdictions to provincial boundaries was approved in the 2015/16 financial year. The purpose of the realignment of Deeds registries areas of jurisdictions to provincial boundaries, (Alignment Programme) arises from the need to address the problem regarding how the Deeds Offices are currently positioned which is an impediment to Constitutional and institutional reforms.

The programme is therefore aimed at aligning the Deeds Registries areas of jurisdiction to provincial demarcations as articulated in Section 103 of the Constitution and to ensure that each Deeds Registry services the province in which it is located, making it accessible to clients.

The alignment programme contains four projects:

- (i) Identification, separation and transfer of records (from transferring Deeds office and receiving Deeds office).
- (ii) Establishment of the Limpopo Deeds Registry which was established and opened on the 3rd of April 2017.
- (iii) Establishment of the Northwest Province Deeds Registry.
- (iv) The establishment of Deeds information centres.

The anticipated benefits of this programme are two-fold: Firstly, it will serve in the interest of the promotion of accessible services and to ensure Deeds offices services their respective provinces. Secondly, there will be improved turn-around times in the registration and delivery of deeds and related documents. Both benefits will result in improved service delivery that is client centric.



Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

Notes to the Audited Annual Financial Statements

2023
R'000

2022
R'000

34. Reporting segments

Every Deeds Registry performs similar registration functions as another Deeds Registry and there is no difference in the nature of goods or services delivered, the type of customer being serviced, the method to deliver goods and services and there is also no difference in the regulatory environment. The socio economic characteristics of the provinces in which the Deeds Registries are situated are affected by the same economic impacts of the larger South African economy and are generally similar from province to province.

The Deeds Registries, however, do generate revenue from registration of deeds and documents and sale of information. Their financial results are not disclosed separately from the results of the entity as a whole as no province reports individually for financial reporting purposes. This information is not readily available as required by the definition of a reporting segment.

Due to the nature of operations at the Deeds Registries, and the fact that financial information is not available outside of the financial information produced at the Office of the Chief Registrar of Deeds, separate segment reporting therefore has not been disclosed.

35. Budget explanations of differences between final budget and actual amounts

Material differences between budget and actual amounts

Variance of 10% and above are considered material and are explained below:

35.1 Revenue - Services rendered

Registration of deeds revenue estimated amount of R982.7 million was projected based on the annually expected revenue to be generated by the end of the financial year. The variance of R83 million is due to high inflation rate that affect economic growth and sales of properties. The entity projected to register 981 610 number of title deeds and documents but managed to register 960 454 which below the set target.

35.2 Management fees received

The amount of R5.9 million is management fees received for rendering services to the Office of the Valuer-General (OVG) as part of a memorandum of agreement (MoA) between Deeds and OVG. The MoA was entered into and signed in the current year.

35.3 Other income

The actual amount of R1.1 million relates to revenue commission insurance, staff debt recovered, miscellaneous income, private telephone and impairment reversal — statutory receivables. This amount is not budgeted for.

35.4 Interest received

The favourable bank interest received was due to the high bank balance of R518,7 million in the current financial year. The high carrying amount was due to the R208 million conditional grant received on the 10th February 2021 from the Department of Agriculture, Land Reform and Rural Development and approved retention surplus of R98 million granted by National Treasury for the financial year 2021/22.

Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

Notes to the Audited Annual Financial Statements

	2023 R'000	2022 R'000
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35. Budget explanations of differences between final budget and actual amounts (continued)

35.5 Government grants and subsidies

The actual amount of R2,1 million was related to expenditure incurred for official secondment to Ingonyama Trust Board.

35.6 Employee costs

The variance amount of R82.4 million is attributed to various vacant posts under Deeds Registries that are in process of being filled after the uplifting of moratorium on filling of posts, 159 posts finalise recruitment and selection process, 27 posts advertised closed in March 2023 and 58 posts advertised but selection and recruitment not yet finalised.

35.7 Depreciation and amortisation

The actual amount of R13.8 million relates to depreciation and amortisation of property, plant, and equipment.

35.8 Impairment loss/Reversal of impairments

Debtors default results as an adjustment in the carrying amounts of debtors as an impairment. These defaults cannot be planned for, therefore the figure for impairment is not budgeted for.

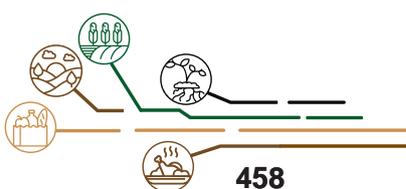
35.9 Finance costs

Finance costs are related to interest rate implicitly in the lease and are not budgeted for.

35.10 General expenses

Underspending of general expenses is attributed mainly to the slow spending of the following projects:

- Underspending was due to delays in the commencement of the e-DRS solution development, implementation and maintenance purchase order number (PO093484) amounting to R207,086,000.00. On 25 February 2022, the National Treasury based on Constitutional Court ruling on Preferential Procurement Regulations (2017) advised organs of state that tenders advertised on or after 16 February 2022 be held in abeyance; and no new tenders be advertised which resulted in further delays on the commencement of the project; Subsequent project and payment plan between the DALRRD and SITA that links deliverables to payment milestone; Initial Payment Schedule (15 December 2022) between the department and SITA reflected payments up to R16 million at the end of the financial year in line with signed off deliverables; However SITA failed to deliver on Phase 1 as projected and no invoices were processed as expected in the fourth quarter.



Deeds Registration Trading Entity

Audited Annual Financial Statements

for the year ended 31 March 2023

Notes to the Audited Annual Financial Statements

	2023 R'000	2022 R'000
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35. Budget explanations of differences between final budget and actual amounts (continued)

- An amount of R15.8 million was budgeted for Oracle Data software support but only R8,8 million reflect as an expenditure and remaining balance still under prepayment. Each month journal is passed to reduce prepayment account and increases expenditure.
- An amount of R2.3 million was budgeted for litigation matters for the realignment and only R90 000thousand was spent due to the delay and nature of the pending cases.
- An amount of R6 million was budgeted for Enterprise Architecture project and non-spending was due to SITA delaying the kick-start of the procurement because of their interest in undertaking the project as a service provider and Deeds ICT felt that there will be lack of separation of duties given that they are the service provider for the e-DRS project.
- An amount of R1.5 million was budgeted for rebranding of office, design and printing of pamphlets in four (4) languages and procurement of banners but procurement was put on hold due to realignment of office.

35.11 Loss on disposal of assets

Loss on disposal of assets relates to assets disposed during the year for various reasons including damages and obsolescence.

