

Annual Report

2019/2020



rural development
& land reform

Department:
Rural Development and Land Reform
REPUBLIC OF SOUTH AFRICA



**STAY
SAFE**

PROTECT SOUTH AFRICA

TOGETHER WE CAN BEAT THE CORONAVIRUS

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PART

Building Vibrant, Equitable and Sustainable Rural Communities

GENERAL INFORMATION

GENERAL INFORMATION

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LIST OF ABBREVIATIONS/ACRONYMS

AGSA	Auditor-General of South Africa
ALHA	Agricultural Land Holding Account
APP	Annual Performance Plan
AVMP	Animal and Veld Management Programme
COGTA	Cooperative Governance and Traditional Affairs
CPA	Communal Property Association
CRDP	Comprehensive Rural Development Programme
CRLR	Commission on Restitution of Land Rights
CSIR	Council for Scientific and Industrial Research
DAFF	Department of Agriculture, Forestry and Fisheries
DALRRD	Department of Agriculture, Land Reform and Rural Development
DD	Deputy Director
DORA	Division of Revenue Act
DPME	Department of Planning, Monitoring and Evaluation
DRDLR	Department of Rural development and Land reform
EC	Eastern Cape
EE	Employee Equity
EHW	Employee, Health and Wellness
FPSU	Farmer Production Support Unit
FS	Free State
FY	Financial Year
GP	Gauteng Province
HR	Human Resource
ICT	Information and Communication Technology
IOD	Injury on Duty
ITB	Ingonyama Trust Board
KZN	KwaZulu-Natal
LDS	Land Development Support
LP	Limpopo Province
MP	Mpumalanga
MPSA	Minister of Public Service and Administration
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NARYSEC	National Rural Youth Service Corps
NC	Northern Cape
NDA	National Development Agency
NDAC	National Department of Arts and Culture
NDP	National Development Plan
NMOG	National Macro Organisation of Government
NSDF	National Spatial Development framework
NW	North West
OHS	Occupational Health and Safety
OVG	Office of the Valuer General
PE	Port Elizabeth
PFMA	Public Finance Management Act
PLAS	Proactive Land Acquisition Strategy
POE	Portfolio of Evidence
PSCC	Provincial Shared Service Centre
RCC	Risk and Compliance Committee
REID	Rural Enterprise and Industry Development
RID	Rural Infrastructure Development
RLCC	Regional Land Claim Commission
RVCP	River Valley Catalytic Programme
SCM	Supply Chain Management
SCOPA	Standing Committee on Public Accounts
SDIP	Service Delivery Improvement Plan
SG	Surveyor General
SMS	Senior Management Service
SONA	State of the Nation Address
SPLUM	Spatial Planning and Land Use Management
WC	Western Cape

MINISTER'S FOREWORD

ANGELA THOKOZILE DIDIZA



The Department of Agriculture, Land Reform and Rural Development has begun with the implementation of these recommendation. The Beneficiary Selection and the Land Donations Policies have been drafted and published for public comment. These will be finalised during the 2020/21 calendar year.

The report we are tabling reflects the performance recorded with respect to the five programmes namely: Administration; Geospatial and Cadastral Services; Rural Development; Restitution and Land Reform. We are pleased to report that the department has obtained an unqualified audit opinion from the Auditor General of South Africa. Efforts to ensure good governance and compliance with government regulations and prescripts including payment of suppliers within 30 days remains a high priority. The Land Use Master Plan and the National Spatial Development Framework implementation strategy are in place to facilitate implementation of the land reform programmes. More efforts are being undertaken to improve service delivery turnaround times on the availability of deeds within 7 working days from lodgment for execution.

In implementing government's commitment to accelerate our land redistribution programme not only to redress a grave historical injustice but also to bring more producers into the sector and to make more land available for cultivation as announced by the President, in the period under review, 85 124 hectares have been allocated to smallholder farmers; 92 643 hectares acquired in order to realise the goal of an equitable land redistribution and agricultural development.

The Land Development Support programme did not perform as expected, plans are being put in place to ensure that the performance is improved. We have established partnerships with civil society organisations that are involved in the land sector. This partnership will strengthen the capacity of the department in executing its mandate.

Contributing to the 2030 National Development Plan of an inclusive rural economy, the review of the integrated sustainable rural development strategy is

underway under the leadership of Deputy Minister Dlamini. In the year under review, 143 infrastructure projects were implemented creating 6425 jobs; 249 rural enterprises supported and skills development programmes benefiting 2150 young people through the Narysec project and an additional 5477 skills developed through various programmes. Special focus is being put on increasing the number of functional and effective Farmer Production Support Unit (FPSUs).

Restitution of Land Rights and settling land claims of people who were forcefully removed from their homes through the Group Areas Act is ongoing with 436 land claims settled and 686 finalised. Acknowledging challenges owing to verification, validation and dispute resolution processes relating to settlement of claims, the institutional and economic capacity of the Commission is being enhanced to enable speedy settlement of outstanding claims which were submitted by the December 1998 closing date to allow the commencement of consideration of the post-1998 land claims.

We acknowledge governance challenges and ongoing conflicts amongst communities and their elected leadership experienced by most Communal Property Associations (CPAs) across the country. A departmental intervention programme of action is being implemented to assist in line with the CPA Act.

The work of the Special Master appointed by the Land Claims Court to monitor settlement Labour Tenants claims is at an advance stage. As part of our oversight role, the department continue to foster integration and alignment with the work of all its entities.

The role, mandate and lack of capacity in the Office of the Valuer General remains a challenge. This lack of capacity has impacted negatively in the land acquisition process for land reform purposes. The methodology of values that are being used to determine just and equitable compensation when acquiring land has been an issue of concern by valuers and land owners alike. This necessitated a review of the mandate and operation of the office. The review process has commenced under the leadership of the Deputy Minister Skwatsha. A task team including the professional valuers, officials from the department of Public Works and independent legal professionals has been established.

In order to deal with the backlogs in the restitution program and land acquisition for distribution an interim measure on how to fast track processes was put in place, additional 7 professional valuers have been employed during this current financial year. The appointment of these professionals marks an important step forward in strengthen the capacity of the department.

The areas of concern that remain to which we must find a solution going forward is with regards to tenure security of farm workers and farm dwellers. Farm workers are critical in the agricultural economy and yet they are often vulnerable given their security of tenure. This is a matter that as a department we wish to focus on.

We wish to express our gratitude to my predecessors Minister Nkwinti and Nkoana-Mashabane who led the department during the fifth administration whose work we are building on. I am pleased to table the 2019/20 Annual report of the Department of Rural Development and Land Reform.

Mrs A.T. Didiza, MP

Minister of Agriculture, Land Reform and Rural Development

Date: 12 February 2021

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

The department prepared the report on its performance against predetermined objectives in accordance with the requirements of sections 40(3)(a) and 55(2)(a) of the Public Finance Management Act, 1999 (Act No.1 of 1999); Chapter 18, section 18.3.1 (b) of Treasury Regulations and Chapter 6 of the National Treasury Framework. The information reported is a product of established internal policies, procedures and controls related to the management of performance information designed to provide reasonable assurance about the integrity and reliability of performance information.

In my opinion, the performance information fairly reflects the performance of the department against objectives set for the financial year that ended on 31 March 2020.



Mr PM Shabane
Accounting Officer (Acting)
Date: 12 February 2021

Accounting Officer’s Report

The Department of Rural Development and Land Reform is made up of five programmes as follows:

Programme 1. – Administration

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

Programme 2. – National Geomatics Management Services

- Provide geospatial information, cadastral surveys, deeds registration and spatial planning, as well as technical services in support of sustainable land development.

Programme 3. – Rural Development

- Initiate, facilitate, coordinate and act as a catalyst for the implementation of a comprehensive rural development programme leading to sustainable and vibrant rural communities.

Programme 4. – Restitution

- Settle and finalise land restitution claims under the Restitution of Land Rights Act (Act No. 22 of 1994).

Programme 5. – Land Reform

- Initiate sustainable land reform programmes in South Africa.

1.1 Departmental Revenue

Department receipts	2019/20			2018/19		
	Estimates	Actual amount collected	(Over)/under collection	Estimates	Actual Amount collected	(Over)/under collection
	R'000	R'000	R'000	R'000	R'000	R'000
Sales of goods and services other than capital assets	26 704	28 701	(1 997)	23 134	25 598	(2 464)
Interest, dividends and rent on land	29 200	47 472	(18 272)	37 122	40 454	(3 332)
Sales of capital assets	1 620	2 425	(805)	400	271	129
Transactions in financial assets and liabilities	61 730	44 802	16 928	25 938	48 186	(22 248)
Total revenue collected	119 254	123 400	(4 146)	86 594	114 509	(27 915)

The department’s revenue increased from R114.5 million in 2018/19 to R123.4 million in 2019/20. This represents an increase of R8.9 million. The department has also collected more than what was estimated. The over collection on actual against estimate is R4.1 million. The increase in actual collection is due to more money collected on the recoverable expenditure.

1.2 Programme Expenditure

In terms of the budget allocated for 2019/20, the department spent R10.719 billion or 99.0% of the final appropriation of R 10.829 billion, leaving the total of unspent funds of R109.4 million. Unspent funds were mainly due to delays in commencing with the construction of the new head office premises and challenges encountered in the implementation of rural infrastructure projects.

Programme	2019/20			2018/19		
	Final Appropriation	Actual Expenditure	Variance	Final Appropriation	Actual Expenditure	Variance
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	1,734,402	1,728,801	5,601	1,911,429	1,842,589	68,840
National Geomatics Management Services	698,741	697,733	1,008	642,306	626,906	15,400
Rural Development	1,609,387	1,606,575	2,810	1,998,724	1,980,700	18,024
Restitution	3,722,693	3,716,027	6,666	3,264,264	3,249,698	8,222
Land Reform	3,063,691	3,063,691	-	2,608,520	2,574,863	33,657
TOTAL	10,828,914	10,812,827	16,087	10,425,243	10,274,756	150,487

In comparison, expenditure in 2018/19 was R10.281 billion or 98.6% of the 2018/19 final appropriation of R10.425 billion. Compared to 2018/19, the expenditure in 2019/20 increased by R438.4 million or an annual average rate of 4.3%. This was mainly due to additional transfer payment to the Agricultural Land Holding Account (ALHA) and more payments made towards settlement of land claims.

1.3 Virements/Rollovers

Programme	2019/20		
	Adjusted Appropriation	Virement	Final Appropriation
	R'000	R'000	R'000
Administration	1,881,068	(146,666)	1,734,402
National Geomatics Management Services	713,882	(15,141)	698,741
Rural Development	1,716,533	(107,146)	1,609,387
Restitution	3,593,371	129,322	3,722,693
Land Reform	2,924,060	252,654	2,963,692
TOTAL	10,828,914	113,023	10,828,914

Unspent funds were shifted from Programme 1: Administration (R84.1 million), Programme 2: National Geomatics Management Services (R15.1 million) and Programme 3: Rural Development (R69.8 million).

The total unspent funds within Programme 1: Administration were shifted to Programme 4: Restitution, to fund the settlement of land claims that came higher than expected and an additional transfer payment to ALHA to provide financial support in addressing the effects of the COVID-19 (Corona virus) pandemic.

The total unspent funds within Programme 2: National Geomatics Management Services and Programme 3: Rural Development, were shifted to Programme 4: Restitution, to cater for the settlement of land claims that came higher than expected.

1.4 Rollovers

No rollovers were requested from National Treasury in the year under review.

1.5 Irregular, Fruitless and Wasteful expenditure

The reasons for fruitless and wasteful expenditure are attributed largely to the travel agency's duplicate invoices, while the reason for irregular expenditure is attributable to Non Compliance with Supply Chain processes.

Fruitless expenditure for the 2018/19 financial year amounted to R2.113 million and for the 2019/20 financial year R550 thousands was incurred.

The new cases of irregular expenditure increased to R143,3 million in 2019/20, compared to R103,5 million disclosed in the 2018/19 financial year. The department remains committed to eradicate non-compliance with laws and regulations applicable to it.

The internal controls environment continuously monitored for its effectiveness and weaknesses identified are addressed to improve.

2. Service Rendered by the Department

The department is responsible for implementation of the following objectives as espoused in the 2019/20 Annual Performance Plan

- Facilitating integrated spatial planning and land use management in all provinces;
- Providing support to rural communities in prioritised rural districts to enable them to improve their livelihoods;
- Facilitating infrastructure development to support rural economic transformation;
- Facilitating the development of rural enterprises and industries in areas with economic development potential and opportunities;
- Increasing job opportunities and ensure skills development through CRDP and land reform initiatives;
- Facilitating restoration of land rights or alternative forms of equitable redress
- Promoting equitable land redistribution and agricultural development by acquiring strategically located land;
- Providing comprehensive farm development support to smallholder farmers and land reform beneficiaries;
- Providing functional systems and institutional arrangements for tenure and land administration.
- Facilitating sustainable land development through provision of cadastral and geospatial information services.

2.1 Tariff policy

The Deeds Trading Account Schedule of Fees of Office is prescribed by regulation 84 of the Deeds Registries Act, 1937 (Act 47 of 1937) (the Schedule), and is published on the Government Notice, after approval by the Minister of Rural Development and Land Reform.

The Fees of Office for the Surveyor-General is prescribed by regulation 27 of the Land Survey Act, 1997 (Act 8 of 1997) (the Schedule), and is published on the Government Notice, after approval by the Minister of Rural Development and Land Reform and National Treasury.

2.2 Free Services

The department provides map tricks kits, map work teaching aids and map packs to the Department of Education for distribution to disadvantaged schools that teach geography.

3. Departmental Challenges

Approval for the finalisation of the Public Private Partnership (PPP) project was granted late, however, further delays are expected due to the impact on COVID-19.

4. Future plans of the Department

In 2019, the President announced the merger between the Department of Rural Development and Land Reform and the Department of Agriculture, Forestry and Fisheries to be the Department of Agriculture, Rural development and Land Reform. This merger meant to integrate agriculture, land reform and rural development to be effective and efficient in-service delivery whilst contributing towards economic growth.

COVID-19 pandemic and the budget cuts has affected the future plans of the department immensely as a result, core service delivery targets had to be reduced and this impacts on how the department delivers on its mandated functions.

For the 2020/21, the department will develop Cannabis Master Plan which is expected to be finalised by the end of the fourth quarter. The department has also targeted to change 5 000 hectares of cultivated fields from conventional to conservation agriculture practices and capacitate 120 smallholder producers on crop suitability to climate change programme. We will continue with major surveillance programmes to detect, delimit or monitor incidences of animal and plant pests, diseases; quarantine and diseases of economic importance.

It is clear that the challenges of drought are not going away, and vital part of our work will be to support the farmers that are enduring hard times. In response to this, the department will implement the climate change adaptation and mitigation plan.

Our work in achieving and maintaining market access is one of our most distinctive contributions to the industry. Thus, trade negotiation and technical market access work is ongoing with the aim to improve access of South African Agricultural products to regional, international markets and benefit emerging farmers with export capacity. Further to this, the department will also review the Marketing of Agricultural Products Act which will enable the Minister to use the Act to advance transformation of agricultural markets. We'll further support 15 Farmer Production Support Units (FPSUs) with infrastructure projects in support of the implementation of the Agriculture and Agro-processing Master Plan (AAMP) and train 1916 NARYSEC youth.

The department will, through its policies and strategies, streamline the implementation and management of the producer development support programmes to improve their efficiency and alignment to the Comprehensive Land and Agrarian Strategy. We will also implement comprehensive support packages for deserving producers through the National Policy on Comprehensive Producer Development Support (NPCPDS). About 50 000 subsistence producers will be supported through the COVID-19 relief fund.

We are committed to continue with the plan to advertise hectares of land which will be distributed to beneficiaries including females, youth, people with disabilities, and communal farmers. An amount of 525 330 hectares of state land, will be allocated to the rightful beneficiaries. The support to Communal Property Associations (CPAs), TRANCRAA communities, and labour tenants remain an area of high priority for the department. Nevertheless, budget reductions could impact on the success of the programmes.

5. Public Private Partnerships

The new building will accommodate all Pretoria-based office including Gauteng Provincial Shared Services Centre (PSSC), National Office, Deeds and Restitution Offices. The Minister of Finance has signed the concurrence letter in terms of section 66 and 70 of the PFMA, and the PPP agreement was signed in August 2020.

6. Discontinued Activities/ Activities to be discontinued

There are no discontinued activities.

7. Supply Chain Management

7.1 Unsolicited bid proposals concluded for the year under review

No Unsolicited bid proposals concluded for the year under review.

7.2 SCM Processes and systems that are in place to prevent irregular expenditure

Supply Chain Management processes and systems were implemented accordingly to prevent irregular expenditure.

For instance, Policies and Standard Operating Procedures are in place, approved delegations of authority and the Procurement Plan was developed and submitted to National Treasury at the end of March 2019 for implementation in the 2019/2020 financial year. Deviations and variations were considered and approved in writing by the delegated authority/ official.

8. Exemptions and Deviations received from National Treasury

Deviation requests received by SCM section were handled in line with Treasury Regulation 16A6.4 and SCM Instruction Note 3 of 2016/2017. The National Treasury has supported some deviation requests and rejected others with reasons.

9. Gifts and Donations received in kind from nonrelated parties

The department identified assets for disposal through a donation. An advertisement was placed to invite educational institutions that have interest to apply for donations of computer equipment and furniture. Various schools received donations of computer equipment and furniture to support their operations. Other obsolete/ unserviceable assets were disposed of through a public auction.

10. Conclusion

The department continues to strive for improved governance by reducing adverse audit findings and working towards maintaining the record of unqualified audit opinions, which have been attained in the past three financial years and further reduce matters of emphasis with the main of ultimately eliminate them altogether.

11. Acknowledgements / Appreciation

I would like to thank the minister and deputy ministers for their support and guidance as well as the officials serving in the department, for their hard work and dedication in ensuring that the department achieves its objectives.

I would also like to thank the Audit Committee and the Risk and Compliance Committee for their guidance and support throughout the financial year.

The effective oversight role played by the Portfolio Committee on Rural Development and Land Reform is also acknowledged.



MDUDUZI SHABANE

Acting Director-General

Agriculture, Land Reform and Rural Development

Date: 12 February 2021

1. Strategic Overview

Vision

Vibrant, equitable, sustainable rural communities.

Mission

To initiate, facilitate, coordinate, catalyse and implement an integrated rural development programme.

Value Statement

We uphold the following values:

- We value and encourage diversity and will not discriminate against anyone.
- As a responsible government department, we shall strive to be transparent, accountable and responsive.
- We shall ensure that we have a dedicated, loyal, results-oriented, professional and people-focused workforce.
- In collaboration with all stakeholders, the department will comply with all laws of this country.

Values

- Integrity
- Diversity
- Compassion
- Diligence
- Honesty
- Professionalism
- People-focussed
- Accountability
- Transparency

2. Legislative and Other Mandates

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

- **Deed Registries Act, 1937 (Act No. 47 of 1937)**
The Act makes provision for the administration of the land registration system and the registration of rights in land. It requires that deeds and documents be prepared and lodged in a Deeds Registry by a Conveyancer or Notary Public. These deeds and documents are subjected to three levels of examination by legally qualified personnel who scrutinise the contents for accuracy and compliance with common law, case law and statutory law.

- **State Land Disposal Act, 1961 (Act No. 48 of 1961)**
The Act makes provision for the disposal of certain State land and to prohibit the acquisition of State land by prescription.
- **Sectional Titles Act, 1986 (Act No. 95 of 1986)**
The Act makes provision for the division of buildings into sections and common property and for the acquisition of separate ownership in sections coupled with joint ownership in common property. It further regulates the transfer of ownership of sections and the registration of sectional mortgage bonds over, and real rights in, such sections. It also makes provision for the establishment of bodies corporate to control common property.
- **Upgrading of Land Tenure Rights Act, 1991 (Act No. 112 of 1991)**
The Act makes provision for the upgrading and conversion into ownership of certain rights graded in respect of land, as well as for the transfer of tribal land in full ownership to a tribe.
- **Land Reform: Provision of Land and Assistance Act, 1993 (Act No. 126 of 1993)**
This Act makes provision for the designation of certain land, the regulation of the subdivision of such land and the settlement of persons thereon. 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.
- **Restitution of Land Rights Act, 1994 (Act No. 22 of 1994)**
The Act makes provision for the restitution of rights in land to persons or communities dispossessed of such rights after 19 June 1913 as a result of past racially discriminatory laws or practices. To administer this task, the Act established a Commission on Restitution of Land Rights and a Land Claims Court. The Minister is authorised to purchase, acquire in any other manner or expropriate land or rights in land for the purpose of restitution awards.
- **Land Reform (Labour Tenants) Act, 1996 (Act No. 3 of 1996)**
The Act makes provision for the security of tenure of labour tenants and those persons occupying or using land as a result of their association with labour tenants. It also makes provision for the acquisition of land and rights in land by labour tenants.
- **Communal Property Associations Act, 1996 (Act No. 28 of 1996)**
The Act makes provision for communities to form juristic persons, to be known as communal property associations, to acquire, hold and manage property on a basis agreed to by members of a community. This has to be done in terms of a written constitution.
- **Land Survey Act, 1997 (Act No. 8 of 1997)**
The Act makes provision for the regulation of the survey of land in South Africa.
- **Extension of Security of Tenure Act, 1997 (Act No. 62 of 1997)**
The Act 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.

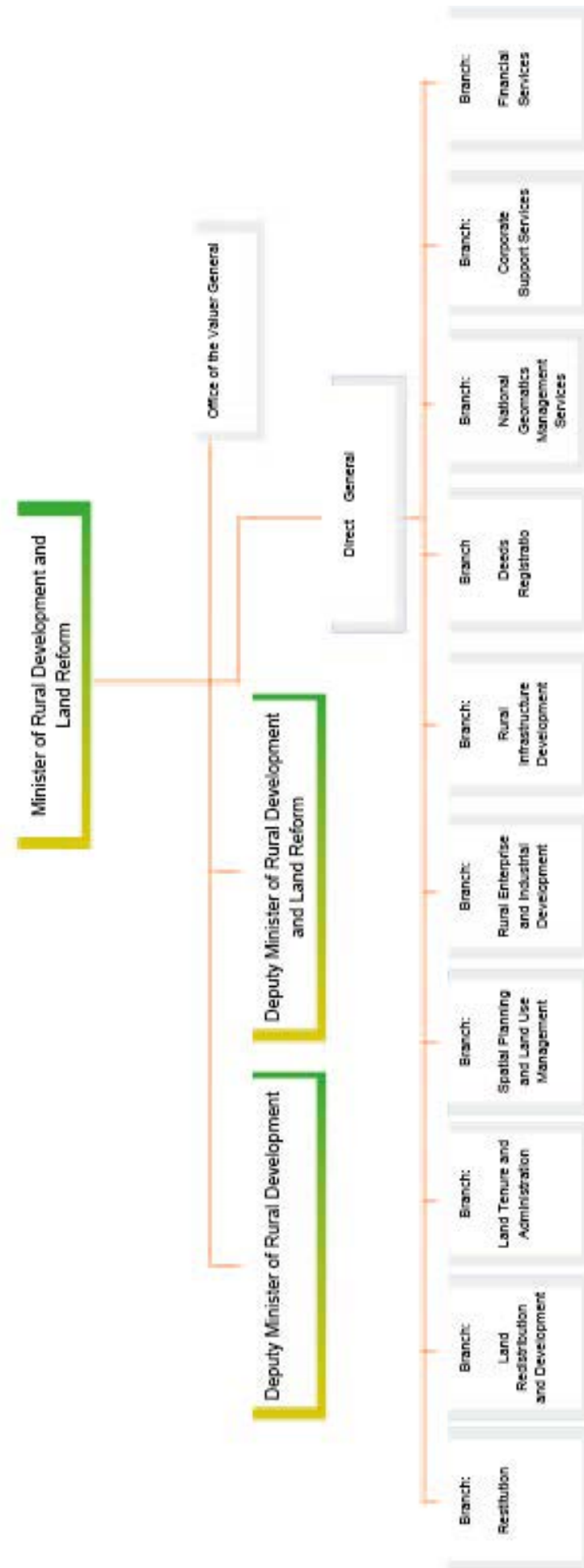
- **Planning Profession Act, 2002 (Act No. 36 of 2002)**
The South African Council for Planners is established under this Act. The Act makes provision for different categories of planners and the registration of planners and authorises the identification of areas of work for planners. The Act seeks to protect the public from unethical practices and to ensure a high standard of professional conduct and integrity.
- **Geomatics Profession Act, 2013 (Act No. 19 of 2013)**
The Act makes provision for the establishment of the South African Geomatics Council; for different categories of registered persons and branches in the geomatics profession; for the identification of areas of work to be performed by the different categories of registered persons.
- **Conversion of Certain Rights into Leasehold Act, 1988 (Act No. 81 of 1988)**
The Act makes provision for the conversion of certain rights into leasehold or ownership.
- **Distribution and Transfer of Certain State Land Act, 1993 (Act No. 119 of 1993)**
The Act makes provision for the distribution and transfer of certain land belonging to the State and designated by the Minister as land to be dealt with in accordance with the provisions of the Act.
- **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-Natal Ingonyama Trust Act, 1994 (Act No. 3 of 1994)**
The Act makes provision for establishment of the Ingonyama Trust and for certain land to be held in trust.
- **Land Administration Act, 1995 (Act No. 2 of 1995)**
The Act provides for the delegation of powers and the assignment of the administration of laws regarding land matters to the provinces.
- **Land Titles Adjustment Act, 1993 (Act No. 111 of 1993)**
The Act regulates the allocation or devolution of certain land in respect of which one or more persons claim ownership, but do not have registered title deeds in respect thereof.
- **Spatial Data Infrastructure Act, 2003 (Act No. 54 of 2003)**
The Act provides for the establishment of the South African Spatial Data Infrastructure, the Committee for Spatial Information and an electronic metadata catalogue; for the determination of standards and prescriptions with regard to the facilitation of the sharing of spatial information and for the capture and publishing of metadata.
- **Spatial Planning and Land Use management Act, 2013 (Act No. 16 of 2013)**
The Act provides for a framework for spatial planning and land use management in the Republic.
- **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.
- **Property Valuation Act, 2014 (Act No. 17 of 2014)**
The Act provides for the establishment of the Office of the Valuer-General; for the regulation of the valuation of property that has been identified for land reform as well as property that has been identified for acquisition or disposal by a department.



Building Vibrant, Equitable and Sustainable Rural Communities

3. Organisational Structure

MACRO LEVEL ORGANISATIONAL STRUCTURE FOR THE DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM



4. Entities Reporting to the Minister

Name of Public Entity	Mandate	Financial relationship	Nature of operations
Agricultural Land Holding Account (ALHA)	The Agricultural Land Holding Account was established in terms of the Provision of Land and Assistance Act, 1993 (Act No. 126 of 1993). Section 10 (1)(a) gives legal effect to the proactive acquisition of land, where the minister may, from money appropriated by Parliament for this purpose, acquire land for the purposes of this Act. Therefore the State will proactively target land and merge this with the demand or need for land.	Funds the operations of the entity	Acquisition of strategically located land for agricultural productivity
KwaZulu-Natal Ingonyama Trust Board (ITB)	The ITB is established in terms of the provisions of the KwaZulu-Natal Ingonyama Trust Act, 1994 (Act No. 3 of 1994). Its core business is to manage land for the material benefit and social wellbeing of the individual members of the tribes.	Augmentation of the entity's budget	Administration of Ingonyama Trust land for the material and social benefit of the affected communities
Registration of Deeds Trading Account	The Registration of Deeds Trading Account is a trading entity established in terms of the Public Finance Management Act, Act, 1999 (Act No. 1 of 1999). It generates revenue by selling information and levying fees in accordance with the schedule of fees prescribed by regulation 84 of the Act; registers rights in land and thus provides security of title. It also maintains public registers of land.	Augmentation of the entity's budget	Registration of title deeds.
Office of the Valuer-General (OVG)	Support land reform by providing impartial, efficient, just and equitable valuation services for all land-reform-related matters in the country.	Augmentation of the entity's budget	Ensure that the land and property are valued
Commission on the Restitution of Land Rights	To review the Restitution of Land Rights Act, 1994, to amend the cut-off date for lodging a claim for restitution; to further regulate the appointment, tenure of office, remuneration and the terms and conditions of service of judges of the Land Claims Court; to make further provision for the advertisement of claims; to create certain offences; to extend the Minister's powers of delegation; and to provide for matters connected therewith.	Augmentation of the entity's budget	Ensure settlement and finalisation of land claims.

PART

Building Vibrant, Equitable and Sustainable Rural Communities

B

PERFORMANCE INFORMATION

1. Auditor-general's Report: Predetermined Objectives

The Auditor-General of South Africa (AGSA) currently performs the necessary audit procedures on the performance information, to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the predetermined objectives heading in this report on other and regulatory requirements section of the auditor's report.

Refer to page 104 of the report of the Auditor-General, published as Part E: Financial Information.



2. Overview of Departmental Performance

Service Delivery Environment

The department has regressed on the processing of invoices within 30 days. As a result, an invoice-tracking system has been introduced. DRDLR realised that change management training for people had not been conducted so people could get used to using the system since it fast-tracked the approval and payment of invoices. To address this, the finance team has been instructed to ensure that every senior manager undergoes change-management training.

There has been a delay to resolve land claims, which is largely rural claims and mostly affected by several challenges such as: disputes with land owners on the validity of claims, land prices, settlement models and conditions; family or community dispute; conflict among traditional leaders, community, trust and beneficiaries. The department is doing everything in their power to work closely with all parties involved including traditional leaders to resolve these land claims disputes in a peacefully and where necessary the courts become the arbitrator.

In 2019, we saw the damage caused by severe drought in the country, resulting in the loss of

livestock and harvests. These conditions take their toll on individuals and families that depend on the land. Drought undermines the productivity of primary producers and communities that rely on them. The department will increase investment in land rehabilitation and veld management programmes for improved productivity of land and water storage capacity. During the year Constitutional Court handed down a judgment which had a significant impact in the operations of the department. The judgement in Mwelase case made provision for the appointment of a special master for labour tenants by the Land Claims Court, to oversee the settlement of labour tenants' claims. The implication for the department is that labour tenants' applications should be prioritised for settlement or referral to court.

As part of our oversight role, the department has provided technical support towards the development of Annual Performance Plans to the Entities of the department, particularly Ingonyama Trust Board, through visits, and analysed performance information.

Service Delivery Improvement Plan

Main Service Pro- vided and standard	Beneficiaries	Current/actual standard of service (2018-2019)	Desired Standard of Service	Actual Achieve- ment
To confirm the vesting of State Land Parcels.	- National government departments - Provincial government departments	90 days taken to process a vesting application	90 days taken to process a vesting application	Average of 29 days
10 socio-econom-ic infrastructure projects facilitated in support of the revitalisation of rural towns and villages.	- Rural commu-nities - Emerging farm-ers	30 socio-economic infra-structure projects	10 socio-econom-ic infrastructure projects facilitated in support of the revitalisation of rural towns and villages	21 socio-eco-nomic infrastruc-ture projects facilitated in support of the revitalisation of rural towns and villages

Batho Pele arrangement with beneficiaries (Consultation access, etc.)

Current/actual Arrangement	Desired arrangements	Actual Achievements
Mainstream Batho Pele princi-ples	Demand Driven	172 Meetings/ Events/ opera-tionalising Batho Pele principles

Service Delivery information tool (Exhibitions)

Current/actual information	Desired information	Actual achievements
Demand driven	Demand driven	172 Activities/ Events/ Exhi-bitions/ Seminars/ Radio Talk Shows

Complaints Mechanism

Current/actual complaint mechanism	Desired complaint mechanism	Actual Achievements
No. of enquiries received: Presidential Hotline= 60	36 hours refer to relevant stake-holders	Addressed = 1 Outstanding=59
No. of enquiries: Call Centre= 13 228	14 working days to resolve complaints received by the Call Centre	Addressed = 13 224 Outstanding = 04

Organisational Environment

With the inception of the 6th Administration, the new Cabinet was announced on 29 May 2019. The president announced the configuration of departments on 14 June 2019. The configuration of the new Cabinet introduced a number of changes to the previous configuration of the national executive and departments. Departments that supported the new ministries were impacted as follow:

- Some departments remain mainly unchanged, but require changes to nomenclatures to conform to ministerial portfolio designations.
- Established new departments by merging or splitting existing departments and transferring functions to and from departments.
- Abolished redundant departments.

Changes to the configuration of executive portfolios and departments, in the 6th administration were necessary for the following reasons:

- The National Development Plan (NDP) articulates the vision of a developmental state that requires building state capacity as an important step to achieve a developmental state;
- The clustering of homogeneous or related functions to ensure that functional areas of responsibility are clearly demarcated to avoid ambiguity, overlapping or duplication of functions;
- To promote synergy within ministerial portfolios and institutions which will be responsible for broad policy outcomes to realise value for citizens;
- To prioritise the implementation of NDP deliverables, legislative mandates and government priorities;
- To promote accountability for delivery of outcomes;
- Promote coherence, better coordination and optimising the use of resources for efficient and effective administration; and
- The government remains committed to ensure minimal disruptions within the public service.

The Presidency led the reconfiguration of the executive and departments, which will be completed within ten months (June 2019 to March 2020) through the National Macro Organisation of Government (NMOG) programme, which involves the:

- establishment of Ministries and departments;
- transfer of the administration of legislation by the President to Ministers;
- renaming, merging, splitting, establishment and abolishment of departments;
- transfer of functions between departments and approving start up organisational structures for departments (institutions attached to departments were move between portfolios and departments in accordance with how functions are transferred); and
- resource allocation to departments to ensure they are fully functional by 1 April 2020 with approved budgets.

The design of the start-up organisational structure (macro structure) was limited to the realignment of macro organisational structures and excludes restructuring. The future restructuring process must be aligned to new strategic plans and government priorities which will only be addressed within the next financial year.

Affected staff members were transferred with existing conditions of service and retained those conditions of service until reviewed.

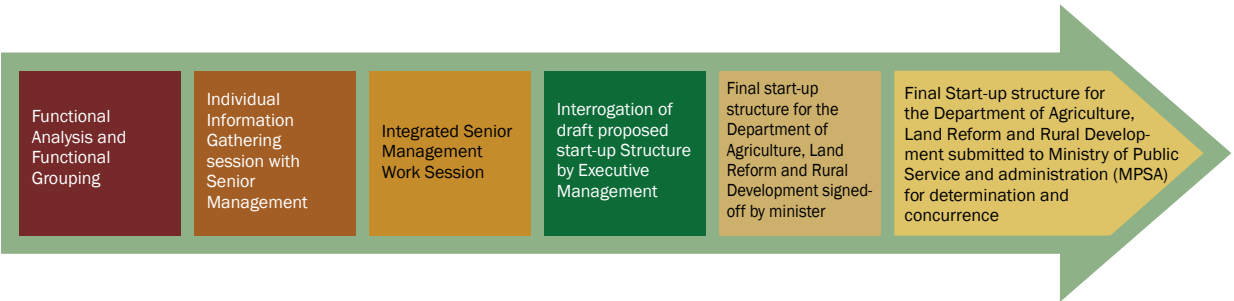
The announcement of the reconfiguration of department led to the merging of agricultural functional area of the Department of Agriculture, Forestry and Fisheries (DAFF) with the Department of Rural Development and Land Reform (DRDLR) into one new Department of Agriculture, Land Reform and Rural Development (DALRRD) under the leadership of the Minister Thoko Didiza (MP), the Deputy Minister of Land Reform, Mr Mcebisi Skwatsha, Deputy Minister of Rural Development, Mr Sdumo Dlamini.

The implications of the merger were that the department will be managed under one administration and budget vote, effective 1 April 2020.

The organisational design of the Start-up Structure (Macro Structure) for the new DALRRD encapsulated the following:

- The alignment, reconciliation , rearrangement and consolidation of functions from the affected departments into the new functional organisational structure;
- The new functional organisational structure clearly indicates; purposes, functions and senior management levels of organisational units;
- Funded posts as aligned to the PERSAL information (unfunded posts removed from PERSAL) from both departments was used;
- Reduced the number of programmes; and
- The Alternative Placement Strategy for supernumerary posts to address critical functional areas in the new department should be applied.

The following approach was followed to merge of the two affected departments and the design of the start-up Macro Structure:



In terms of regulation 25(2) (a) of the Public Service Regulations, 2016 the Minister of Public Service and Administration (MPSA) issued a letter of concurrence, dated 11 November 2019, for the Start-up Macro Structure (SMS level) of DALRRD. Within the letter, the MPSA advised that when the a department reviews the organisational structure to design a Fit-For-Purposed Structure because of the evolved nature of its operational requirements, it is important that the Fit-For-Purpose Structure should be based on the approved mandate of the new department, its strategic objectives, services delivery model, quantifiable outputs and available funding.

In view to the approval of the Start-up Macro Organisational Structure, DALRRD embarked on the realignment of the sub-structure of the two merged departments into the realign proposed Micro Organisational Structure. Numerous consultations were conducted with the Branch Heads and key staff officials, and the final proposed Realigned Micro Organisational Structure is in the process of being submitted to the Minister of Agriculture, Land Reform and Rural Development for endorsement.

• Key policy developments and legislative changes

During the period under review, there were no major policy changes that affected the operations of the department. Furthermore, it should be noted that 2019 was an election year which then resulted in many Bills being removed from the legislation programme because of the shortened year. As a result, most of the Bills did not reach Parliament except for the Upgrading of Land Tenure Rights Amendment Bill which is not yet enacted.

3. Strategic Outcome Oriented Goals

Strategic Goal 1	Corporate governance and service excellence
Goal Statement	Foster corporate governance and service excellence through compliance with the legal framework
Strategic Goal 2	Improve land administration for integrated and sustainable growth and development
Goal Statement	Improve land administration and spatial planning for integrated sustainable growth and development with a bias towards rural areas
Strategic Goal 3	Promote equitable access to and sustainable use of land for development
Goal Statement	An inclusive and equitable land dispensation with transformed patterns of land tenure and use
Strategic Goal 4	Promote sustainable rural livelihoods
Goal Statement	Improve access to services in rural areas through the coordination of quality infrastructure
Strategic Goal 5	Improved access to services
Goal Statement	Improve access to services in rural areas through the coordination of quality infrastructure
Strategic Goal 6	Sustainable rural enterprises and industries
Goal Statement	Promote economically, socially and environmentally viable rural enterprises and industries
Strategic Goal 7	Restoration of land rights
Goal Statement	Restoration of land rights in terms of the Restitution of Land Rights Act, as amended

Statement of responsibility for performance information

Statement of Responsibility for Performance Information for the year ended 31 March 2020

The department prepared the report on its performance against predetermined objectives, in accordance with the requirements of sections 40(3) (a) and 55(2(a) of the Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999), Chapter 18, section 18.3.1(b) of Treasury Regulations and Chapter 6 of the National Treasury Framework for Managing Programme Performance Information, issued by the National Treasury. Therefore, the information reported is a product of established internal policies, procedures and controls related to the management of performance information designed to provide reasonable assurance about the integrity and reliability of performance information.

In my opinion, the performance information fairly reflects the performance of the department against objectives set for the financial year ended 31 March 2020.



Mr PM Shabane
Accounting Officer
Date: 12 February 2021

4. PERFORMANCE INFORMATION BY PROGRAMME

Programme 1: Administration

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

Sub-programmes

- Ministry
- Office of the Director-General
- Corporate Support Services
- Financial Services
- Provincial Coordination

Strategic Objectives

The following are the strategic objectives of Programme 1: Administration
Compliance with all public sector legal prescripts by 2020

Programme 1: Administration									
Performance indicator	Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/17	Actual Achievement 2017/18	Actual Achievement 2018/19	Planned Target 2019/20	Actual Achievement 2019/20	Deviation from planned target to Actual Achievement for 2019-2020	Comment on Deviations
% of valid invoices paid within 30 days upon receipt by the department and its entities (PLAS and Deeds Trading Entities).	92%	97%	94%	87%	96%	100%	95%	-5%	The delays in processing these invoices is a result of long verification process applied in ensuring the completeness and accuracy of these invoices before the payment can be processed
Unqualified audit opinion	Partially Achieved The department achieved an unqualified audit opinion with findings in the 2013-2014 financial year	Unqualified audit opinion	Unqualified audit opinion	Unqualified audit opinion	Unqualified audit opinion	Unqualified audit opinion	Unqualified audit opinion	None	N/A

The department 1 of the 2 planned targets. The reasons for deviation are presented in the table above.

Programme 2: Geospatial and Cadastral Surveys

Purpose: Provide geospatial information, cadastral surveys, deeds registration and spatial planning as well as technical services in support of sustainable land development.

Sub-programmes

- Registration of Deeds Trading Account
- National Geo-matics Management Services
- Spatial Planning and Land Use Management
- South African Council for Planners

Strategic Objectives

Facilitate integrated spatial planning and land use management in all provinces through the application of relevant legislation by 2020.

Programme 2: Geospatial and Cadastral Services ^S									
Perfor- mance indicator	Actual Achieve- ment 2014/15	Actual Achieve- ment 2015/16	Actual Achieve- ment 2016/17	Actual Achieve- ment 2017/18	Actual Achieve- ment 2018/19	Planned Target 2019/20	Actual Achieve- ment 2019/20	Devia- tion from planned target to Actual Achieve- ment for 2019/20	Comment on Devi- ations
Land Use Master Plan for Land Reform developed to facilitate effective implemen- tation of the Land reform programme	New Indica- tor	New Indica- tor	New Indica- tor	New Indica- tor	New Indica- tor	Draft Land Use Master Plan	Achieved Draft Land Use Master Plan	None	N/A
National Spatial De- velopment framework (NSDF) im- plementa- tion strategy developed	New Indica- tor	New Indica- tor	New Indica- tor	New Indica- tor	New Indica- tor	National De- velopment framework (NSDF) im- plementation strategy	Achieved National Spatial De- velopment framework (NSDF) im- plementation strategy	None	N/A
% of Deeds made avail- able within 7 days from lodgement for execution	New Indica- tor	84%	86%	92%	93%	95%	92%	-3%	The main reason for not achieving this indicator during the financial year 2019/2020 is load shedding.

Programme 2: Geospatial and Cadastral Services ^S									
Perfor- mance indicator	Actual Achieve- ment 2014/15	Actual Achieve- ment 2015/16	Actual Achieve- ment 2016/17	Actual Achieve- ment 2017/18	Actual Achieve- ment 2018/19	Planned Target 2019/20	Actual Achieve- ment 2019/20	Devia- tion from planned target to Actual Achieve- ment for 2019/20	Comment on Devi- ations
Deeds transforma- tion policy approved	New Indica- tor	New Indica- tor	New Indica- tor	New Indica- tor	New Indica- tor	Deeds transforma- tion policy approved	Not Achieved	Deeds transforma- tion policy approved	The process was put on hold by the departmental exec- utives.
Number of maps of the national map series produced	1 800	273	269	223	223	200	222	22	The less the features exist in a particular area to be mapped, the quicker it is for the maps to be produced and vice versa. The maps that were allocated for the period under review did not have much features to be added and thus the production was much faster. More maps were produced than planned.

Programme 2: Geospatial and Cadastral Services									
Perfor- mance indicator	Actual Achieve- ment 2014/15	Actual Achieve- ment 2015/16	Actual Achieve- ment 2016/17	Actual Achieve- ment 2017/18	Actual Achieve- ment 2018/19	Planned Target 2019/20	Actual Achieve- ment 2019/20	Devia- tion from planned target to Actual Achieve- ment for 2019/20	Comment on Devi- ations
Average number of working days taken to process registerable diagrams, sectional plans and general plans	New Indica- tor	13	13	17	16	14	15	-1	Unacceptable work submitted still results in the high number of rejections. Staff shortages and work overload in some offices result- ed in increased turn- around times.
Number of State Land parcels sur- veyed	New Indica- tor	New Indica- tor	New Indica- tor	New Indica- tor	New Indica- tor	1 500	0	-1 500	The Department of Public Works has acquired funding from National Trea- sury to proceed with the same project. DRDLR will be providing technical support only. There- fore, there will be no reports as per the APP targets.

Programme 3: Rural Development

Purpose: Initiate, facilitate, coordinate and act as a catalyst for the implementation of a Comprehensive Rural Development Programme (CRDP) leading to sustainable and vibrant rural communities.

Programme Structure:

- Rural Infrastructure Development
- Rural Enterprise and Industrial Development
- National Rural Youth Service Corps

Strategic Objectives:

- Facilitation of infrastructure development to support rural economic transformation by 2020.
- Provide support to rural enterprises and industries in areas with economic development potential and opportunities by 2020
- Increase job opportunities and ensure skills development through CRDP and land reform initiatives by 2020

PERFORMANCE INDICATORS

Programme 3: Rural Development									
Performance Indicator	Actual Achievements 2014/15	Actual Achievements 2015/16	Actual Achievements 2016/17	Actual Achievements 2017/18	Actual Achievements 2018/19	Planned Target 2019/20	Actual Achievement 2019/20	Deviation from planned target to Actual Achievement for 2019/20	Comment on Deviations
Number of infrastructure projects completed	362	618 (inclusive of AVMP, RVCP, SEI & Agri-Parks)	322 (inclusive of AVMP, RVCP, SEI & Agri-Parks)	248 (inclusive of AVMP, RVCP, SEI & Agri-Parks)	209 (inclusive of AVMP, RVCP, SEI & Agri-Parks)	122	143	21	Targets overachieved due to projects planned to be completed in Q1 of 2021 FY were completed earlier than expected (Q4 of 2019-2020 FY).
Number of rural enterprises supported	442	216	243	251	302 (inclusive of agric & non-agric)	227 (Females = 100 & Youth = 20)	249 (Females = 17 & Youth = 16)	22 (Females = -83 & Youth = -4)	FS: Mechanisation inputs for Kroonstad FPSU were delivered earlier due to availability of budget and urgency of support to FPSUs following requests from farmers, Monateng co-operative which had been planned for support during quarter 2 could not be supported at that time because it was not approved by the NDAC with other projects which were regarded as LDS projects. But later on re-submission, it was approved. MP: Distribution of production inputs (seeds, fertilizer and chemicals) to more farmers around the FPSU.

PERFORMANCE INDICATORS

Performance Indicator	New Indicator	New Indicator	New Indicator	New Indicator	New Indicator	27	13	-14	Comment on Deviations
Number of Farmer Production Support Units (FPSU) functional	New Indicator	New Indicator	New Indicator	New Indicator	New Indicator	27	13	-14	EC: District(s) responsible failed to obtain POE documents due to conflict and undefined/ unclear roles and responsibilities between the department, active stakeholders and beneficiaries. Meeting scheduled for March to resolve above mentioned challenges did not materialise due to lockdown regulations. KZN: The infrastructure branch of the department had a challenge with the drainage system for Hluhluwe feedlot FPSU, hence the delay in achieving the FPSU within the targeted period. FS: Functionality of Sediba FPSU could not be reported in Q2 as planned because registration of a Secondary Co-operative was delayed by NDA who were facilitating that for REID. Noting that NDA was not making any progress, REID started registration afresh. WC: The projects (towards making the FPSUs functional) were stopped by SCM and provincial M&E. LP: Target not achieved due to delayed facilitation of Secondary Cooperative registration. MP: Recruitment and placement of personnel at the FPSUs was not achieved by 31/03/2020.

PERFORMANCE INDICATORS

Number of skills development opportunities provided in rural development initiatives	9 509	9 516	7 993	7 707 REID=3 725 RID=3 982 (NARYSEC=2 442 RDMS=1 540)	8 589 REID=4 075 RID=2 299 NARYSEC=2 215	7 465 REID: 3 486 (2 000 Females, 1 200 Youth) RID: 2 000; NARY SEC: 1 979	7 627 REID= 4 305 (Females=2 391) & Youth=1 608) RID= 1 172 NARYSEC= 2 150	162 REID=819 RID=828 NARY SEC = 171	REID: FS: The beneficiaries for Motsitlane and Kalleho Co-operatives were trained in Q4 because they had just been registered with the FPSU and it was necessary for them, as part of the FPSU, to be trained. Farmers in Lejweleputswa requested to be trained on Marketing, in addition to the planned training. WC: More beneficiaries than anticipated were interested in the trainings from the previous quarters and as a result this meant a projected overall over-achievement against the provincial annual target. GP: Variance is due to high demand of training in various Districts in the province. More opportunities to train beneficiaries were created. LP: There were more beneficiaries than anticipated hence the actual is above the target. RID: Disqualification of Service Providers during evaluation stage due to non-compliance of requirements and not training due to lockdown. Narysec: The reason for over achievement is that we have received certificates which were not expected in this financial reporting year.
Number of job opportunities created in rural development initiatives	4 916	6 005	6 169	6 607 RID=2 326 REID=4 281	6 275 RID=1 379 REID=4 896	5 909 (REID: 4 109; RID: 1 800)	6 425 REID: 4 445 RID: 1 980	516 REID: 336 RID: 180	REID: FS: The additional 35 jobs were created during Q4 due to delays for approval of projects and delays in the registration of the FPSU legal entity. In some cases, the jobs were created by the Service Providers, and beneficiaries in order to finish their work quickly. GP: The variance is due to the achievement of jobs that were supposed to be achieved in Q1 &2, which were then achieved in Q3&Q4. More efforts were made to create more jobs in various enterprises through support provided by the department. KZN: More jobs in development programmes. WC: More jobs were created because of spinoffs from Enterprises supported from the previous financial years. LP: More jobs were created in Q4 due to delayed support as a result of circular 54 of 2019. RID: Targets over achieved due to projects yielding more jobs than expected.

The department achieved 4 of 5 planned targets. The reasons for deviation are presented in the table above.

Programme 4: Restitution

Purpose: Settle and finalise land restitution claims under the Restitution of Land Rights Act, (Act No. 22 of 1994).

Programme Structure:

- Restitution National Office
- Restitution Regional Offices
- Restitution Grants

Strategic Objectives:

-  Facilitate the restoration of land rights or alternative forms of equitable redress by 2020.

PERFORMANCE INDICATORS

Performance indicator	Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/17	Actual Achievement 2017/18	Actual Achievement 2018/19	Planned Target 2019/20	Actual Achievement 2019/20	Deviation from planned target to Actual Achievement for 2019-2020	Comment on Deviations
Number of land claims finalised	372	560	-	865	995	637	686	49	The variance of 49 more claims finalised than the target can be attributed to the following: The implementation of recovery plans since the underperformance in the first three quarters, which resulted in over performance in Quarter 4. The identification of 53 claims finalised in the first three quarters, which were omitted during these three reporting periods and reported as adjustments in Quarter 4. Resolving issues pertaining to challenges regarding the transfer of state land to communities (North West). The continued implementation of Circular 1 of 2015, e.g. reconciliations.

PERFORMANCE INDICATORS

Number of land claims settled	428	617	804	850	502	428	436	8	The variance of eight more claims settled than the target can be attributed to the following: The implementation of recovery plans since the underperformance in Quarter 1 and Quarter 2, which resulted in an over performance in both Quarter 3 and Quarter 4. The reprioritisation of claims against the project registers and recovery plans to identify claims at advanced stages. Attending to court settlements. Consistent follow ups and interventions with the Office of the Valuer-General in terms of valuation requests.
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Programme 5: Land Reform

Purpose: Initiate sustainable Land Reform Programmes in South Africa.

Sub-programmes

- Land Reform National Office
- Land Reform Provincial Offices
- Land Reform Grants
- KwaZulu-Natal Ingonyama Trust Board
- Communal Land Rights Programme
- Agricultural Land Holdings Account

Strategic Objectives

- Promote equitable land redistribution and agricultural development by acquiring strategically located land by 2020.
- Provide comprehensive farm development support to smallholder farmers and land reform beneficiaries for agrarian transformation by 2020.
- Functional systems and institutional arrangements for tenure and land administration to enable agrarian reform in all provinces by 2020.

PERFORMANCE INDICATORS

Programme 5: Land Reform									
Performance indicator	Actual Achievement 2014/15	Actual Achievement 2015/16	Actual Achievement 2016/17	Actual Achievement 2017/18	Actual Achievement 2018/19	Planned Target 2019/20	Actual Achievement 2019/20	Deviation from planned target to Actual Achievement for 2018-2019	Comment on Deviations
Number of hectares acquired	354 802	242 556	201 430	155 791	85 324.5523	94 050	92 643	-1 407	A number of projects that were presented during the 4th quarter could not go through due to quality assurance issues raised with the Office of the Valuer-General (OVG), which took time to resolve, and thus resulting into approvals only taking place during the last month of the financial year. Regular engagement with the OVG.
	Agricultural Holding Account		ALHA: 87,153ha HH: 7,124ha Restitution: 107,149ha	81 948					
	Household Grants			10 089					

PERFORMANCE INDICATORS

Number of hectares allocated to smallholder farmers	New Indicator	247 385	136 938	53 036.0500	53 977.548	42 750	85 125	42 375	More hectares have been acquired because the landowners have been able to accept lower prices than what they have originally asked for, as a result enabling some provinces to buy more hectares than planned. This is particularly the case in provinces that are livestock oriented, e.g. NW, NC, and etc. and these mainly come in large hectares. NC is even worse in the sense that the large hectares are in a way trying to offset the low carrying capacity of these farms.
Number of smallholder farmers/beneficiaries allocated land	New Indicator	New Indicator	New Indicator	New Indicator	New Indicator	89	82	-7	A number of projects that were presented during the 4th quarter could not go through due to quality assurance issues raised with the Office of the Valuer-General (OVG), which the then took time to resolve, and thus resulting into approvals only taking place during the last month of the financial year. The delays in these approvals also affected the allocation process.
Number of farms supported through the Land Development Support Programme	New Indicator	New Indicator	New Indicator	New Indicator	208	162	71	-91	There were delays in implementing the programme due to an outstanding Treasury Approval, which came at the end of the 3rd Quarter. Furthermore, in the 4th Quarter, implementation was put on hold pending confirmation of infrastructure requirements on targeted farms by teams of former DAFF and RID Engineers, which was only almost finalised in the last 2 weeks of the 4th Quarter. Furthermore, there were delays in the signing of relevant agreements by Farmers, Banks and Commodity organisations

PERFORMANCE INDICATORS

									and this was compounded by the advent of COVID-19 as officials could not longer gather farmers to sign outstanding legal Agreements so that funds could be transferred.
Number of households supported under 1HH1HA	New Indicator	New Indicator	New Indicator	4 648	2 251	2 656 (Female 1 328, Youth 266)	60 (Female=30 & Youth=3)	-2 596 (Female= - 1 298 & Youth= -263)	The process of beneficiary mobilisation was cumbersome, and this led to serious delays. In the last Quarter of the financial year under review, the Branch took a decision not to approve new projects as it was felt that the spending would not take place by the end of the financial year.
Number of Communal Property Associations supported to be compliant with legislation	0	201	209	304	360	443	540	97	The deviation was due to training that was arranged by National Office on training of CPAs.
Number of labour tenants applications settled	0	19	467	60	624	3 666	486	-3 180	Untraceable applicants. Officials focused on various activities associated with the establishment and induction of the Special Master.
Number of hectares allocated to farm dwellers and/or labour tenantsΩ	New Indicator	3 910	18 275	15 437.8800	9 675.5201	8 750	10 290,3133	1 540,3133	The deviation was due to KwaZulu-Natal allocating more hectares than planned, mainly due to farmers offering the entire farms and not subdividing the portions that are occupied by farm dwellers and/or labour tenants.

The department achieved 3 out of 8 planned targets. The reasons for deviation are explained in the table above.

5. Transfer payments

Transfer payments to public entities

The table below reflects the transfer payments made for the period 1 April 2019 to 31 March 2020

Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
National Wool Growers Association of SA	Improving the profitability of wool sheep farming in the Eastern Cape, resulting in the drastic reduction of poverty within communities, improved income and job creation Transfer of funds towards provisioning of animal and veld management infrastructure to rural communities to participate in the livestock(rams) improvement programme	1 734	1 734	Genetic improvement programme (2 927 quality rams bred).
Council for Scientific and Industrial Research (CSIR)	Facilitating skills development, mentoring, technology transfer, technology support, productivity enhancement and rural industries development so as to realise jobs and wealth creation for rural people. 9 DD & ICT Centre ICT support and maintenance Delivery of Ipads	2 718	2 718	Provision of Agro – Biotechnology Research. Procurement and installation of ICT equipment at 24 rural school, development of training manuals and training to educators. iSchool Africa Rural Development Programme and ICT for education project. Operational support and maintenance of infrastructure installed under the digital doorways and schools connectivity and ICT educational projects

Transfer payments to all organisations other than public entities (excluding Public entities)

The table below reflects the transfer payments made for the period 1 April 2019 to 31 March 2020

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (i) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity

6. Conditiona Grants

Conditional grants and earmarked funds paid

The table below details the conditional grants and ear marked funds paid during for the period 1 April 2019 to 31 March 2020.

Department/ Municipality to whom the grant has been transferred	None	None			
Purpose of the grant	None				
Expected outputs of the grant	None				
Actual outputs achieved	None				
Amount per amended DORA	None				
Amount transferred (R'000)	None				
Reasons if amount as per DORA not transferred	None				
Amount spent by the department/ municipality (R'000)	None				
Reasons for the funds unspent by the entity	None				
Monitoring mechanism by the transferring department	None				

Conditional grants and earmarked funds received

The table below details the conditional grants and ear marked funds received during for the period 1 April 2019 to 31 March 2020.

Department who transferred grant has been	None
Purpose of the grant	None
Expected outputs of the grant	None
Actual outputs achieved	None
Amount per amended DORA	None
Amount transferred (R'000)	None
Reasons if amount as per DORA not transferred	None
Amount spent by the department/ municipality (R'000)	None
Reasons for the funds unspent by the entity	None
Reasons for deviations on performance	None
Measures taken to improve performance	None
Monitoring mechanism by the transferring department	None

7. Donor Funds

No donor funds received.

8. Capital investment, maintanance and asset management plan provide commentary on the following:

Infrastructure projects	2019/2020		2017/2018	
	Final Appropriation	(Over)/ Under Expenditure	Final Appropriation	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000
New and replacement assets				
Existing infrastructure assets			-	-
Upgrades and additions	639 737	639 737	747 536	700 758
Rehabilitation, renovations and refurbishments	-	-		-
Maintenance and repairs	-	-	-	-
Infrastructure transfer				
Current	-	-	-	-
Capital	-	-	-	-
Total	639 737	639 737	747 536	700 758
				46 778



1. Introduction

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

2. Risk Management

The risk, governance and compliance processes have been continuously applied and maintained to protect the department against the known and unknown risk exposure. The risk management programme is designed and implemented as follows:

- Risk and Compliance Committee (RCC) – it meets as per its approved charter and is chaired by an external member. It has provided oversight on all departments’ risk, compliance and ethics activities.
- Business Continuity Steering Committee (BCSC) – this structure is currently chaired by the Chief Risk Officer, and its functioning has continuously improved in the year. It has met as per its charter and reported to the RCC.
- Ethics Committee – this has been chaired by the Deputy Director-General. The risks of ethics and fraud/ corruption are discussed by this structure and further reported to the RCC.

The Accounting Officer, assisted by the National Joint Services Committee (NJSC) and RCC revised the department’s risk profile and continued to manage and monitor key risks of compliance, operations, ethics and fraud. The revision of the risk profile was aligned to the strategy and annual performance plan, to ensure that efficient management of risk contributes to the improved departmental performance. The risk profile has been comprised of four categories as per below diagram:



3. Fraud and Corruption

The department has continued to implement and maintain its anti-fraud and corruption processes with the aim to prevent or reduce the magnitude. This was done through the guidance of the approved policy and strategy. The department has continued to bolster its measures to reduce the risks of fraud and corruption as a result an increase of the applications to perform remunerative work outside public service has been noted. In addition to awareness programmes, there is a whistle blowing policy for officials to confidentially report suspected fraud and corruption.

As part of fraud/ corruption awareness, the department has maintained its partnership with Department of Correctional Services. The Institute of Risk Management South Africa recognised the department with the ‘2019 Industry Specific Risk Initiative Award’ in the public sector category, for the best method of creating ethics and fraud awareness.

5. Code of Conduct

The Code of Conduct for the Public Service is a set of rules regulating standards of conduct for all public servants, to ensure that their conduct conforms to the basic values and principles governing public administration. It outlines what is expected of employees in the following manner:

Nature/description: An employee does not engage in any transaction or action that is in conflict with or infringes on the execution of her or his official duties.

Effect: Non adherence breeds a culture of ill-discipline and erodes the principles of good governance.

Adherence: The department subscribes to all prescripts available and regulating conduct in the Public Service.

Process: In addressing non-adherence and/or transgression, the department invokes the Disciplinary Code and Procedure in conduct.

6. Health safety and environmental issues

Occupational Health and Safety (OHS) audits and inspections were conducted in the offices of the department to determine the level of compliance. Recommendations outlining all corrective measures were forwarded to the heads of offices and Facility Management to be implemented and ensure compliance with the Occupational Health and Safety Act, 1993 (Act No. 85 of 1993) and its Regulations.

The following activities were achieved during the 2019/20 financial year:

PROVINCE	OFFICE/BUILDING	DATE CONDUCTED
Gauteng/National office	Fire Safety Audit conducted with Disaster Management – Old Building	26/08/2019
	National Office, South Block	28/08/2019
	Old Building target on Sanitation Facilities	29/10/2019
	RLCC: Bailey	05 and 09/09/2019
	Capitol Towers	13/11/2019
	Pretoria Deeds, Merino building	05 and 11/09/2019
	Pretoria Deeds, Rentmeester building	12/09/2019
	Centre Walk: Target inspection	07/10/2019
	Old Building target on Fire Safety Equipment	07/11/2019
	Centre Walk	05/12/2019
	OVG	06/12/2019
	Johannesburg Deeds	24/01/2020
	ICD	04/02/2020
North West	Mega City	04/11/2019
	Ngaka Modiri Molema	25/11/2019
	Bojanala	29/11/2019
	Dr Ruth Segomotso Mompoti	10/02/2020
	Mega City NW Provincial Office	26/02/2020
	Dr Kenneth Kaunda District Office target on Sanitation Facilities	11/02/2020
Mpumalanga	RLCC	07/06/2019
	Witbank Nkangala District office	27/05/2019
	Surveyor-General's office	28/05/2019
	Farmers' Support Unit site in Dundonald	04/06/2019
	Ermelo District Office	20/06/2019
	Piet Retief District office on	21/06/2019
	Deeds office	25/06/2019
	Lodgement office	26/06/2019
	RLCC Nelspruit	27/06/2019
	MPSSC Nelspruit	28/06/ 2019

PROVINCE	OFFICE/BUILDING	DATE CONDUCTED
Free State	RLCC	07/06/2019 and 10/07/2019
	SARS Building (New)	22/07/2019 and 20/12/2019
	Providiamus Building (New Building)	06/08/2019
	FSPU Building Makholokoeng (New Building)	23/08/2019
	PSSC- (Water supply inspections) (Fire safety)	02/08/2019; 03/10/2019 and 12/03/2020
	Fezile Dabi District Office	30/09/2019; 27/11/ 2019 and 14/12/2019
	Lejweleputswa District Office	26/09/2019; 01/10/2019; 26/11/2019 and 15/12/2019
	Deeds Office	03/10/2019
	Thabo Mofutsanyane District Office	02/10/2019 28/11/2019
	SG Office	04/10/2019
	SPLUM Office	04/10/2019
	RLCC	07/06/2019 10/07/2019
KwaZulu-Natal	Assessment of Disability Access:	
	Vryheid	24/03/2020
	Newcastle	25/03/2020
	Richards Bay	26/03/2020
	OHS Inspection RLCC & NARYSEC Durban	18/09/2020
Limpopo	RLCC Biccard	30/10/2019
	Sekhukhune District	05/09/2019
	Waterberg district office	01/08/2019 and 20/02/2020
	PSSC	31/07/2019
	SG office	06/06/2019 and 06/11/2019
	Deeds	17/04/2019 and 28/10/2019
	Vhembe	13/05/2019
	RLCC Schoeman	22/08/2019; 07/11/2019 and 16/01/2020

PROVINCE	OFFICE/BUILDING	DATE CONDUCTED
Western Cape	George PLR office	12/04/2019
	Beaufort West	22/05/2019
	George PLR office	28/05/2019
	George RLCC	29/05/2019
	George PLR office (New office)	20/06/2019 (06 Buildings)
	NGI & Lodgment office	26/08/2019
	Stellenbosch office	27/09/2019
	2 x offices in George (New buildings)	16/10/2019
	Bredasdorp office	06/02/2020
	Worcester District office	26/02/2020
Eastern Cape	Amathole proposed buildings	11/04/2019
	RLCC	10/05/2019
	Block F-PSSC	21/05/2019
	SG	19/06/2019
	RLCC	20/06/2019
	Mthatha District	19/07/2019
	Mthatha Deeds	19/07/2019
	RLCC	31/07/2019
	PSSC-Block H	06/08/2019
	Amathole District	14/08/2019
	King William's Town Deeds	12/09/2019
	Queenstown	31/10/2019 & 13/11/2019
	PE District	22/01/2020
	Block F & H-PSSC	29/01/2020
	RLCC	11/02/2020
	Amathole	18/03/2020

OHS assessments conducted at NARYSEC facilities

PROVINCE	OFFICE/BUILDING	DATE CONDCUTED
Free State	Thaba Nchu Narysec College	01/04/2019;
		02/04/2019;
		06/04/2019;
		27/05/2019;
		31/07/2019;
		01/08/2019;
		05/10/2019;
		13/11/2019;
		22/11/2019;
		15/01/2020;
		18/01/2020;
		19/01/2020;
		25/01/2020;
		26/01/2020; and
		03/03/2020.

RID projects monitored to ensure compliance with the Construction Regulations 2014 and technical advice was provided to the provincial directors of Rural Infrastructure Development (RID) on the areas that must be complied with in terms of OHS Act and its Regulations.

PROVINCE	OFFICE/BUILDING	DATE CONDCUTED
KwaZulu-Natal	Checking of Safety Files	
	Lupawu Trading LTD	22/05/2019
	Inqubeko Yami Trading & Projects	09/05/2019
	Construction of Integrated Centre	07/05/2019
Free State	Thaba Nchu college	01/04/2019; 27/05/2019 and 15/01/2020
	Site handover for RID Project at Makholokoeng	19/08/2019 and 25/11/2019
	Visited AVMP project for RID	23/08/2019

OHS assessments conducted during ministerial events to ensure that health and safety standards are adhered to.

PROVINCE	OFFICE/BUILDING	DATE CONDUCTED
KwaZulu-Natal	Mnqobokazi & Makhasa Title Deed Handover	14/03/2020
	NARYSEC Graduation Ceremony	08/10/2019
	Launch of KZN Ratoon Management @ Gungundlovu Sports Ground	06/05/2019
Gauteng	Ditsong – Ministers meet and greet meeting	11/06/2019
	Strategic Planning, ICC Ekurhuleni	24/06/2019 and 03/07/2019
	Women’s Day celebration held at Monument Park	26/07/2019
Eastern Cape	Deputy Ministers Mashego Dlamini handover of tractors in Brakfontein	09/04/2019
	Minister (Thoko Didiza) event in Lusikisiki	18/10/2019
Free State	Harrismith Ministerial event	26/04/2019
	Thaba Nchu NARYSEC meet and greet	25/01/2020
		26/01/2020
	Makholokoeng Harrismith Ministerial event	23/07/2019
	COGTA Ministerial event at Thaba Nchu College	22/11/2019
Western Cape	Saron	06/04/2019
	Suurbraak	07/04/2019
	Gugulethu	02/05/2019
	Hamlet	04/05/2019
	DARDLR Budget Vote	16/07/2019
	Female Entrepreneur Awards	29/08/2019
	Garden Court	19/09/2019
	NARYSEC Ceremony	25/10/2019
	District Six	14/12/2019
	Haarlem Event	15/02/2020
North West	Women in Farming event in Mthata	28/10/2019
	Seoding/ Kuruman Presidential Event	16/04/2019

OHS committee meetings held:

PROVINCE	OFFICE/BUILDING	DATE OF THE MEETING
Free State	RLCC	07/06/2019; 10/07/2019 and 17-18/03/2020
	Thabo Mofutsanyane	17-18/03/2020 and 28/11/2019
	Lejweleputswa	26/08/2019; 26/11/2019 and 17-18/03/2020
	Fezile Dabi District	30/08/2019; 27/11/2019 and 17-18/03/2020
	SG office	12/02/2020 and 17-18/03/2020
	PSSC	14/02/2020 and 17-18/03/2020
KwaZulu-Natal	DDF Meeting	19/02/2020
National/Gauteng	PSSC, Gauteng	11/07/2019; 18/02/2020; 27/02/2020 and 11/03/2020
	National Office, Old Building	22/08/2019 and 21/11/2019
	RLCC, Bailey	05/09/2019 and 10/03/2020
	Capitol Towers	19/09/2019
	ICD Building	20/09/2019; 11/12/2019 and 13/02/2020
	Centre Walk	05/12/2019
Limpopo	SG	17/04/2019
	Deeds	16/08/2019
	SPLUM	03/09/2019
	RLCC	24/05/2019 and 02/09/2019
	PSSC	12/06/2019 and 26/09/2019
North West	Ngaka Modiri Molema	25/11/2019
	Mega City	27/11/2019
	Dr Ruth Segomotso Mompoti	10/02/2020
Mpumalanga	Surveyor-General's office in Nelspruit	28/05/2019
	Ermelo district office	20/06/2019
	Piet Retief	21/06/2019
	Deeds office in Mpumalanga	25/06/2019
	Lodgement office in Nelspruit	26/06/2019
	RLCC office in Nelspruit	27/06/2019
	MPSSC office in Nelspruit	28/06/2019
	Ehlanzeni district office in Nelspruit	04/07/2019
	Surveyor-General's office in Nelspruit	05/07/2019
Eastern Cape	RLCC	10/05/2019
	SG	06/06/2019
	Mthatha	19/07/2019
	Queenstown	31/10/2019
	Amathole	14/08/2019

OHS committee meetings held:

Western Cape	George PLR office	12/04/2019
	Beaufort West District office	22/05/2019
	George PLR office	28/05/2019
	George RLCC office	29/05/2019
	PSSC office	04/06/2019
	Deeds and SG offices	16/07/2019
	NGI & Lodgement centre	26/08/2019
	Stellenbosch office	27/09/2019
	Bredasdorp office	06/02/2020
	Stellenbosch office	16/02/2020
	Worcester office	26/02/2020

Incidents and Injury on Duty (IOD) occurred and reported

PROVINCE	OFFICE/BUILDING	NATURE INCIDENT	DATE OCCURRED/REPORTED
Free State	S A Eagle Building	Trip and Fall	17/07/2019
	Thaba Nchu Narysec College	Slip and Fall	20/01/ 2020
Mpumalanga	Witbank Nkangala office	Near miss, brick fell from the ceiling through an opening due to construction	27/05/2019
North West	Ngaka Modiri Molema office	Water interruption	13-17/01/2020

Gauteng	Centre Walk	Power failure, official trapped in the lift	02/10/2019
	Centre Walk	Unhygienic condition (Hygiene staff on protest)	07/10/2019
	Capitol Towers	Official fell on the staircases	27/11/2019
	Old Building	Water shortage	28/02/2020 and 02/03/2020
	ICD	Water leaked and flooded the office	09/12/2019
	Capitol Towers on	Power outage	20/05/ 2019
	Capitol Towers	Power outage	03/06/2019
	South Block and Old Building	Water shortage	31/07/2019
	Ablution facilities on the west side of Old Building	Water shortage	23/08/2019
	Capitol Towers	Water pipe burst	10/09/2019
	National Office and South Block buildings	Water interruption	02-11/09/2019
	Ablution facilities at National Office, 3rd floor males toilet 303	Unpleasant smell and unhygienic conditions	28/09/2019
	National Office, Old Building	Faulty lifts	28/09/2019
	Pretoria Deeds Office	Magnetic door reader fell and hit official on the head – Head injury	30/10/ 2019
	Pretoria Deeds Office	Teeth bite infection; multiple bruises and psychological due to physical attack by an official	06/02/2020
KwaZulu-Natal	South Block	Motor vehicle accident in front of the office which involved a cleaner, escalated the matter to the service provider and advised the patient to consult (Road Accident Fund) RAF for further assistance	06/09/ 2019
	Old Building and South Block buildings	Water shortage	03-06/03/2020
	Old Building	Broken water pipes	08/08/2019
KwaZulu-Natal	SSC	Slip & fall	04/10/2019

Evacuation drill conducted at the following offices:

PROVINCE	OFFICE/BUILDING	DATE OF THE MEETING
KwaZulu-Natal	Durban Building (Facilitated by the Landlord)	01/10/2019
Gauteng/National office	Ermelo to Daggakraal project staff	21/06/2019
	Witbank to Bronkhorstspuit project staff	26/09/2019
	Midvaal to Bantubonke project staff	30/09/2019
	ICD	13/02/2020
	PSSC Gauteng	11/03/2020
Mpumalanga	Manyeleti AVMP group in White River	26/09/ 2019
	Daggakraal group 1	30/09/2019
	Daggakraal group 2	30/09/2019
	Ermelo to Daggakraal project staff	21/06/2019
	Midvaal to Bantubonke project staff	30/09/2019
	Witbank to Bronkhorstspuit project staff	26/09/2019
North-West	Sespond AVMP group in Hammanskraal	22/08/2019
	Dertig AVMP group 1 in Hammanskraal	26/08/2019
	Dertig AVMP group 2 in Hammanskraal	26/08/2019
	Bedwang AVMP group 1 in Hammanskraal	23/08/2019
	Bedwang group 2 in Hammanskraal	23/08/2019
	Rust De Winter AVMP group 1 in Hammanskraal	25/09/2019
	Rust De Winter AVMP group 2 in Hammanskraal	25/09/2019
	Mega city	27/11/2019
	Ngaka Modiri Molema	25/11/2019
	Dr Ruth Segomotso Mompoti	11/02/2020
Western Cape	Beaufort West office	17/05/2019
	14 Long street (PSSC)	12/12/2019
Eastern Cape	RLCC	21/06/2019
	PE District	20/09/2019
	Queenstown	13/11/2019
Limpopo	SPLUM	23/05/2019
	Schoeman	24/05/2019
	PSSC	05/08/2019
		11/02/2020

OHS awareness was conducted to the newly appointed security company personnel (Linda Security) at the following offices:

PROVINCE	OFFICE/BUILDING	DATE CONDCUTED
Eastern Cape	RLCC	20/06/2019
	PE District	20/09/2019
	Queenstown	31/10/2019
Free State	Food hygiene awareness in Harrismith during ministerial event	25/04/2019
	Harrismith -Bamogale security	07/12/2019 and 08/12/2019
	RID -AVMP Project at Koffiefontein	23/09/2019
	Thaba Nchu College Narysec	02/09/2019
Gauteng	Palmridge Cleaning staff: Old Building	24/05/2019
	Palmridge Cleaning staff: South Block	28/05/2019
	Palmridge Cleaning staff : ICD	04/06/2019
	Palmridge Cleaning staff: Capitol Towers	06/06/2019
	Inductions to AVMP Project staff: Bantubonke/ Midvaal	30/09/2019
North West	Ngaka Modiri Molema District Office	08/02/2020
	Dr Ruth Segomotso Mompoti District Office	09/02/2020
	PSSC: NW Provincial Office	09/02/2020
	Bojanala District Office	08/03/2020
	Dr Kenneth Kaunda District Office	11/02/2020
	Dr Ruth Segomotso Mompoti District Office	09/02/2020
	PSSC: NW Provincial Office	09/02/2020
	Injury On Duty procedures published on Your Voice	22/08/2019
	Fire Risks on ICM	28/08/2019
	Emergency Evacuation Procedures on ICM	28/08/2019
Limpopo	Induction to AVMP project staff	21/06/2019 22/06/2019
Mpumalanga	Piet Retief District Office	18/02/2020
	Piet Retief office	21/06/2019
	Ermelo Office	20/06/2019
	Lodgment office: Nelspruit	26/06/2019
	MPSSC : Nelspruit office	27/06/2019
	Ehlanzeni District office	04/07/2019
	SG's office: Nelspruit	05/07/2019

Challenges experienced:

Eastern Cape

- Few attendees on OHS meetings/awareness’s;
- Officials do not want to be part of OHS committees;
- Some officials do not participate on evacuation drills, they lock their offices as if they are absent while they are at work; and
- There is no support from the management.

7. Portfolio Committees

No	Date	Committee/Institution	Purpose
1.1	03/07/2019	Portfolio Committee on Agriculture, Land Reform and Rural Development	Briefing on 2019-2020 Annual Performance Plans of Agriculture, Land Reform and Rural Development; including entities.
1.2	20/09/2019	Portfolio Committee on Agriculture, Land Reform and Rural Development	Implications of Constitutional Court Judgement on Land Tenure Rights Act, 1991; Legacy Reports; Planned Oversight visit with Deputy Minister
1.3	26-30/07/2019	Portfolio Committee on Agriculture, Land Reform and Rural Development	Oversight Visit to KwaZulu-Natal
1.4	03/09/2019	Portfolio Committee on Agriculture, Land Reform and Rural Development	CASP, Ilima/Letsema, MAFISA development support; KZN oversight report
1.5	13/09/2019	Portfolio Committee on Agriculture, Land Reform and Rural Development	Reconfiguration of the departments: meeting postponed
1.6	17/09/2019	Portfolio Committee on Agriculture, Land Reform and Rural Development	KZN oversight visit: follow-up on matters raised; Blended Finance Model progress report.
1.7	08/10/2019	Portfolio Committee on Agriculture, Land Reform and Rural Development	AGSA, DPME & FFC briefings; DAFF, DRDLR, CRLR & OVG 2018/19 Annual Reports & 2019/20 Quarter 1 performance
1.8	08/10/2019	Portfolio Committee on Agriculture, Land Reform and Rural Development	Briefing by ITB, CPAs, NAMC, PPECB, ARC and OBP on 2018/2019 Annual Reports and Q1 reports
1.9	15/10/2019	Portfolio Committee on Agriculture, Land Reform and Rural Development	Transformation activities & AgriBEE Fund: Land Bank briefing
1.10	16/10/2019	Portfolio Committee on Agriculture, Land Reform and Rural Development	Agriculture, Land Reform and Rural Development Budgetary Review and Recommendations Report
1.11	22/10/2019	Portfolio Committee on Agriculture, Land Reform and Rural Development	Progress report on Agri-Parks: Department of Agriculture, Land Reform and Rural Development briefing
1.12	05/11/2019	Portfolio Committee on Agriculture, Rural Development and Land Reform	Drought update and Provinces’ state of readiness for 2019/20 planting season: DALRRD briefing; Committee Report on KZN oversight

No	Date	Committee/Institution	Purpose
1.13	12/11/2019	Portfolio Committee on Agriculture, Rural Development and Land Reform	NARYSEC programme and mandate: Department briefing; KZN Oversight Visit Report. Referred to RID on 12/11/2019 with due date of 15/11/2019
1.14	19/11/2019	Portfolio Committee on Agriculture, Rural Development and Land Reform	DAFF 2019/20 Quarter 1 performance
1.15	26/11/2019	Portfolio Committee on Agriculture, Rural Development and Land Reform	House Resolutions on Captive lion breeding in South Africa implementation: responses by DEFF & DALRRD
1.16	04/02/2020	Portfolio Committee on Agriculture, Land Reform and Rural Development	Briefing on FMD, other animal diseases and international trade protocols and plant health.
1.17	11/02/2020	Portfolio Committee on Agriculture, Land Reform and Rural Development	Briefing on ConCourt and other courts judgements that have impact (bearing) on the legislation programme of the department.
1.18	18/02/2020	Portfolio Committee on Agriculture, Land Reform and Rural Development	Briefing on the 2020 SONA pronouncements, update report on the Stimulus Package and the District Development Model.
1.19	25/02/2020	Portfolio Committee on Agriculture, Land Reform and Rural Development	Briefing on 2019/2020 Second Quarter actual and financial performance reports of DAFF, ARC and ITB
1.20	26/02/2020	Portfolio Committee on Agriculture, Land Reform and Rural Development	Briefing on 2019/2020 Second Quarter actual and financial performance reports of DRDLR, OVG and Commission.
1.21	03/03/2020	Portfolio Committee on Agriculture, Land Reform and Rural Development	Response by DALRRD to questions raised by the Portfolio Committee during the meeting of 18 February 2020
1.22	10/03/2020	Portfolio Committee on Agriculture, Land Reform and Rural Development	Briefing on SPLUMA progress and Government's response to Presidential Advisory Panel Recommendations
1.23	17/03/2020	Portfolio Committee on Agriculture, Land Reform and Rural Development	Briefing on Project Kuyasa and Old Order Claims.

8. SCOPA resolutions

The department did not appear before SCOPA during the year under review.

9. Prior modifications to audit reports

The Department of Rural Development and Land reform (DRDLR) received Unqualified Audit Opinion in the year under review; therefore there are no prior modifications to audit reports applicable to the department.

10. Internal Control unit

Internal controls refer to the policies, practices and systems that the department has put in place to provide reasonable assurance that the organisation will achieve its objectives, prevent fraud and corruption from occurring, protect resources from waste, loss, theft or misuse, and to ensure that resources are used efficiently and effectively.

Internal controls were implemented in specific operational areas within the department such as Supply Chain Management and Financial Management.

The responsibility of the Internal Control sub-directorate of the department is to ensure the design, implementation and monitoring of the system of Internal controls. Such controls include:

- Preventative controls to reduce the probability that something will go wrong and reduce its impact should the risk materialise;
- Corrective controls to correct the errors when they occur; and
- Detective controls to find errors after they occur.

The effective functioning of the system of internal controls in the department is determined by its architecture, which amongst other includes;

- Management controls to ensure that the department's structure and systems support its policies and plans and that the department operates within the statutory and regulatory environment;
- Administrative controls to ensure that policies and objectives are implemented in an efficient and effective manner;
- Analysis of financial management environment to identify potential risk areas and deviations from financial controls;
- Accounting controls to ensure that resources are properly accounted for and;
- Review of samples of financial transactions processed for accuracy and completeness, and the accurate interpretation of policy directives.

In the 2019/20 financial year the activities of the Internal Control unit were as follows:

- Verification of payments before and after processing in order to ensure the validity and accuracy thereof;
- Identification of internal control weaknesses and provision of recommendations to improve those weaknesses through the pre-checking of all Basic Accounting System (BAS) payments;
- Monitoring of the implementation of internal and external audit recommendations.

11. Internal Audit and Audit Committees

Key activities and objectives of internal audit

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

Specify summary of audit work done

- Audits on the financial processes of the DRDLR and its trading entities.
- Audits on the governance and risk management processes of the DRDLR.
- Comprehensive, Forensic and Follow-up audits and consultations on processes falling within specific branches of the DRDLR.
- Audits on the processes governing performance information management.
- Information technology audits on various processes.

Key activities and objectives of the audit committee

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

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

Attendance of audit committee meetings by audit committee members

Name	Qualifications	Internal or external member	If internal, position in the department	Date appointed	Date Re-signed	No. of Meetings attended
Dr N Z Qunta (Chairperson)	• PHD • Masters in Business • Administration • Masters in Commerce • (Economics) • Bcom (Hons) (Economics)	External	Not Applicable	1 February 2017	Not applicable	6
Mr A N Mhlongo (Member)	•Chartered Accountant (South Africa) •Chartered Management Accountant • Chartered Global Management Accountant • Bcom (Hons)	External	Not Applicable	1 February 2017	Not applicable	6

Attendance of audit committee meetings by audit committee members

Ms A M M Badimo	• 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 Blockchain Expert (CBE) • F. Inst D (IoDSA)	External	Not Applicable	27 March 2019	Not applicable	5
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12. Audit Committee Report

Report of the Audit Committee

The Department of Rural Development and Land Reform (DRDLR) Audit Committee is pleased to present its report for the financial year ended 31 March 2020. The report includes the Deeds Registration Trading Account; the Agricultural Land Holding Account and the Commission on Restitution of Land Rights.

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

Audit Committee members and attendance

During the year under review the Audit Committee consisted of three members. The Audit Committee had 6 meetings as indicated in the table hereunder and is constituted of persons who possess the correct mix of experience, qualifications and skills to carry out its responsibilities.

Name of member	Number of meetings attended
Dr N Z Qunta (Chairperson)	6
Mr A N Mhlongo (Member)	6
Ms AMM Badimo (Member)	5

Audit Committee Responsibility

The Audit Committee reports that it complied with its responsibilities arising from section 38

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

The AC was unable to meet with the Executive Authority during the financial year that ended 31 March 2020.

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 pertinent functions in respect of the following areas:

- The efficiency and effectiveness of the system of internal control applied by the DRDLR and its entities;
- Risk Management and its effectiveness;
- 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 DRDLR and its entities’ compliance with legal and regulatory provisions;
- Any accounting and audit concerns identified as a result of Internal and External Audits performed;
- The activities of the Internal Audit function, including its annual work program, coordination with the Auditor-General (AGSA), the reports of significant recommendations and the response of management to those recommendations;

- The scope and results of the External Audit function, its cost effectiveness as well as the independence and objectivity of the AGSA;
- Reporting to the Executive Authority and the AGSA where a report implicates the Accounting Officer in fraud, corruption or gross negligence;
- Communicating any concerns, it deemed necessary to the Executive Authority, AGSA and Internal Audit function;
- Approving the Audit Committee Charter, Internal Audit Charter, Policy and Plan; and
- Reviewing the Annual Financial Statements and Annual Performance Report prior to and after the annual audit.

The effectiveness of internal control

In line with the PFMA requirements and the Audit Committee mandate to provide oversight, the efficiency and effectiveness of the systems of Internal Control and Risk Management was considered.

The Audit Committee is satisfied that the Internal Audit function is operating effectively, and that it did take into consideration the risks pertinent to the DRDLR and its entities in audits performed. Internal Audit made significant progress with audits conducted in terms of its strategic three-year rolling internal audit plan.

The system of internal control was partially effective for the year under review. Deficiencies were detected and reported through internal audits performed. Management continued to address control weaknesses reported by the Internal Audit function. Significant control deficiencies were noted in the areas of:

- Information Technology;
- Records Management;
- Compliance Management;
- Project Management;
- Contract Management;
- Management of Fraud, Corruption, Misconduct, Irregularities and Mismanagement. The AC expressed serious concern on inadequate internal control structures to prevent and detect fraud and the incidences of fraud identified in the Department; and
- Consequence Management.

In addition, the uncertainty surrounding the establishment and functioning of the Commission on Restitution of Land Rights is of great concern. More so, as the uncertainty has impacted on the establishment of adequate and effective controls governing the Commission's financial processes, leading to the adverse opinion by the AGSA.

In-Year Monitoring and Reporting

The Audit Committee appreciates that the Interim Financial Statements and the Departmental Quarterly Reporting submissions were done timeously and appropriately. The Audit Committee, however, expressed concern in respect of the slow progress made in the achievement of planned targets and poor quality of financial information in some instances.

Evaluation of Financial Statements and Performance Information

The Audit Committee reviewed and discussed:

- the Annual Financial Statements to be included in the annual report, with the AGSA, the Accounting Officer and management;
- the information on predetermined objectives to be included in the annual report;
- the AGSA's management reports and management's response thereto;
- the reports and audit opinions of the AGSA;
- significant adjustments resulting from the audits; and
- changes in accounting policies and practices.

Report

The Audit Committee reviewed the implementation plan for the Department and its entities for audit issues raised in the prior year and concluded that not all matters were resolved before the merger of the DRDLR with the Department of Agriculture.

The Audit Committee considered and commented on the AGSA's reports on the Annual Financial Statements. The Audit Committee notes with concern the AGSA's qualified audit opinion on the Agricultural Land Holding Account's Annual Financial Statements and the AGSA's adverse opinion on the Commission on Restitution of Land Rights' Annual Financial Statements.

The Audit Committee has met with the AGSA to ensure that there were no unresolved differences.

In conclusion, the Audit Committee expresses its appreciation to the Acting Director- General, the Department's Management, Internal Audit and the AGSA for their assistance and cooperation in the dispensing of the Audit Committee's functions over the years.



Dr N.Z. Qunta

Chairperson of the Audit Committee

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

Date: 12 February 2021

PART

Building Vibrant, Equitable and Sustainable Rural Communities

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HUMAN RESOURCE MANAGEMENT

Human Resource Management

Legislature that govern HR Management

The department has to adhere and uphold all statutory legislations that govern human resource management. Since 1994, the employment laws are underpinned by the principles of a nonsexist, non-racial and equality based democratic society. The information provided in this part is prescribed by the Public Service Regulations (Chapter 3, Regulation 31).

Introduction

Human resource management is a function in the department, implemented to maximise employee performance in service of the department's strategic objectives. The Chief Directorate: Human Resources and Organisational Development's primarily concern is the management of employees in the department and it focuses on policies and systems to do so. This section addresses the human resource matters of the department. The focus is on human resource issues prioritised for the year under review, key strategies implemented to attract and recruit a skilled and capable workforce, the employee performance management framework and employee wellness programmes. It further provides highlights on human resource achievements, challenges and future human resource strategies.

a. Overview of HR matters in the department

In the financial year under review, the department focused mainly on the following human resource matters:

- Managed human resource policies, planning and research;
- Managed employee performance management system;
- Provided staffing services including recruitment and selection and mobility;
- Managed employee health and wellness programmes;
- Managed human resource benefits;
- Facilitated and monitored the implementation of employment equity;
- Ensured that an effective PERSAL management infrastructure is in place and maintained;
- Monitored and managed statistics and information on PERSAL;
- Facilitated code of conduct, labour relations' guidelines and practices;
- Facilitated labour relations services;
- Managed employee grievances;
- Managed labour disputes;
- Managed collective bargaining;
- Managed the implementation of the Skills Development Act and internship/learnership programmes;
- Coordinated and facilitated the training and development of employees;
- Managed bursaries; and
- Provided organisational development services.

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

In the financial year under review, the department focused on the priorities presented in the table below. These priorities are informed by the HR challenges experienced in the previous financial years.

HRP Objective	Outcomes	Approach to mitigate risk and achieve outcome
Maintenance of approved organisational structure to ensure alignment with MTEF.	Reviewed and maintained structure with regards to departmental service delivery programmes and mandates and alignment to MTEF structure.	The Microstructure Project was placed on hold. During the 2018 SONA, it was announced that the department will be reconfigured. Therefore, all structure changes are pending the approval of the new microstructure. All unfunded positions will be abolished from the approved structure in preparation.
Manage the Recruitment and Selection process for the department.	Funded vacant priority posts filled	Executive Management approved the list of vacant priority posts, which was aligned to the available Compensation of Employees (CoE) budget. Action plan was developed on how the priority posts will be filled to reduce the vacancy rate. Monthly reports were generated to communicate progress to top management on the filling of priority posts. Due to non-availability of panel members for shortlisting and interview processes at times, the department experienced a challenge in filling vacancies within the set target of 180 days from the date the post was advertised.
Transformation and Diversity management.	Transformation strategies and diversity interventions implemented in the department.	The department has entered into partnership with organisations of People with Disabilities to fast track the process of appointment of People with Disabilities. Interventions for 50/50 SMS representivity in the department will be the focus for 2020/2021 financial year. The department will ensure the establishment of EE Forums at national and provincial offices. The department will also continue to manage and monitor compliance and adherence to the EE plan.

HRP Objective	Outcomes	Approach to mitigate risk and achieve outcome
Development and retention of scarce and critical skills.	Capacitated workforce by identifying and targeting the posts linked to critical and scarce skills to improve service delivery in the department.	The department successfully implemented the skills audit results which was conducted during the 2016/2017 financial year. The implementation plan or process will be conducted for a period of 5 years ending on 31 March 2021. The skills audit identified skills gaps to be addressed in order for the department to meet its strategic objectives and service delivery standards. The department will continue to implement the skills audit results over the next year to ensure that identified skills gaps are successfully addressed for the department to be able to meet its strategic objectives.
Review, implementation and monitor HR policies, practices and procedures.	Streamlined and monitoring of HR policies, practices and procedures.	Identify critical policies to be reviewed and align to directives and departmental objectives. Review critical policies and HR delegations. Consultation and information sharing with Organised Labour to get buy-in. Obtain approval for the newly reviewed policies and HR delegations. Communicate policies and delegations to employees and publish on departmental intranet.
Implement and monitor interventions through the EHW Programme, to ensure a conducive working environment.	Ensure healthy and productive workforce through EHW initiatives.	Initiate project to intensify marketing of health and wellness programmes for the department. Monitor the implementation of health and wellness programmes in the department. Ensure integrated approach to implementation of health and wellness.
Foster sound labour relations in the department.	Ensure healthy workforce relationships.	Reduce turnaround time for finalising grievances and misconduct cases. Educate and advocate the management of discipline to SMS members. Educate and advocate the Code of Conduct to all staff members. Communicate and liaise with Organised Labour to build and strengthen relationships.
Monitor and report on SDIP	SDIP implemented	Implement 2019/2021 SDIP plan. Monitor progress on implementation of SDIP. Facilitate and coordinate the development of implementation of Batho Pele initiatives.

c. Workforce planning framework and key strategies to attract and recruit a skilled and capable workforce

Workforce planning, now referred to as Human Resource planning, is an inclusive and dynamic process that involves the identification of both current and future human resource needs, as well as potential challenges in order for the department to consistently achieve its organisational objectives. HR planning is the two-way operational

link between high-level strategy and action-orientated implementation that can be regularly monitored and evaluated. Therefore, HR planning aims to ensure that a department has the right people at the right place at the right time, all the time.

The MTEF HR Plan 2019/2021 that was approved and submitted to DPSA was going to expire on 31 March 2021. However, the merger of DRDLR and DAFF to new Department of Agriculture, Land Reform and Rural Development (DALRRD) announced by President Ramaphosa on 29 May 2019 nullified the existing MTEF HR Plan. Therefore, a new 3-year MTEF HR Plan for the new department will be developed in 2020.

The plan will be implemented to address the current and future human resource needs of the department. The plan will guide the implementation of HR Strategies, including Organisational Development Strategies; Human Resource Strategies; Training and Development Strategies; and Employee Health and Wellness Strategies to ensure attraction, recruitment and retention of skilled and capable workforce in the department.

The successful implementation of the HR Plan will contribute towards the identification of the gaps and the implementation of interventions to address current and future HR needs of the department.

d. Employee performance management framework

The Employee Performance Management System for salary levels 1 – 12 and Performance Management and Development System for Members of the Senior Management Service (SMS) provide a standardised framework for managing employees’ performance in the department. Managing employees’ performance and aligning their objectives facilitates the effective delivery of strategic and operational goals of the department. Performance management is determined by three main levels of performance management namely at:

Organisational level, top management determines the strategic priorities and overall key result areas of the department, while objectives are identified for the priorities and assigned to components within the department;

Component level, components undertake the execution of projects and activities that lead to the achievement of the integrated business plans;

Employee level, each employee develops a performance agreement jointly with his/her supervisor.

e. Employee Health and Wellness Programmes

The Employee Health and Wellness Programmes (EHWPs) are departmental programmes offering wellness services that are aimed at improving the quality of life of all employees in order to maximise organisational effectiveness. Such programmes include, but are not limited to mental health, work-life, wellness, health and productivity management, which led to the development of EHWPs.

Psychosocial counselling services

Psychosocial support that addresses the on-going psychological and social problems of individuals and families;

- Direct and confidential access to a 24-hour personal support service;
- Individual and/ group face-to-face counselling sessions are considered where short-term psychological support is appropriate;
- Critical incident service offers prompt and professional trauma diffusion, debriefing and grief counselling to employees exposed to incidents of trauma; and loss;
- EHWM deals with rehabilitation in line with internal human resource policies.

Life Skills, Health and Wellness Promotion

The presentation of life-skills programmes is informed by the identified trends of employee challenges through reporting, monitoring and evaluation. These programmes include but are not limited to Work Life Balance, Emotional Intelligence, Stress and Depression Management, Personal Financial Management, Interpersonal Relations and Substance Abuse Management. The services are provided through Health and Productivity Management Pillar to strengthen and improve the efficiency of occupational health education and promotion. The pillar helps to promote and maintain the general health of employees through prevention, intervention, awareness, education, risk assessment, and support in order to mitigate the impact of communicable (e.g. HIV& AIDS and TB) and non-communicable (e.g. Diabetes and High Blood Pressure) diseases and injuries on the productivity and quality of life of employees.

f. Policy development

Human Resource Policies and procedures are essential management support tools for the successful functioning and management of human resources in this department and serve several important functions:

- Communicate values and expectations for how things are done in the department;
- Keep the department in compliance with legislation;
- Document and implement best practices appropriate to the department;
- Support consistent treatment of employees, fairness and transparency;
- Help management to make decisions that are consistent, uniform and predictable.

The department amended, aligned and consulted various HR policies. As a result of the merging of the two departments, the policies were not yet implemented. The policies, however, served as a basis between the two departments that had to be merged, i.e. align, amend and consult on duplicate policies between the two departments, before they could be approved and implemented.

A new draft set of HR delegations for the new department was also compiled and is under consideration for approval.

It continues reviewing policies and HR delegations to ensure alignment with the developments in the legislative framework.

Highlight achievements

The following are the significant achievements recorded in the year under review:

- All funded posts have job evaluation results and descriptions.
- Chief Directorate: HR & OD process maps and SOPs completed.
- An exhibition with Branch: Deeds Registration of Deeds- part of Public Service Month Events was co-facilitated.
- Employees in various training programmes in core business as well as support in all salary were capacitated.
- Leadership Programmes were rolled out to all employees.
- Advanced Management Development Programme for levels 9-12.

- Emerging Management Development Programme for levels 6-5.
- Foundation Management Development Programme for levels 1-5.
- Identified executive managers were enrolled in Mentorship and Coaching Programmes.
- The organisational change management interventions and customised programmes such as Women Power were rolled out to focus on issues affecting women in workplace and possible solutions to create a conducive environment for them.
- Women employees to attend Leadership Programmes and Agriculture related seminars/workshops/conferences were nominated.

Challenges faced by the department

Efforts to align the strategies for the implementation of the mandate of the department necessitated the review of the organisational structure. This impacted on the management of the vacancy rate. It also delayed the implementation of service delivery programmes. The department also experienced challenges in the following business operational areas:

- Lack of cooperation by Branches, e.g. some branches could not avail themselves for the mapping of business processes and development of standard operating procedures.
- Lack of adequate resources in terms of warm bodies
- Inadequate budget for mainstreaming of human resource imperatives.
- Late submission or no submission of compliance reports.
- Finalisation of moderations timeously.
- Compliance of employees and supervisors to due dates in assessment reports.
- Late course cancellations due to other departmental competing priorities.
- High turn up of employees in some of the courses beyond the planned target number.
- Lack of compliance by some of the employees in finalising and submitting POEs after attending training sessions and/or programmes.

Future HR plans/goals

These HR plans/goals have been identified and addressed in the HR Plan. The following are the key recommendations emanating from the action plan:

- Maintenance of approved organisational structure to ensure alignment with MTEF – Reviewed and maintain structure to ensure achievement of departmental service delivery programmes and mandates and alignment to MTEF structure.
- Manage the Recruitment and Selection process for the department- Streamline recruitment processes in order to meet set standard for filling of posts. Identify priority posts to be funded and filled.
- Transformation and Diversity management- Facilitate the establishment of EE Forum based at National Office. Implement Organisation Change Management interventions to address diversity survey findings.
- Development and retention of scarce and critical skills- Facilitate training programmes to address scarce and critical skills within the department. Facilitate process to ensure alignment of skills to job requirements for the department.
- Review, implementation and monitor HR policies, practices and procedures- Identify critical policies to be reviewed and align to directives and departmental objectives. Review HR delegations.
- Implement and monitor interventions through the EHW Programme to ensure a conducive working environment- Initiate project to intensify marketing of health and wellness programmes for the department. Monitor the implementation of health and wellness programmes in the department.
- Foster sound labour relations in the department- Reduce turnaround time for finalising rievances and misconduct cases. Communicate and liaise with Organised Labour to build and strengthen relationships
- Monitor and report on SDIP- Facilitate and coordinate the development of implementation of Batho Pele initiatives.

3. Human Resources Oversight Statistics

3.1 Personnel related expenditure

The following tables summarise the final audited personnel related expenditure by Programmes (Table 3.1.1) and by Salary Bands (Table 3.1.2). It provides an indication of the amount spent on Personnel Expenditure in terms of each of the Programmes or Salary Bands within the department. The tables thereafter provide a summary per Programme (Table 3.1.3) and Salary Bands (Table 3.1.4), of expenditure incurred as a result of salaries, overtime, housing allowance and medical assistance.

Table 3.1.1 – Personnel Expenditure by Programme

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Personnel Expenditure as a % of Total Expenditure	Average Personnel Cost per Employee (R'000)
Administration	812 366	726 160	17 709	68 467	89,39	487,683
Geo-Spatial and Cadastral Services	416 114	416 114	0	0	100,00	479,394
Rural Development	275 245	275 245	0	0	100,00	580,686
Restitution	333 293	333 293	0	0	100,00	475,454
Land Reform	356 230	356 230	0	0	100,00	522,331
Deeds Registration	761 505	603 502	953	55 733	79,25	534,073
Total	2 954 753	2 710 544	18 662	124 200	91,74	507,213

Table 3.1.2 – Personnel Costs by Salary Band

Salary bands	Personnel Expenditure (R'000)	% of total Personnel Cost	Number of Employees	Average Personnel Cost per Employee (R'000)
Lower skilled (Levels 1-2)	10 621	0,39	60	177,017
Skilled (Levels 3-5)	108 993	4,02	424	257,059
Highly skilled production (Levels 6-8)	1 032 571	38,09	2 799	368,907
Highly skilled supervision (Levels 9-12)	1 034 236	38,16	1 719	601,650
SMS (Levels 13-16)	524 123	19,34	342	1 532,523
Total	2 710 544	100,00	5 344	507,213

Table 3.1.3 – Salaries, Overtime, Housing Allowance and Medical Assistance by Programme

Programme	Salaries		Overtime		Housing Allowance		Medical Assistance	
	Amount (R'000)	%	Amount (R'000)	%	Amount (R'000)	%	Amount (R'000)	%
Administration	554 398	24,35	5 556	6,70	80 236	46,96	85 970	47,71
Geo-Spatial and Cadastral Services	339 207	14,90	8477	10,23	37885	22,17	30545	16,95
Rural Development	239 805	10,53	2 770	3,34	16 881	9,88	15 789	8,76
Restitution	304 348	13,37	101	0,12	10 420	6,10	18 424	10,23
Land Reform	339 600	14,92	10 304	12,43	5 412	3,17	914	0,51
Deeds Registration	499 238	21,93	55 690	67,18	20 039	11,73	28 535	15,84
Total	2 276 596	100,00	82 898	100,00	170 873	100,00	180 177	100,00

Table 3.1.4 – Salaries, Overtime, Housing Allowance and Medical Assistance by Salary Bands

Salary Bands	Salaries		Overtime		Housing Allowance		Medical Assistance	
	Amount (R'000)	%	Amount (R'000)	%	Amount (R'000)	%	Amount (R'000)	%
Lower skilled (Levels 1-2)	10 621	0,47	0	-	0	-	0	-
Skilled (Levels 3-5)	74 184	3,26	7 578	9,14	12 110	7,09	15 121	8,39
Highly skilled production (Levels 6-8)	901 420	39,60	28 221	34,04	56 537	33,09	46 393	25,75
Highly skilled supervision (Levels 9-12)	837 136	36,77	47 099	56,82	89 960	52,65	60 041	33,32
SMS (Levels 13-16)	453 235	19,91	0	-	12 266	7,18	58 622	32,54
Total	2 276 596	100,00	82 898	100,00	170 873	100,00	180 177	100,00

3.2 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 additional to the establishment. This information is presented in terms of three key variables:- Programme (Table 3.2.1) and Salary Band (Table 3.2.2). Table 3.2.3 provides establishment and vacancy information for the key critical occupations of the department.

Table 3.2.1 – Employment and Vacancies by Programme

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration	1764	1489	15.58	68
Geo-Spatial and Cadastral Services	969	868	10.42	116
Rural Development	555	474	14.59	18
Restitution	780	701	10.12	3
Land Reform	816	682	16.42	39
Deeds Registration	1282	1130	11.85	5
Total	6166	5344	13.33	249

Table 3.2.2 – Employment and Vacancies by Salary Band

Salary Band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (Levels 1-2)	62	60	3.22	59
Skilled (Levels 3-5)	541	424	21.62	6
Highly skilled production (Levels 6-8)	3099	2799	9.68	147
Highly skilled supervision (Levels 9-12)	2049	1719	16.10	27
SMS (Levels 13-16)	415	342	17.59	10
Total	6166	5344	13.33	249

Table 3.2.3 – Employment and Vacancies by Critical Occupations

Critical occupations	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Agriculture Related	7	7	0.00	0
Architects Town and Traffic Planners	40	36	10.00	2
Cartographers and Surveyors	288	249	13.54	34
Cartographic Surveying and Related Technicians	47	42	10.63	6
Community Development Workers	1	1	0.00	1
Engineers and related Professionals	25	17	32.00	11
Other	4687	4992	16.34	195
Total	6166	5344	13.33	249

3.3 Filling of SMS Posts

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

Table 3.3.1 – SMS post information as on 31 March 2020

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/Head of Department	1	1	100.00	0	0.00
Salary Level 16	3	2	66.67	1	33.33
Salary Level 15	13	7	53.85	6	46.15
Salary Level 14	98	83	84.69	15	15.31
Salary Level 13	300	249	83.00	51	17.00
Total	415	342	82.41	73	17.59

Table 3.3.2 – SMS post information as on 30 September 2019

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/Head of Department	1	0	0	1	100.00
Salary Level 16	1	0	0.00	1	100.00
Salary Level 15	13	8	61.54	5	38.46
Salary Level 14	92	80	86.96	12	13.04
Salary Level 13	286	234	81.82	52	18.18
Total	393	322	81.93	71	18.07

Table 3.3.3 – Advertising and filling of SMS posts

SMS Level	Advertising	Filling of posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filling in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Director General/Head of Department	0	0	0
Salary Level 16	0	0	0
Salary Level 15	0	0	0
Salary Level 14	5	0	1
Salary Level 13	23	1	11
Total	27	1	12

Table 3.3.4 – Reasons for not having complied with the filling of funded vacant SMS – Advertised within 6 months and filled within 12 months after coming vacant

Reasons for vacancies not advertised within six months
Vacancies not advertised within 6 months were not funded or prioritised.
Reasons for vacancies not filled within twelve months
Moratorium
Lack of suitable candidates

Table 3.3.5 – Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months

In terms of the Public Service Regulations (2016), the department must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes. In event of non-compliance, the relevant Executive Authority or head of the department take appropriate disciplinary steps in terms of Section 16A (1) or (2) of the Public Service Act.

Reasons for vacancies not advertised within six months
No disciplinary steps were taken.

Reasons for vacancies not filled within twelve months
No disciplinary steps were taken.

3.4 Job Evaluation

Within a nationally determined framework, the Executing Authority may evaluate or re-evaluate any job in his/her department. In terms of the Regulation all vacancies on salary level 9 and higher must be evaluated before they are filled. The Table 3.4.1 summarises the number of jobs that were evaluated during the year under review and statistics on the number of posts that were upgraded or downgraded. Table 3.4.2 provides a summary of the number of employees whose salary positions were upgraded due to their posts being upgraded. Table 3.4.3 summarises the number of all the cases as on 31 March 2020, where remuneration levels exceeded the grade determined by job evaluation. The job evaluation was not necessary implemented in the year under review. Table 3.4.4 summarises the beneficiaries of the above in terms of race, gender, and disability.

Table 3.4.1 – Job Evaluation by Salary Band

Salary band	Number of posts on approved establishment	Number of Posts Evaluated	% of posts evaluated by Salary Bands	Posts Upgraded		Posts downgraded	
				Number	%	Number	%
Lower skilled (Levels 1-2)	62	0	0.00	0	0.00	0	0.00
Skilled (Levels 3-5)	541	0	0.00	0	0.00	0	0.00
Highly skilled production (Levels 6-8)	3099	0	0.00	0	0.00	0	0.00
Highly skilled supervision (Levels 9-12)	2049	131	6.39	18	0.87	0	0.00
SMS Band A	300	0	0.00	0	0.00	0	0.00
SMS Band B	98	0	0.00	0	0.00	0	0.00
SMS Band C	13	0	0.00	0	0.00	0	0.00
SMS Band D	4	0	0.00	0	0.00	0	0.00
Total	6166	131	2.12	18	0.29	0	0.00

Table 3.4.2 – Profile of Employees whose positions were upgraded due to their posts being upgraded

Beneficiaries	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	1	0	0	0	1
Total	1	0	0	0	1
Employees with a disability					0

Table 3.4.3 – Employees with salary levels higher than those determined by job evaluation by occupation

Occupation	Number of employees	Job Evaluation Level	Remuneration Level	Reason for Deviation
Administrative Related	1	8	10	Recruitment/Retention
Auxiliary and Related Workers	1	5	6	Recruitment/Retention
Auxiliary and Related Workers	1	6	7	Recruitment/Retention
Auxiliary and Related Workers	1	6	8	Recruitment/Retention
Cartographers and Surveyors	1	6	7	Recruitment/Retention
Cartographers and Surveyors	3	6	8	Recruitment/Retention
Community Development Workers	1	8	9	Recruitment/Retention
Financial and Related Professionals	2	5	8	Recruitment/Retention
Financial and Related Professionals	2	8	9	Recruitment/Retention
General Legal Administration and Related Professionals	1	3	6	Recruitment/Retention
General Legal Administration and Related Professionals	1	10	12	Recruitment/Retention
Human Resources and Organisational Development	1	10	11	Recruitment/Retention
Legal Related	1	12	13	Recruitment/Retention
Messengers, Porters and Deliverers	1	3	4	Recruitment/Retention
Natural Sciences Related	1	10	12	Recruitment/Retention
Natural Sciences Related	1	12	13	Recruitment/Retention
Other Administration and Related Clerks	1	6	7	Recruitment/Retention
Other Administration and Related Clerks	1	5	8	Recruitment/Retention
Other Administration and Related Clerks	1	8	9	Recruitment/Retention
Other Information Technology Personnel	1	6	9	Recruitment/Retention

Secretaries and other Keyboard Operating Clerks	1	6	7	Recruitment/Retention
Secretaries and other Keyboard Operating Clerks	1	6	8	Recruitment/Retention
Senior Managers	1	12	13	Recruitment/Retention
Senior Managers	2	13	14	Recruitment/Retention
Senior Managers	2	14	15	Recruitment/Retention
Total Number of employees whose salaries exceeded the level determined by job evaluation				31
Percentage of total Employment				0.58

Table 3.4.4 – Profile of employees who have salary levels higher than those determined by job evaluation

Beneficiaries	African	Asian	Coloured	White	Total
Female	7	1	0	6	14
Male	12	0	1	4	17
Total	19	1	1	10	31
Employees with a disability					1

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 (Table 3.5.1) and by Critical Occupations (Table 3.5.2). Table 3.5.3 identifies the major reasons why staff left the department. Table 3.5.4 provides promotions by Critical Occupation and Salary Band (Table 3.5.5).

Table 3.5.1 – Annual Turnover rates by Salary Band

Salary Band	Number of Employees per band as on 1 April 2019	Appointments and Transfers into the department	Terminations and Transfers out of the department	Turnover Rate
Lower skilled (Levels 1-2)	240	0	180	75.00
Skilled (Levels 3-5)	747	37	20	2.68
Highly skilled production (Levels 6-8)	2452	86	79	3.22
Highly skilled supervision (Levels 9-12)	1774	19	74	4.17
SMS Band A	234	24	9	3.85
SMS Band B	80	6	3	3.75
SMS Band C	8	3	4	50.00
SMS Band D	0	3	0	0.00
Total	5535	178	369	6.67

Table 3.5.2 – Annual Turnover Rates by Critical Occupation

Critical Occupation	Number of Employees per occupation as on 1 April 2019	Appointments and Transfers into the department	Terminations and Transfers out of the department	Turnover Rate
Agriculture Related	8	0	1	12.50
Architects Town and Traffic Planners	32	6	2	6.25
Cartographers and Surveyors	215	44	10	4.65
Cartographic Surveying and Related Technicians	73	6	37	50.68
Community Development Workers	108	0	107	99.07
Engineers and related Professionals	9	13	5	55.56
Other	5090	109	207	4.07
Total	5535	178	369	6.67

Table 3.5.3 – Reasons why employees left the department

Termination Type	Number	% of Total Terminations
Death	12	3.25
Resignation	168	45.53
Expiry of contract	149	40.38
Dismissal – misconduct	4	1.08
Discharged due to ill-health	4	1.08
Retirement	26	7.05
Transfers to other Public Service departments	6	1.63
Total	369	100.00
Total number of employees who left as a % of total employment		6.90

Table 3.5.4 – Promotions by Critical Occupation

Critical Occupation	Employees as at 1 April 2019	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progressions as a % of employees by occupation
Agriculture Related	8	0	0.00	8	100.00
Architects Town and Traffic Planners	32	1	3.13	20	62.50
Cartographers and Surveyors	215	1	0.47	200	93.02
Cartographic Surveying and Related Technicians	73	2	2.74	42	57.53
Community Development Workers	108	0	0.00	36	33.33

Engineers and related Professionals	9	0	0.00	8	88.89
Other	5090	155	3.05	3553	69.80
Total	5535	159	2.87	3867	69.86

Table 3.5.5 – Promotions by Salary Band

Salary Band	Employees 1 April 2019	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Lower skilled (Levels 1-2)	240	0	0.00	0	0.00
Skilled (Levels 3-5)	747	3	0.40	303	40.56
Highly skilled production (Levels 6-8)	2452	57	2.32	2253	91.88
Highly skilled supervision (Levels 9-12)	1774	85	4.79	1229	69.28
SMS (Levels 13-16)	322	14	4.35	82	25.47
Total	5535	159	2.87	3867	69.86

3.6 Employment Equity

Ensuring representation in the public service is a requirement in terms of Chapter 10, Section 195(1) (i) of the Constitution of the Republic of South Africa. The Department of Rural Development and Land Reform has developed a 5 year (2014-2019) Employment Equity (EE) Plan, that is informed by Chapter 10 (Section 195) and the provisions of the Employment Equity Act (EEA), 1998 (Act No. 55 of 1998) to support the creation of an enabling environment for improved service delivery as outlined in its strategic plan. The tables in this section are based on the formats prescribed by the EEA.

Table 3.6.1 – Total number of employees (including employees with disabilities) in each of the following Occupational Categories as on 31 March 2020

Occupational categories (SASCO)	Male				Female				Total
	African	Co-loured	Asian	White	African	Co-loured	Asian	White	
Legislators, senior officials and managers	158	13	13	17	96	7	5	17	326
Professionals	881	66	18	102	806	78	36	142	2129
Technicians and associate professionals	715	30	8	21	663	39	12	71	1559
Clerks	371	21	6	9	668	84	20	42	1221
Service and sales workers	38	3	0	3	46	1	0	0	91
Craft and related trades workers	11	1	1	1	0	1	0	3	18
Elementary occupations	0	0	0	0	0	0	0	0	0
Total	2174	134	46	153	2279	210	73	275	5344
Employees with disabilities	39	3	1	13	31	3	1	12	103

Table 3.6.2 – Total number of Employees (including employees with disabilities) in each of the following Occupational Bands as on 31 March 2020

Occupational categories (SASCO)	Male				Female				Total
	African	Co-loured	Asian	White	African	Co-loured	Asian	White	
Top Management	7	0	0	2	3	0	0	1	13
Senior Management	160	13	13	18	95	7	5	18	329
Professionally qualified specialists and mid-management	592	34	19	78	491	27	18	69	1328
Skilled technical and academically qualified workers,	1220	62	11	49	1524	152	47	185	3250
Semi-skilled and discretionary decision making	194	25	3	6	166	24	3	2	423
Unskilled and defined decision making	1	0	0	0	0	0	0	0	1
Total	2174	134	46	153	2279	210	73	275	5344

Table 3.6.3 – Recruitment

Occupational categories (SASCO)	Male				Female				Total
	African	Co-loured	Asian	White	African	Co-loured	Asian	White	
Top Management	4	0	0	1	1	0	0	0	6
Senior Management	7	0	1	0	3	0	0	0	11
Professionally qualified specialists and mid-management	22	3	2	1	23	1	0	0	52
Skilled technical and academically qualified workers,	45	0	1	0	32	1	1	0	80
Semi-skilled and discretionary decision making	15	1	0	0	13	0	0	0	29
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	93	4	4	2	72	2	1	0	178
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.4 – Promotions

Occupational categories (SASCO)	Male				Female				Total
	African	Co-loured	Asian	White	African	Co-loured	Asian	White	
Top Management	0	1	0	0	0	0	0	0	1
Senior Management	32	4	3	5	30	1	3	5	83
Professionally qualified specialists and mid-management	546	24	13	58	524	21	11	41	1238
Skilled technical and academically qualified workers,	943	29	3	16	1135	75	23	92	2316
Semi-skilled and discretionary decision making	100	13	1	2	93	16	2	2	229
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	1621	71	20	81	1782	113	39	140	3867
Employees with disabilities	28	2	1	7	25	2	1	12	78

Table 3.6.5 – Terminations

Occupational categories (SASCO)	Male				Female				Total
	African	Co-loured	Asian	White	African	Co-loured	Asian	White	
Top Management	0	1	0	0	0	0	0	0	1
Senior Management	3	0	0	0	1	0	1	0	5
Professionally qualified specialists and mid-management	48	0	1	6	38	2	1	0	96
Skilled technical and academically qualified workers,	43	0	0	0	43	2	0	4	92
Semi-skilled and discretionary decision making	12	0	0	0	5	0	0	0	17
Unskilled and defined decision making	65	0	0	0	92	1	0	0	158
Total	171	1	1	6	179	5	2	4	369
Employees with disabilities	4	0	0	0	3	0	0	0	7

Table 3.6.6 – Disciplinary Action

Disciplinary Action	Male				Female				Total
	African	Co-loured	Asian	White	African	Co-loured	Asian	White	
Verbal Warning	0	0	0	0	1	0	0	0	1
Written Warning	2	0	0	0	6	0	0	0	8
Final Written Warning	6	0	0	0	0	0	0	1	7
Dismissal	0	0	0	0	0	0	0	0	1
Not Guilty	8	1	0	2	8	1	0	0	20
Suspension without pay and final written warning	0	0	0	0	1	0	0	0	1
Matter dismissed, resigned before sanction / referred to new Dept.	3	3	0	0	4	0	0	0	10
Pending	16	1	0	1	10	1	0	2	31
Total	35	5	0	3	30	2	0	3	79

Table 3.6.7 – Skills Development

Occupational categories (SASCO)	Male				Female				Total
	African	Co-loured	Asian	White	African	Co-loured	Asian	White	
Legislators, senior officials and managers	488	10	12	20	477	18	8	17	1 050
Professionals	494	32	6	61	305	42	19	107	1 066
Technicians and associate professionals	275	16	8	28	255	16	14	31	643
Clerks	956	57	10	38	1030	104	16	107	2318
Service and sales workers	16	1	0	0	21	1	0	0	39
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Elementary occupations	40	7	1	1	40	6	0	3	98
Total	2 269	123	37	148	2128	187	57	265	5214
Employees with disabilities	46	3	3	13	31	2	1	11	110

3.7 Signing of Performance Agreements by SMS Members

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

Table 3.7.1 – Signing of Performance Agreements by SMS Members as on 31 May 2019

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/ Head of Department	1	1	0	0.00
Salary Level 16	3	2	0	0.00
Salary Level 15	13	7	2	28.57
Salary Level 14	98	83	69	83.13
Salary Level 13	300	249	229	91.97
Total	415	342	300	87.72

Table 3.7.2 – Reasons for not having concluded performance agreements for all SMS members as on 31 March 2019

Reasons
Performance agreements were compiled and submitted for approval. Delays are due to changes in the structure, as well as Elections that took place during May 2019. Extension provided for submission until 31 August 2019.
Non-submission of performance agreements also due to:
suspensions
secondments and failure of receiving department to provide a copy of the performance agreement and outstanding dispute/appeal
No performance agreements were submitted by SMS members residing under the Ministry

Table 3.7.3 – Disciplinary steps taken against SMS members for not having concluded performance agreements as on 31 March 2019

Reasons
Warning letters compiled with regard to those SMS members who have not complied, and reasons were to be provided for late- or non-submission.

3.8 Performance Rewards

To encourage good performance, the department has granted the following performance rewards during the year 2018/19 financial year. The information is presented in terms of race, gender, and disability (Table 3.8.1), salary bands (table 3.8.2) and critical occupations (Table 3.8.3). Table 3.8.4 provides information by salary band for SMS Members.

Table 3.8.1 – Performance Rewards by Race, Gender, and Disability

RACE AND GENDER	BENEFICIARY PROFILE			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee (R)
African Female	744	2 248	33.10	14 403	19.359
African Male	654	2 135	30.63	14 565	22.271
Asian Female	19	207	9.18	364	19.164
Asian Male	11	131	8.40	343	31.158
Coloured Female	59	72	81.94	1 260	21.356
Coloured Male	34	45	75.56	655	19.263
White Female	91	263	34.60	2 106	23.143
White Male	45	140	32.14	1 337	29.711
Employees with disabilities	35	103	33.98	806	23.025
Total	1692	5 344	31.66	35 839	21.181

Table 3.8.2 – Performance Rewards by Salary Bands for personnel below SMS members

SALARY BAND	BENEFICIARY PROFILE			COST	
	NUMBER OF BENEFICIARIES	NUMBER OF EMPLOYEES	% OF TOTAL WITHIN GROUP	COST (R'000)	AVERAGE COST PER EMPLOYEE (R)
Lower skilled (Levels 1-2)	0	60	0.00	0	0
Skilled (Levels 3-5)	164	424	38.68	1633	9.957
Highly skilled production (Levels 6-8)	945	2 799	33.76	15187	16.071
Highly skilled supervision (Levels 9-12)	568	1 719	33.04	17836	31.401
Total	1677	5002	33.53	34656	20.665

Table 3.8.3 – Performance Rewards by Critical Occupations

Critical Occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total with-in group	Cost (R'000)	Average cost per employee (R)
Agriculture Related	5	7	71.43	181	36.200
Architects Town and Traffic Planners	12	36	33.33	499	41.583
Cartographers and Surveyors	98	249	39.36	2540	25.918
Cartographic Surveying and Related Technicians	9	42	21.43	256	28.444
Community Development Workers	1	1	100.00	606	606.000
Engineers and related Professionals	6	17	35.29	175	29.167
Other	1531	4650	32.92	30399	19.856
Total	1662	5002	33.23	34656	20.852

Table 3.8.4 – Performance related rewards (cash bonus), by salary band, for SMS members

Salary band	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total with-in group	Cost (R'000)	Average cost per employee (R)
SMS Band A	13	249	5.22	815	62.692
SMS Band B	2	83	2.41	370	185.000
SMS Band C	0	7	-	0	0.000
SMS Band D	0	3	-	0	0.000
Total	15	342	4.39	1185	79.000

3.9 Foreign Workers

The tables below summarise the employment of foreign nationals in the department in terms of salary bands and by major occupation. The tables also summarise changes in the total number of foreign workers in each salary band and by each major occupation.

Table 3.9.1 – Foreign Workers

Salary Band	1 April 2019		31 March 2020		Change	
	Number	% of total	Number	% of total	Number	% change
Lower skilled (Levels 1-2)	0	0.00	0	0.00	0	0.00
Skilled (Levels 3-5)	0	0.00	0	0.00	0	0.00
Highly skilled production (Levels 6-8)	0	0.00	1	11.11	1	33.33
Highly skilled supervision (Levels 9-12)	6	100.00	7	77.77	1	33.33
SMS (Levels 13-16)	0	0.00	1	11.11	1	33.33
Total	6	100.00	9	100.00	3	100.00

Table 3.9.2 – Foreign Worker by major occupation

Major Occupation	1 April 2019		31 March 2020		Change	
	Number	% of total	Number	% of total	Number	% change
Agriculture Related	0	0.00	0	0.00	0	0.00
Architects Town and Traffic Planners	2	33.33	0	0.00	-2	-66.66
Cartographers and Surveyors	0	0.00	0	0.00	0	0.00
Cartographic Surveying and Related Technicians	0	0.00	0	0.00	0	0.00
Community Development Workers	0	0.00	0	0.00	0	0.00
Engineers and related Professionals	0	0.00	2	22.22	2	66.66
Other	4	66.66	7	77.77	3	100.00
Total	6	100.00	9	100.00	3	100.00

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 (Table 3.10.1) and disability leave (Table 3.10.2). In both cases, the estimated cost of the leave is also provided. Table 3.10.3 summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the Public Service Coordinating Bargaining Council in 2000 requires management of annual leave, to prevent high levels of accrued leave being paid at the time of termination of service.

Table 3.10.1 – Sick leave, 1 January 2019 to 31 December 2019

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)	391	49.80	60	100.00	5	294
Skilled (Levels 3-5)	4 193	77.43	416	98.11	8	3 673
Highly skilled production (Levels 6-8)	25 164	71.70	2 669	95.36	8	35 719
Highly skilled supervision (Levels 9-12)	11 736	69.23	1 445	84.06	8	31 959
SMS (Levels 13-16)	1 802	50.00	252	73.68	5	7 887
Total	43 286	63.63	4 842	90.61	7	79 532

Table 3.10.2 – Disability leave (temporary and permanent), 1 January 2019 to 31 December 2019

Salary Band	Total days taken	% 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	0.00	0	0.00	0	0
Skilled (Levels 3-5)	505	100.00	10	2.36	51	469
Highly skilled production (Levels 6-8)	1 696	100.00	27	0.96	60	2 296
Highly skilled supervision (Levels 9-12)	831	100.00	17	0.99	29	2 435
SMS (Levels 13-16)	78	100.00	3	0.88	26	359
Total	3 110	100.00	57	1.07	33	5 559.

Table 3.10.3 – Annual Leave, 1 January 2019 to 31 December 2019

Salary Bands	Total days taken	Average per employee	Number of employees who took leave
Lower skilled (Levels 1-2)	912	16	57
Skilled (Levels 3-5)	9 568	16	470
Highly skilled production (Levels 6-8)	73 074	19	3 170
Highly skilled supervision (Levels 9-12)	43 184	21	1 808
SMS (Levels 13-16)	7 903	17	342
Total	134 640	18	5 847

Table 3.10.4 – Capped leave, 1 January 2019 to 31 December 2019

Salary Bands	Total days of capped leave taken	Number of Employees who took leave	Average number of days taken per employee	Capped leave available as on 31 December 2019
Lower skilled (Levels 1-2)	0	0	0	0
Skilled (Levels 3-5)	0	0	0	1 320.14
Highly skilled production (Levels 6-8)	35	16	1	8 779.48
Highly skilled supervision (Levels 9-12)	64	19	2	9 690.31
SMS (Levels 13-16)	8	3	1	4 390.03
Total	107	38	4	13 169.51

Table 3.10.5 – Leave payouts for the period 1 April 2019 to 31 March 2020

The following table summarises payments made to employees as a result of leave that was not taken.

Reason	Total Amount (R'000)	Number of Employees	Average payment per employee
Leave payout for 2018/19 due to non-utilisation of leave for the previous cycle	4 218	147	25 694.50
Capped leave payouts on termination of service for 2019/20	1 042	14	74 429.00
Current leave payout on termination of service for 2019/20	1 300	37	33 933.50
Total	6 560	198	134 057.00

3.11 HIV/AIDS & Health Promotion Programmes

The national Employee Health and Wellness Strategic Framework was developed and launched in 2008, following the research and benchmarking of international and local best practices, and by obtaining inputs from stakeholders from previous Employee Health and Wellness Indabas. It seeks to represent an integrated, needs-driven, participative, and holistic approach to Employee Health and Wellness in the public service. The integrated approach to employee health and wellness recognises the importance of individual health, wellness and safety and its linkages to organisational wellness and productivity in the Public Service. Table 3.11.1 indicates the steps taken to reduce the risk of occupational exposure in the workplace. Table 3.11.2 delivers the details of the departments programmes.

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

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
Total categories	None

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

Question	Yes	No	Details, if yes
Has the department designated a member of the SMS to implement the provisions contained in the Public Service Regulations? If so, provide his/her name and position.	X		Mr S Ngomane Director: Human Resource Development
Does the department have a dedicated unit, or has it 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.	X		Sub Directorate: Employee Health and Wellness Management (EHWM) 1 x Deputy Director; 2 x National Coordinators (ASDs); 1 x Occupational Health Specialist (ASD); 6 x Provincial Coordinators (ASDs); Annual budget – R 3,500,000.00.
Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	X		Psycho-social services, Health Productivity Management (Disease Management, Health Promotion/Awareness and Health Screening), Life-skills Programmes, HIV&AIDS, TB and STIs including VCT.
Has the department established (a) committee(s) as contemplated in the Public Service Regulations? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	X		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. Representation includes EHWM Coordinators, HR Managers, Communication, Spiritual and Union representatives.
Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	X		HIV&AIDS, TB and STI Policy. Employee Health and Wellness Policy. Health Productivity Management. Safety, Health, Environment, Risk and Quality (SHERQ) management.
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.	X		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.

Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	X		Voluntary Counselling and Testing (VCT) was incorporated into Health and Wellness events/ office-based services, World AIDS Day and Sexually Transmitted Infections/Condom Week. The total number of attendance was 1984 (37%); the number of VCT participants was 1090, which gives a percentage of 55%.
Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/ indicators.	X		Analysis of Health Screening (Chronic conditions and HIV&AIDS and TB) results. Analysis of evaluation forms by participants.

EHWP Officials

Programme Manager	Bongeka Gcwabe
National Coordinator	Khonjiwe Radebe
National Coordinator	Nocawe Morake
Occupational Health Specialist	Lucia Lethola

EHW Management Committee Members

Provinces	Kwazulu-Natal	Western Cape	Mpumalanga	North West	Free State
Provincial Coordinators	Happy Kwela	Vuyolwethu Noyi	Post Vacant	Resigned (recruitment process has begun)	Khulubone Mkhonza
HR Managers	Sharon Budhoo	Tobani Mtintsi-lana	Asanda Mdala	Boitumelo Mol-opyane	Zola Mokoena
Committee Members	Happy Kwela	Vuyolwethu Noyi	Zanele Ngwenya Thembi Makama	None	Khulubone Mkhonza
Provinces	Limpopo	Gauteng	Northern Cape	Eastern Cape	National Office

Provincial Coordinators	Mashangu Nefale	Post Vacant	Haroldine Wells	Siphokazi Njongi	Mr S Ngomane (Chairperson)
HR Managers	Moraka Shai	Mohemedi Molefi	Thapelo Mashoai	Mcebisi Ciko	
Committee Members	Mashangu Nefale	Agnes Kibe Munyai Dovhani Karien Kloppe Nokwanda Mncwango Samuel Moleleki David Sema Jennifer Motsepe	Haroldine Wells Clement Makebe	Siphokazi Njongi	Bongeka Gcwabe (Programme Manager) Lucia Lethola Khonjiwe Radebe Nocawe Morake Simon Visagie Constance Matabane Simphiwe Jacobs Lindiwe Motau Nancy Manganyi Motlatso Ramutla Boitshepo Moemedi

3.12 Labour Relations

The purpose of Directorate: Labour Relations is to fulfill the primary objects of the Labour Relations Act, which are:

- To give effect to and regulate the fundamental rights conferred by Section 23 of the Constitution of the Republic of South Africa, 1996;
- To give effect to obligations incurred by the Republic as a member state internal Labour Organisation;
- To provide a framework within which employees and their trade unions, employers and employers' organisations can-
- Collectively bargain to determine wages, terms and conditions of employment and other matters of mutual interest; and
- Formulate industrial policy; and
- To promote-
 - orderly collective bargaining;
 - collective bargaining at sectoral level;
 - employee participation in decision-making in the workplace; and
 - effective resolution of labour disputes.

Table 3.12.1 – Collective agreements

Subject matter	Date
None	0
Total	0

Table 3.12.2 – Misconduct and disciplinary hearings finalised

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

Outcomes of disciplinary hearings	Number	% of total
Verbal Warning	1	1.26
Written warning	8	10.12
Final written warning	7	8.86
Dismissal	1	1.26
Not Guilty	20	25.31
Suspension	1	1.26
Case withdrawn	10	12.65
Pending	31	0.00
Total	79	39.24

Table 3.12.3 – Types of misconduct addressed at disciplinary hearings

Type of misconduct	Number	% of total
Negligence/Dereliction of duties	2	4.16
Insubordination/insolence	5	10.41
Failure to declare business interest	3	6.25
Dishonesty, misrepresentation, fraud, corruption	7	14.58
SCM irregularities	6	12.5
Contravention of PFMA	4	8.33
Poor performance	1	2.08
Irregularities in handling of land reform projects	4	8.33
Harassment	1	2.08
Improper conduct	2	4.16
Irregularities in administration of Restitution Claims	8	16.66
Misuse of vehicle/Contravention of transport policy	2	4.16
Contravention of Deeds Registration Act	2	4.16
Unauthorised access of state property	1	2.08
Total	48	100.00

Table 3.12.4 – Grievances lodged

Grievances Lodged	Number	% of Total
Number of grievances resolved	80	58,82
Number of grievances not resolved	56	41.17
Total	136	100.00

Table 3.12.5 – Disputes lodged with Councils

Disputes Lodged	Number	% of Total
Number of disputes upheld	4	7.69
Number of disputes dismissed	10	19.23
Withdrawn or settlement reached	3	5.76
Still in process	35	67.30
Total	52	100.00

Table 3.12.6 – Strike actions

Total number of persons working days lost	0
Total cost (R'000) of working days lost	0
Amount (R'000) recovered as a result of no work no pay	0

Table 3.12.7 – Precautionary suspensions for the period

Number of people suspended	17
Number of people whose suspension exceeded 30 days	15
Average number of days suspended	540
Cost (R'000) of suspensions	14 613

3.13 Skills Development

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

Table 3.13.1 - Training needs identified

Occupational Categories	Gender	Number of employees as at 1 April 2019	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	118	0	Skills Programmes	0	178
	Male	194	0	Programmes	0	156
Professionals	Female	1094	0	Skills Programmes	0	64
	Male	1080	0	Programmes	0	77
Technicians and associate professionals	Female	753	0	Skills Programmes	0	48
	Male	743	0	Programmes	0	46
Clerks	Female	767	0	Skills Programmes	0	438
	Male	393	0	Programmes	0	356
Service and sales workers	Female	150	0	Skills Programmes	0	6
	Male	121	0	Programmes	0	1

Craft and related trades workers	Female	4	0	Skills Programmes	0	0
	Male	17	0	Programmes	0	0
Elementary occupations	Female	38	0	Skills Programmes	0	21
	Male	63	0	Programmes	0	23
Sub Total	Female	2924	0	Skills Programmes	0	755
	Male	2611	0	Programmes	0	659
Total		5535	0		0	1414

Table 3.13.2 - Training provided

Occupational Categories	Gender	Number of employees as at 1 April 2019	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	118	0	11	29	40
	Male	194	0	12	24	36
Professionals	Female	1094	0	7	20	27
	Male	1080	0	7	17	24
Technicians and associate professionals	Female	753	0	19	24	43
	Male	743	0	21	20	41
Clerks	Female	767	0	7	17	24
	Male	393	0	10	14	24
Service and sales workers	Female	150	0	0	0	0
	Male	121	0	0	0	0
Craft and related trades workers	Female	4	0	0	0	0
	Male	17	0	0	0	0
Elementary occupations	Female	38	0	10	14	24
	Male	63	0	5	7	12
Sub Total	Female	2924	0	54	97	151
	Male	2611	0	55	93	148
Total		5535	0	218	376	594

3.14 Injury on Duty

The following tables provide basic information on injury on duty.

Nature of injury on duty	Number	% of total
Required basic medical attention only	0	0.00
Temporary Total Disablement	0	0.00
Permanent Disablement	0	0.00
Fatal	0	0.00
Total	0	0.00

3.15 Utilisation of Consultants

The consulting services are obtained by the department to assist with implementation of certain projects, due to the numbers of projects; the detail per project is not disclosed on the table below. The appointment of these consultants is done through Supply Chain Management processes taking into account the Preferential Procurement Framework. The contractual agreement is managed in line with the service level agreements.

Table 3.15.1 – Report on consultant appointments

Nature of Consulting Services	Amount Paid (R'000)
A&/S/O/S: ADMINISTRATION & SUPPORT STAFF	11 807
A&/S/O/S: SECURITY SERVICES	589
A&A/O/S:LAND CLAIM VERIFICATION	1 024
A&S/O NUTRITION SER: COMMUNITIES	2 245
A&S/O NUTRITION TRAINING COLLEGE	10 999
A&S/O/S: EPWP WORKERS	2 905
A&S/O/S: FINANCIAL MANAGEMENT	6 240
A&S/O/S:PERSONNEL & LABOUR	365
A&S/O/S:RESEARCHER	555
AERIAL PHOTOGRAPHY	4 042
AGENCY FEES	987
ARCHITECTURAL SERVICES	1 066
AUDIO – VISUAL SERVICES	20
BOARD & COMMITTEE MEMBER	2 825
CASUAL LABOURERS	412
COM OF ENQUIRY	90
COMPUTER SERVICES: EXTERNAL SERVICE PROVIDER ACCPAC	662
COMPUTER SERVICES: ORACLE DATA SUPPORT	14 569
COMPUTER UPGRADE AND SOFTWARE	85
CONSULTANT AND SPECIAL SERVICES: QUALITY CONTROL INSPECTION	9
CONSULTANT AND SPECIAL SERVICES: TRANSLATION	5
CONSULTANT AND SPECIAL SERVICES: INVESTIGATION	2 766
CONVEYANCING SERVICES	54
EMPLOYEE WELLNESS	907
EVENT PROMOTERS	415
FINANCIAL MANAGEMENT	1 385
GEOINFORMAT SERVICES	910
GRAPHIC DESIGNS	13
INTERIOR DECORATORS	6
L/PVT FIRM:LEGAL SERV	121 571
LND&QTY SURV SERVIC	27
MEDICAL SERV	26
MESSENGER OF COURT SERVICES	1
MNT&REP OTH MACHINRY&EQUIP	3 791
ORGANISATIONAL MANAGEMENT	4 864
PLANT FLOWERS &OTHER DECORATIONS	113
PRES/RESTO/DISM/CL SERVICES	25

PROF SERVICES: SITA DATA LINE	570
PROF SERVICES: SITA INTERNET SERVICES	1 132
PROF SERVICES: SITA MAINFRAME TIME	24 160
PROF SERVICES: SITA PRINTING WORKS	118
PROJECT MANAGEMENT	56 845
QUALIFICATION VERIFICATION	107
RESEARCH & ADVISORY	96 183
STATE ATTORNEY LEGAL ADVICE	48 229
TRACING AGENT & DEBT COLL	363
TRNSPRT/RLCTN CONTR	4 302
VALUER	292
TOTAL CONSULTANTS AND PROFESSIONAL SERVICE	430 676

13.16 Severance Packages

Table 3.16.1 – Granting of employee-initiated severance packages

Salary Bands	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of packages approved by department
Lower skilled (Levels 1-2)	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	0	0	0
SMS (Levels 13-16)	0	0	0	0
Total	0	0	0	0

PART

Building Vibrant, Equitable and Sustainable Rural Communities

FINANCIAL INFORMATION

Report of the auditor-general to Parliament on vote no. 39: Department of Rural Development and Land Reform

Report on the Audit of the Financial Statements

Opinion

1. I have audited the financial statements of the Department of Rural Development and Land Reform set out on pages 111 to 298 which comprise the appropriation statement, the statement of financial position as at 31 March 2020, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the 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 Rural Development and Land Reform as at 31 March 2020, 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 of South Africa, 1999 (Act No. 1 of 1999) (PFMA).
3. **Basis 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 auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
5. I am independent of the department in accordance with sections 290 and 291 of the Code of ethics for professional accountants and parts 1 and 3 of the International Code of Ethics for professional accountants (including International independence Standards) of the International Ethics Standards Board of Accountants (IESBA codes), as well as the 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 opinion.

Emphasis of matters

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

Significant uncertainties

8. As disclosed in note 18 to the financial statements, claims of R2, 088 million (2018-19: R2, 046 million) were instituted against the department. These claims are subject to the outcome of legal proceedings. The ultimate outcome of these matters cannot be determined at present, with the result that no provision for any liability that may result has been made in the department's financial statements.

Impairments

9. As disclosed in notes 23.3 and 12.5 to the financial statements, provision has been made for an impairment of R90, 7 million, of which relates to the non-recovery of accrued departmental revenue (2018-19: R73,3 million) and R14,8 million which relates to the provision for doubtful staff debts (2018-19: R15,9 million).

Restatement of corresponding figures

10. As disclosed in note 32 to the financial statements, the corresponding figures for 31 March 2019 were restated as a result of errors in the financial statements of the department at, and for the year ended, 31 March 2020.

Non-adjusting events after reporting dates

10. As disclosed In note 34 to the financial statements, the agricultural function of the Department of Agriculture, Forestry and Fisheries merged with the rural development and land reform functions of the Department of Rural Development and Land Reform to form the Department of Agriculture, Land Reform and Rural Development. The Forestry and Fisheries functions were transferred to the Department of Forestry, Fisheries and Environment. The transfer of the budget to the newly formed departments was finalised and became effective on 1 April 2020.

Responsibilities of the accounting officer for the financial statements

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

Auditor-general’s responsibilities for the audit of the financial statements

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

Report on the audit of the annual performance report

Introduction and scope

15. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
16. My procedures address the usefulness and reliability of the reported performance information, which must be based on the approved performance planning documents of the department. I have not evaluated the completeness and appropriateness of the performance indicators/measures included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

17. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the department for the year ended 31 March 2020:

Programmes	Pages in the annual performance report
Programme 5 - land reform	40 – 42

18. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
19. I did not identify any material findings on the usefulness and reliability of the reported performance information for this programme:
- Programme 5: Land Reform

Other matters

20. I draw attention to the matters below.

Achievement of planned targets

21. Refer to the annual performance report on pages 28 to 42 for information on the achievement of planned targets for the year and explanations provided for the under- or overachievement of a significant number of targets.

Report on the audit of compliance with legislation

Introduction and scope

22. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the department with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
23. The material findings on compliance with specific matters in key legislation are as follows:

Annual financial statements

24. The annual financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework or supported by full and proper records as required by section 40(1) (a) and (b) of the PFMA. Material misstatements relating to disclosures of prior period errors, Immovable assets, transfers and subsidies, goods and services, events after the reporting dated 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

- 25. Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R39,8 million (2018-19: R105,7 million), as disclosed in note 24 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 irregular expenditure disclosed in the financial statements resulted from non-compliance with supply chain management processes.
- 26. Payments were not made within 30 days or an agreed period after receipt of an invoice, as required by treasury regulation 8.2.3.

Procurement and contract management

- 27. Sufficient appropriate audit evidence could not be obtained that persons in service of the department who had a private or business interest in contracts awarded by the department disclosed such interest, as required by treasury regulations 16A8.4 and the public service regulations 18(1) and (2), Similar limitation was also reported in the prior year.
- 28. Sufficient appropriate audit evidence could not be obtained that some persons in service of the department whose close family members, partners or associates had a private business interest in the contracts awarded by the department disclosed such interest, as required by treasury regulations 16A8.4. Similar limitation was also reported in the prior year.
- 29. Sufficient appropriate audit evidence could not be obtained that some persons in service of other state institution who had a private or business interest in contracts awarded by the department did not participate in the process relating to that contract as required by treasury regulation 16A8.4.

Consequence management

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

Other information

- 31. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.
- 32. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
- 33. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
- 34. The other information I obtained prior to the date of this auditor's report is the accounting officer's report and the other information to be included in the annual report is expected to be made available to us after 30 October 2020.
- 35. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

- 36. When I do receive and read the other information to be included in the annual report, 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, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report.
- 38. Oversight and leadership was not fully effective, as evidenced by the misstatements identified in the financial statements. The department still needs to improve its internal monitoring and reviewing controls to ensure full compliance with the financial reporting framework, as material misstatements were identified by the auditors and subsequently corrected by management. The department needs to focus on implementing its action plan, including regular supervision and guidance to staff in order to address the root causes of the internal control deficiencies identified.
- 39. Management did not ensure that there were adequate daily and monthly controls to confirm the accuracy of information in the preparation of financial reporting. The audit revealed significant weaknesses in the information system environment, which is not ideal for the preparation of complete and credible monthly, quarterly and annual financial information that is free of material errors and misstatements.

Other reports

- 40. I draw attention to the following engagements conducted by various parties which had, or could have, an impact on the matters reported in the department's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
- 41. The Special Investigation Unit investigated 32 community/group claims for land restitution at the request of the minister. This investigation has been completed, findings and recommendations made.
- 42. As at 31 March 2020, the department's forensic investigation directorate had concluded 45 investigations. The directorate is currently investigating a further 42 cases.

Auditor-General

Pretoria

30 October 2020



Annexure-Auditor general’s responsibility for the Audit

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

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor’s report, I also:
- identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the department’s internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
 - conclude on the appropriateness of the accounting officer’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the department of rural development and land reform ability 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 the 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 continuing as a going concern
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

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

DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM
VOTE 39

ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

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DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM
VOTE 39

APPROPRIATION STATEMENT
for the year ended 31 March 2020

Appropriation per programme		2019/20					2018/19	
Voted funds and Direct charges PROGRAMME	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
1. ADMINISTRATION	1 881 068	-	(146 666)	1 734 402	1 728 801	5 601	99,7%	1 911 429
2. NATIONAL GEOMATICS MANAGEMENT SERVICES	713 882	-	(15 141)	698 741	697 733	1 008	99,9%	642 306
3. RURAL DEVELOPMENT	1 716 533	-	(107 146)	1 609 387	1 606 575	2 812	99,8%	1 998 724
4. RESTITUTION	3 593 371	-	129 322	3 722 693	3 716 027	6 666	99,8%	3 264 264
5. LAND REFORM	2 924 060	(113 023)	252 654	3 063 691	3 063 691	-	100,0%	2 608 520
TOTAL	10 828 914	(113 023)	-	10 828 914	10 812 827	16 087	99,9%	10 425 243
Reconciliation with Statement of Financial Performance								
Add:								
Departmental receipts				123 397				114 509
Actual amounts per Statement of Financial Performance (Total Revenue)				10 952 311				10 539 752
Actual amounts per Statement of Financial Performance Expenditure					10 812 827			10 274 756

DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM
VOTE 39

APPROPRIATION STATEMENT
for the year ended 31 March 2020

Appropriation per economic classification		2019/20					2018/19	
Current payments	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
Compensation of employees	4 901 459	1 705 229	(80 470)	6 526 218	6510 249	15 752	99,6%	5 295 405
Salaries and wages	2 426 830	-	-	2 426 830	2 416 581	6 826	99,7%	2 325 590
Social contributions	2 107 191	3 676	1 284	2 112 151	2 103 763	8 388	99,6%	2 028 592
Goods activities	319 639	(3 676)	(1 284)	314 679	312 818	1 861	99,4%	296 998
Administrative fees	2 474 477	1 705 211	(80 470)	4 099 218	4 093 715	5 503	99,9%	2 968 893
Advertising	26 695	433	-	27 128	27 127	1	100,0%	28 294
Minor assets	26 034	(7 528)	-	18 506	18 506	-	110,5%	13 197
Audit costs: External	28 345	(21 643)	-	7 406	6 704	-	100,0%	5 437
Bursaries: Employees	28 448	37 240	-	65 688	65 688	-	100,0%	18 239
Catering: Departmental activities	4 991	4 144	-	9 135	9 135	-	99,7%	5 967
Communication (G&S)	8 685	(2 911)	-	5 759	5 776	15	100,0%	4 814
Computer services	44 093	1 269	-	45 362	45 286	-	99,8%	40 594
Consultants: Business and advisory services	264 057	(41 384)	(31 481)	191 192	188 927	2 265	98,8%	180 956
Infrastructure and planning services	436 840	(78 972)	(227 774)	130 449	129 617	832	99,4%	95 574
Laboratory services	5 488	(3 485)	(1 066)	937	937	-	100,0%	2 665
Scientific and technological services	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-
Contractors	113 286	46 485	10 495	170 266	170 266	-	100,0%	202 493
Agency and support / outsourced services	30 696	(16 287)	11 710	26 119	26 119	-	100,0%	21 814
	53 878	(17 745)	377	36 510	36 510	-	100,0%	42 819

DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM
VOTE 39

APPROPRIATION STATEMENT
for the year ended 31 March 2020

Appropriation per economic classification										
	2019/20						2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Entertainment Fleet services (including government motor transport) Housing Inventory: Clothing material and Inventory: Farming supplies Inventory: Food and food supplies Inventory: Fuel, oil and gas Inventory: Learner and teacher support material Inventory: Materials and supplies Inventory: Medical supplies Inventory: Medicine Medasas inventory interface Inventory: Other supplies Consumable supplies Consumable: Stationery, printing and office supplies Operating leases Property payments Transport provided: Departmental activity Travel and subsistence Training and development Operating payments Venues and facilities Rental and hiring Interest and rent on land Interest (Incl. interest on unitary	26	(24)	-	2	2	-	100,0%	1	-	
	23 926	(736)	-	23 190	23 190	-	100,0%	21 458	21 253	
	-	-	-	-	-	-	-	-	-	
	1 352	2 655	-	4 007	4 007	-	100,0%	-	-	
	182 716	256 339	158 325	597 380	597 240	140	100%	938 243	938 243	
	-	148	-	148	148	-	100,0%	-	-	
	2 134	5 248	-	7 382	7 382	-	100,0%	-	-	
	-	-	-	-	-	-	-	-	-	
	12 656	(8 321)	9 533	13 868	13 868	-	100,0%	-	-	
	-	-	-	-	-	-	-	-	-	
	538	(85)	-	453	453	-	100,0%	-	-	
	-	-	-	-	-	-	-	-	-	
	102 749	1 454 349	-	1 557 098	1 557 098	-	100,0%	454 579	454 579	
	20 957	(2 188)	-	18 769	18 769	52	99,8%	9 037	8 539	
	47 381	(20 861)	-	26 820	26 768	339	101%	30 271	29 574	
	270 951	54 441	-	325 392	325 731	-	100,0%	333 633	332 711	
	191 422	(4 193)	-	187 229	186 890	339	99,8%	154 719	154 510	
	4 187	(1 058)	-	3 129	3 129	-	100,0%	3 223	3 218	
	343 829	48 252	(10 589)	381 472	379 488	2004	99,5%	258 952	254 991	
	124 161	13 218	-	137 379	137 379	-	100,0%	17 379	17 377	
	27 276	(12 182)	-	15 049	15 094	45	99,7%	30 661	30 359	
	43 713	21 949	-	65 662	65 227	227	99,8%	51 140	51 067	
	2 967	(2 011)	-	956	956	-	100,0%	2 718	2 700	
152	18	-	170	170	-	100,0%	922	921		
152	18	-	170	170	-	100,0%	922	921		

DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM
VOTE 39

APPROPRIATION STATEMENT
for the year ended 31 March 2020

Appropriation per economic classification											
Provinces	2019/20						2018/19				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	
payments (PPP)											
Rent on land	-	-	-	-	-	-	-	-	-	-	
Transfers and subsidies	5 298 791	(1 820 292)	55 331	3 553 830	3 553 829	1	100,0%	4 300 647	4 292 680		
Provinces and municipalities	183 109	44 152	9 671	236 932	236 931	1	100,0%	225 386	225 351		
Provinces	-	100	-	100	100	-	100,0%	-	-		
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-		
Provincial agencies and Funds	-	100	-	100	100	-	100,0%	-	-		
Municipalities	183 109	44 052	9 671	236 832	236 831	1	100,0%	225 386	225 351		
Municipal bank accounts	183 109	44 052	9 671	236 832	236 831	1	100,0%	225 386	225 351		
Municipal agencies and Funds	-	-	-	-	-	-	-	-	-		
Departmental agencies and accounts	1 573 556	147 634	129 368	1 850 558	1 850 558	-	100,0%	1 491 836	1 491 833		
Social security funds	-	-	-	-	-	-	-	-	-		
Departmental agencies	1 573 556	147 634	129 368	1 850 558	1 850 558	-	100,0%	1 491 836	1 491 833		
Higher education institutions	-	-	-	-	-	-	-	-	-		
Foreign governments and international organisations	2 571	-	-	2 571	2 571	-	100,0%	2 169	2 168		
Public corporations and private enterprises	1	-	99 999	100 000	100 000	-	100,0%	15	14		
Public corporations	1	-	99 999	100 000	100 000	-	100,0%	-	-		
Subsidies on products and production (pc)	-	-	-	-	-	-	-	-	-		
Other transfers to public corporations	1	-	99 999	100 000	100 000	-	100,0%	-	-		
Private enterprises	-	-	-	-	-	-	-	-	-		
Subsidies on products and production (pe)	-	-	-	-	-	-	-	15	14		
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-		
Non-profit institutions	3 902	-	-	3 902	3 902	-	100,0%	15	14		
								3 695	3 695		

**DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM
VOTE 39**

**APPROPRIATION STATEMENT
for the year ended 31 March 2020**

Appropriation per economic classification										
	2019/20						2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Households	3 535 652	(2 012 078)	(183 707)	1 339 867	1 339 867	-	100,0%	2 577 546	2 569 619	
Social benefits	3 447	1 259	3 299	8 005	8 005	-	100,0%	4 617	4 588	
Other transfers to households	3 532 205	(2 013 337)	(187 006)	1 331 862	1 331 862	-	100,0%	2 572 929	2 565 031	
Payments for capital assets	628 664	(4 503)	138 162	762 323	761 272	1 051	99,9%	829 191	782 096	
Buildings and other fixed structures	572 764	7 387	69 689	635 066	635 066	-	100,0%	747 536	700 758	
Buildings	276 877	-	5 528	236 207	276 207	1050	100%	259 582	212 804	
Other fixed structures	295 887	(1 189)	64 161	358 859	358 859	-	100,0%	487 954	487 954	
Machinery and equipment	55 464	(575)	(515)	53 324	54 028	346	98.1%	56 396	56 080	
Transport equipment	2 454	(351)	(1 511)	592	246	346	41,6%	3 510	3 509	
Other machinery and equipment	53 010	(224)	996	53 078	53 782	704	98,7%	52 886	52 571	
Heritage assets	-	-	-	-	-	-	-	-	-	
Specialised military assets	-	-	-	-	-	-	-	-	-	
Biological assets	-	-	-	-	-	-	-	-	-	
Land and sub-soil assets	436	3 459	68 988	72 883	72 882	1	100,0%	25 259	25 258	
Software and other intangible assets	-	-	-	-	-	-	-	-	-	
Payment for financial assets	-	6 543	-	6 543	7 260	(717)	111,0%	-	2 660	
	10 828 914	-	-	10 828 914	10 819 495	9 419	99,9%	10 425 243	10 274 756	

PROGRAMME 1: ADMINISTRATION									
	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. MINISTRY	50 012	1 077	(608)	50 481	48 552	1 929	96,2%	53 891	53 069
2. MANAGEMENT	259 322	(18 064)	(7 523)	233 735	233 181	554	99,8%	221 901	216 638
3. INTERNAL AUDIT	50 721	(5 352)	(25)	45 344	45 311	33	99,9%	38 595	38 402
4. CORPORATE SERVICES	456 638	(26 996)	(8 115)	421 527	419 661	1 866	99,6%	410 203	409 871
5. FINANCIAL SERVICES	213 689	6 384	(1 162)	218 911	217 869	1 042	99,5%	199 950	196 528
6. PROVINCIAL COORDINATION	437 443	6 381	567	444 391	444 391	-	100,0%	407 313	395 286
7. OFFICE ACCOMMODATION	413 243	36 570	(129 800)	320 013	319 836	177	99,9%	579 576	532 795
	1 881 068	-	(146 666)	1 734 402	1 728 801	5 601	99,7%	1 911 429	1 842 589
Economic classification									
Current payments	1 720 979	(6 543)	(23 817)	1 690 619	1 685 134	5 485	99,7%	1 635 800	1 613 210
Compensation of employees	842 249	-	(5 502)	836 747	832 696	4 051	99,5%	793 516	772 281
Salaries and wages	733 279	1 592	(5 502)	729 369	726 200	3 169	99,6%	694 190	675 771
Social contributions	108 970	(1 592)	-	107 378	106 496	882	99,2%	99 326	96 510
Goods and services	878 690	(6 591)	(18 315)	853 784	852 350	1 434	99,8%	842 280	840 925
Administrative fees	7 597	(2 193)	-	5 404	5 404	-	100,0%	5 222	5 166
Advertising	11 258	(1 414)	-	9 844	9 844	-	100,0%	5 302	5 294
Minor assets	8 786	(6 890)	-	1 896	1 896	-	100,0%	1 972	1 894
Audit costs: External	23 846	(5 718)	-	18 128	18 128	-	100,0%	17 044	17 041

APPROPRIATION STATEMENT
for the year ended 31 March 2020

PROGRAMME 1: ADMINISTRATION									
	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Bursaries: Employees	4 991	4 144	-	9 135	9 135	-	100,0%	5 967	5 967
Catering: Departmental activities	1 254	(510)	-	744	744	-	100,0%	591	570
Communication (G&S)	14 705	1 319	-	16 024	16 024	-	100,0%	12 911	12 829
Computer services	199 974	(44 501)	(1)	155 472	154 215	1 257	99,2%	165 873	165 863
Consultants: Business and advisory services	44 099	(9 692)	(18 314)	16 093	15 916	177	98,9%	13 221	13 213
Infrastructure and planning services	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	12 087	9 277	-	21 364	21 364	-	100,0%	34 304	34 299
Contractors	11 323	(4 192)	-	7 131	7 131	-	100,0%	8 066	8 046
Agency and support / outsourced services	14 801	(4 689)	-	10 112	10 112	-	100,0%	4 654	4 651
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	4 863	2 259	-	7 122	7 122	-	100,0%	6 630	6 560
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	10	-	10	10	-	100,0%	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Meddas inventory interface	-	-	-	-	-	-	-	-	-

APPROPRIATION STATEMENT
for the year ended 31 March 2020

PROGRAMME 1: ADMINISTRATION									
	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	5 658	(3 467)	-	2 191	2 191	-	100,0%	3 412	3 210
Consumable: Stationery, printing and office supplies	11 758	(3 245)	-	8 513	8 513	-	100,0%	9 342	9 244
Operating leases	244 343	44 944	-	289 287	289 287	-	100,0%	307 932	307 906
Property payments	156 763	(6 930)	-	149 833	149 833	-	100,0%	128 730	128 711
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	62 772	23 146	-	85 918	85 918	-	100,0%	72 172	71 604
Training and development	18 144	(427)	-	17 717	17 717	-	100,0%	16 905	16 905
Operating payments	8 999	(3 348)	-	5 651	5 651	-	100,0%	4 994	4 946
Venues and facilities	10 566	5 580	-	16 146	16 146	-	100,0%	16 749	16 720
Rental and hiring	103	(54)	-	49	49	-	100,0%	287	286
Interest and rent on land	40	48	-	88	88	-	100,0%	4	4
Interest (incl. interest on unitary payments (PPP))	40	48	-	88	88	-	100,0%	4	4
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	1 178	-	6 264	7 442	7 442	-	100,0%	4 211	4 201
Provinces and municipalities	41	(6)	-	35	35	-	100,0%	18	16
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	41	(6)	-	35	35	-	100,0%	18	16
Municipal bank accounts	41	(6)	-	35	35	-	100,0%	18	16
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	3	2

DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM
VOTE 39

APPROPRIATION STATEMENT
for the year ended 31 March 2020

PROGRAMME 1: ADMINISTRATION									
	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies	-	-	-	-	-	-	-	3	2
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	15	14
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on products and production (pc)	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	15	14
Subsidies on products and production (pe)	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	15	14
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 137	6	6 264	7 407	7 407	-	100,0%	4 175	4 169
Social benefits	1 137	6	2 800	3 943	3 943	-	100,0%	1 765	1 759
Other transfers to households	-	-	3 464	3 464	3 464	-	100,0%	2 410	2 410
Payments for capital assets	158 911	-	(129 113)	29 798	29 452	346	98,8%	271 418	224 551
Buildings and other fixed structures	138 230	539	(122 759)	16 010	16 010	-	100,0%	252 026	205 248
Buildings	138 230	539	(122 759)	16 010	16 010	-	100,0%	252 026	205 248
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	20 681	(539)	(6 354)	13 788	13 442	346	97,5%	19 392	19 303
Transport equipment	2 208	(351)	(1 511)	346	-	346	-	3 510	3 509
Other machinery and equipment	18 473	(188)	(4 843)	13 442	13 442	-	100,0%	15 882	15 794
Heritage assets	-	-	-	-	-	-	-	-	-

DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM
VOTE 39

APPROPRIATION STATEMENT
for the year ended 31 March 2020

PROGRAMME 1: ADMINISTRATION									
	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	6 543	-	6 543	6 773	(230)	103,5%	-	627
Payment for financial assets	1 881 068	-	(146 666)	1 734 402	1 728 801	5 601	99,7%	1 911 429	1 842 589

DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM
VOTE 39

APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUB - PROGRAMME: 1.1: MINISTRY									
	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	48 647	1 238	(1 586)	48 299	46 368	1 931	96,0%	53 436	52 470
Compensation of employees	30 427	(381)	(1 586)	28 460	26 529	1 931	93,2%	29 966	29 058
Salaries and wages	28 991	(381)	(1 586)	27 405	25 520	1 885	93,1%	28 547	27 646
Social contributions	1 436			1 055	1 009	46	95,6%	1 419	1 412
Goods and services	18 220	1 619	-	19 839	19 839	-	100,0%	23 470	23 412
Administrative fees	776	(257)	-	519	519	-	100,0%	812	810
Advertising									
Minor assets	60	(1)	-	59	59	-	100,0%	29	27
Audit costs: External									
Bursaries: Employees									
Catering: Departmental activities	16	(4)	-	12	12	-		7	5
Communication (G&S)	1 587	(590)	-	997	997	-	100,0%	850	847
Computer services									
Consultants: Business and advisory services	145	(145)							
Infrastructure and planning services									
Laboratory services									
Scientific and technological services									
Legal services	133	-		133	133	-	100,0%	2	1
Contractors									
Agency and support / outsourced services									
Entertainment									
Fleet services (including government motor transport)	549	860	-	1 409	1 409	-	100,0%	1 334	1 323

DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM
VOTE 39

APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUB - PROGRAMME: 1.1: MINISTRY									
	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Housing									
Inventory: Clothing material and accessories				-			-	-	-
Inventory: Farming supplies				-			-	-	-
Inventory: Food and food supplies				-			-	-	-
Inventory: Fuel, oil and gas				-			-	-	-
Inventory: Learner and teacher support material				-			-	-	-
Inventory: Materials and supplies				-			-	-	-
Inventory: Medical supplies				-			-	-	-
Inventory: Medicine				-			-	-	-
Medsas inventory interface				-			-	-	-
Inventory: Other supplies				-			-	-	-
Consumable supplies	120	(90)	-	30	30	-	100,0%	81	75
Consumable: Stationery, printing and office supplies	512	(505)	-	7	7	-	100,0%	390	385
Operating leases	1 573	844	-	2 417	2 417	-	100,0%	1 654	1 653
Property payments				-			-	-	-
Transport provided: Departmental activity				-			-	-	-
Travel and subsistence	12 683	1 476	-	14 159	14 159	-	100,0%	14 985	14 964
Training and development				-			-	-	-
Operating payments	52	(15)	-	37	37	-	100,0%	69	66
Venues and facilities	14	46		60	60	-	100,0%	3 257	3 256
Rental and hiring				-			-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest (Incl. interest on unitary payments (PPP))				-			-	-	-

APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUB - PROGRAMME: 1.1: MINISTRY									
Economic classification	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Rent on land									
Transfers and subsidies	449	-	978	1 427	1 427	-	100,0%	164	164
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities									
Municipal bank accounts									
Municipal agencies and funds									
Departmental agencies and accounts									
Social security funds									
Departmental agencies (non-business entities)									
Higher education institutions									
Foreign governments and international organisations									
Public corporations and private enterprises									
Public corporations									
Subsidies on products and production (pc)									
Other transfers to public corporations									
Private enterprises									
Subsidies on products and production (pe)									
Other transfers to private enterprises									
Non-profit institutions									
Households	449	-	978	1 427	1 427	-	100,0%	164	164

DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM
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APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUB - PROGRAMME: 1.1: MINISTRY									
Economic classification	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Social benefits	449		978	1 427	1 427	-	100,0%	164	164
Other transfers to households	-			-	-	-	-	-	-
Payments for capital assets	916	(161)	-	755	755	-	100,0%	291	289
Buildings and other fixed structures	-	-		-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	916	(161)	-	755	755	-	100,0%	291	289
Transport equipment									
Other machinery and equipment	916	(161)		755	755	-	100,0%	291	289
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payment for financial assets									
Total	50 012	1 077	(608)	50 481	48 552	2	96,2%	53 891	53 069

DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM
VOTE 39

APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUB - PROGRAMME: 1.2: MANAGEMENT									
	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	258 094	(18 030)	(11 273)	228 791	228 036	755	99,7%	219 104	213 796
Compensation of employees	93 150	-	-	93 150	92 395	755	99,2%	87 988	82 931
Salaries and wages	81 925	-	-	81 925	81 364	561	99,3%	77 155	73 036
Social contributions	11 225	-	-	11 225	11 031	194	98,3%	10 833	9 895
Goods and services	164 944	(18 114)	(11 273)	135 557	135 557	-	100,0%	131 116	130 865
Administrative fees	2 354	(1 734)	-	620	620	-	100,0%	485	475
Advertising	674	(309)	-	365	365	-	100,0%	22	22
Minor assets	1 624	(1 480)	-	144	144	-	100,0%	157	148
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	461	(307)	-	154	154	-	100,0%	71	68
Communication (G&S)	1 506	(441)	-	1 065	1 065	-	100,0%	796	779
Computer services	5 931	(5 256)	-	675	675	-	100,0%	1 257	1 256
Consultants: Business and advisory services	32 782	(13 224)	(11 273)	8 285	8 285	-	100,0%	6 558	6 555
Infrastructure and planning services	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	9 804	8 780	-	18 584	18 584	-	100,0%	33 631	33 630
Contractors	5 111	(3 874)	-	1 237	1 237	-	100,0%	1 601	1 598
Agency and support / outsourced services	84	(84)	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	230	(92)	-	138	138	-	100,0%	122	112

DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM
VOTE 39

APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUB - PROGRAMME: 1.2: MANAGEMENT									
	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	1 279	(935)	-	344	344	-	100,0%	484	449
Consumable: Stationery, printing and office supplies	2 249	(1 217)	-	1 032	1 032	-	100,0%	1 329	1 311
Operating leases	412	173	-	585	585	-	100,0%	371	367
Property payments	89 381	255	-	89 636	89 636	-	100,0%	73 045	73 043
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	8 405	1 340	-	9 745	9 745	-	100,0%	8 888	8 766
Training and development	-	-	-	-	-	-	-	-	-
Operating payments	949	(643)	-	306	306	-	100,0%	460	454
Venues and facilities	1 678	964	-	2 642	2 642	-	100,0%	1 839	1 832
Rental and hiring	30	(30)	-	-	-	-	-	-	-
Interest and rent on land	-	84	-	84	84	-	100,0%	-	-
Interest (Incl. interest on unitary payments (PPP))	-	84	-	84	84	-	100,0%	-	-

DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM
VOTE 39

APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUB - PROGRAMME: 1.3: INTERNAL AUDIT									
	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	50 435	(5 358)	-	45 077	45 044	33	99,9%	38 213	37 964
Compensation of employees	32 756	173	-	32 929	32 896	33	99,9%	30 941	30 742
Salaries and wages	29 008	177	-	29 185	29 185	-	100,0%	27 403	27 240
Social contributions	3 748	(4)	-	3 744	3 711	33	99,1%	3 538	3 502
Goods and services	17 679	(5 531)	-	12 148	12 148	-	100,0%	7 272	7 222
Administrative fees	149	(69)	-	80	80	-	100,0%	122	118
Advertising	21	(21)	-	-	-	-	-	-	-
Minor assets	140	(3)	-	137	137	-	100,0%	10	9
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	142	(55)	-	87	87	-	100,0%	50	49
Communication (G&S)	356	(100)	-	256	256	-	100,0%	200	197
Computer services	308	332	-	640	640	-	100,0%	301	300
Consultants: Business and advisory services	1 915	107	-	2 022	2 022	-	100,0%	1 345	1 344
Infrastructure and planning services	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	-	-	-	-	-	-	-	-	-
Agency and support / outsourced services	9 979	(3 739)	-	6 240	6 240	-	100,0%	1 257	1 257
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	110	(97)	-	13	13	-	100,0%	15	11

DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM
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APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUB - PROGRAMME: 1.3: INTERNAL AUDIT									
	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Meddas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	111	(32)	-	79	79	-	100,0%	88	79
Consumable: Stationery, printing and office supplies	117	2	-	119	119	-	100,0%	119	117
Operating leases	130	36	-	166	166	-	100,0%	88	87
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	3 869	(1 736)	-	2 133	2 133	-	100,0%	3 485	3 465
Training and development	-	-	-	-	-	-	-	-	-
Operating payments	332	(156)	-	176	176	-	100,0%	192	189
Venues and facilities	-	-	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest (Incl. interest on unitary payments (PPP))	-	-	-	-	-	-	-	-	-

APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUB - PROGRAMME: 1.3: INTERNAL AUDIT									
	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Rent on land									
Transfers and subsidies	34	6	25	65	65	-	100,0%	127	125
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities									
Municipal bank accounts									
Municipal agencies and funds									
Departmental agencies and accounts									
Social security funds									
Departmental agencies (non-business entities)									
Higher education institutions									
Foreign governments and international organisations									
Public corporations and private enterprises									
Public corporations									
Subsidies on products and production (pc)									
Other transfers to public corporations									
Private enterprises									
Subsidies on products and production (pe)									
Other transfers to private enterprises									
Non-profit institutions									
Households	34	6	25	65	65	-	100,0%	127	125

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APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUB - PROGRAMME: 1.3: INTERNAL AUDIT									
	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Social benefits	34	6	25	65	65	-	100,0%	127	125
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	252	-	(50)	202	202	-	100,0%	255	254
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	252	-	(50)	202	202	-	100,0%	255	254
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	252	-	(50)	202	202	-	100,0%	255	254
Heritage assets				-	-	-	-	-	-
Specialised military assets				-	-	-	-	-	-
Biological assets				-	-	-	-	-	-
Land and sub-soil assets				-	-	-	-	-	-
Software and other intangible assets				-	-	-	-	-	-
Payment for financial assets									
Total	50 721	(5 352)	(25)	45 344	45 311	33	99,9%	38 595	38 402

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APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUB - PROGRAMME: 1.4: CORPORATE SERVICES									
	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	447 243	(26 996)	(3 917)	416 330	407 921	8 409	98,0%	401 795	401 367
Compensation of employees	183 729	-	(3 916)	179 813	179 204	609	99,7%	174 370	174 241
Salaries and wages	161 054		(3 916)	157 138	157 138	-	100,0%	153 664	153 568
Social contributions	22 675			22 675	22 066	609	97,3%	20 706	20 673
Goods and services	263 474	(26 956)	(1)	236 517	228 717	7 800	96,7%	227 421	227 122
Administrative fees	1 808	(590)		1 218	1 218	-	100,0%	1 444	1 431
Advertising	8 747	646		9 393	9 393	-	100,0%	4 483	4 480
Minor assets	2 031	(1 503)		528	528	-	100,0%	1 024	1 001
Audit costs: External				-	-	-	-	-	-
Bursaries: Employees	4 991	4 144		9 135	9 135	-	100,0%	5 967	5 967
Catering: Departmental activities	344	(33)		311	311	-	100,0%	214	211
Communication (G&S)	2 117	(182)		1 935	1 935	-	100,0%	1 645	1 628
Computer services	190 475	(31 525)	(1)	158 949	151 149	7 800	95,1%	163 661	163 655
Consultants: Business and advisory services	2 493	2 808	-	5 301	5 301	-	100,0%	4 126	4 124
Infrastructure and planning services				-	-	-	-	-	-
Laboratory services				-	-	-	-	-	-
Scientific and technological services				-	-	-	-	-	-
Legal services	2 047	(903)	-	1 144	1 144	-	100,0%	-	-
Contractors	2 001	(799)	-	1 202	1 202	-	100,0%	3 294	3 288
Agency and support / outsourced services	4 067	(790)	-	3 277	3 277	-	100,0%	2 202	2 201
Entertainment				-	-	-	-	-	-
Fleet services (including government motor transport)	592	18	-	610	610	-	100,0%	249	245

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APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUB - PROGRAMME: 1.4: CORPORATE SERVICES									
	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Housing				-		-	-	-	-
Inventory: Clothing material and accessories				-		-	-	-	-
Inventory: Farming supplies				-		-	-	-	-
Inventory: Food and food supplies				-		-	-	-	-
Inventory: Fuel, oil and gas				-		-	-	-	-
Inventory: Learner and teacher support material				-		-	-	-	-
Inventory: Materials and supplies				-		-	-	-	-
Inventory: Medical supplies				-		-	-	-	-
Inventory: Medicine				-		-	-	-	-
Medsas inventory interface				-		-	-	-	-
Inventory: Other supplies				-		-	-	-	-
Consumable supplies	1 175	(552)		623	623	-	100,0%	1 281	1 227
Consumable: Stationery, printing and office supplies	2 276	(281)		1 995	1 995	-	100,0%	1 943	1 914
Operating leases	273	(21)		252	252	-	100,0%	156	152
Property payments	154	167		321	321	-	100,0%	327	326
Transport provided: Departmental activity				-		-	-	-	-
Travel and subsistence	10 562	130		10 692	10 692	-	100,0%	9 276	9 159
Training and development	18 136	(427)		17 709	17 709	-	100,0%	16 905	16 905
Operating payments	3 649	(1 301)		2 348	2 348	-	100,0%	2 011	2 001
Venues and facilities	5 536	4 038		9 574	9 574	-	100,0%	7 213	7 207
Rental and hiring	-		-	-	-	-	-	-	-
Interest and rent on land	40	(40)	-	-	-	-	-	4	4
Interest (Incl. interest on unitary payments (PPP))	40	(40)		-		-	-	4	4

APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUB - PROGRAMME: 1.4: CORPORATE SERVICES									
Economic classification	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Rent on land	416	-	594	1 010	1 010	-	100,0%	1 198	1 197
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal bank accounts	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies (non-business entities)	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	15	14
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on products and production (pc)	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	15	14
Subsidies on products and production (pe)	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	15	14
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	416	-	594	1 010	1 010	-	100,0%	1 183	1 183

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APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUB - PROGRAMME: 1.4: CORPORATE SERVICES									
Economic classification	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Social benefits	416	-	594	1 010	1 010	-	100,0%	405	405
Other transfers to households	-	-	-	-	-	-	-	778	778
Payments for capital assets	8 979	-	(4 792)	4 187	4 187	-	100,0%	7 210	7 181
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	8 979	-	(4 792)	4 187	4 187	-	100,0%	7 210	7 181
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	8 979	-	(4 792)	4 187	4 187	-	100,0%	7 210	7 181
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	6 543	(6 543)	-	-	126
Total	456 638	(26 996)	(8 115)	421 527	419 661	1 866	99,6%	410 203	409 871

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APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUB - PROGRAMME: 1.5: FINANCIAL SERVICES									
	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	209 133	6 220	-	215 353	214 630	723	99,7%	191 617	188 192
Compensation of employees	129 525	5	-	129 530	128 807	723	99,4%	124 029	120 797
Salaries and wages	110 238	1 724	-	111 962	111 239	723	99,4%	107 608	104 450
Social contributions	19 287	(1 719)	-	17 568	17 568	-	100,0%	16 421	16 347
Goods and services	79 608	6 211	-	85 819	85 819	-	100,0%	67 588	67 395
Administrative fees	1 329	276	-	1 605	1 605	-	100,0%	1 308	1 299
Advertising	1 423	(1 373)	-	50	50	-	100,0%	305	304
Minor assets	3 193	(2 806)	-	387	387	-	100,0%	302	291
Audit costs: External	23 846	(5 718)	-	18 128	18 128	-	100,0%	17 044	17 041
Bursaries: Employees	41	(15)	-	26	26	-	-	-	-
Catering: Departmental activities	6 399	2 408	-	8 807	8 807	-	100,0%	6 920	6 910
Communication (G&S)	260	1 491	-	1 751	1 751	-	100,0%	654	652
Computer services	1 994	(1 686)	-	308	308	-	100,0%	1 144	1 142
Consultants: Business and advisory services	-	-	-	-	-	-	-	-	-
Infrastructure and planning services	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	3 520	740	-	4 260	4 260	-	100,0%	2 866	2 864
Agency and support / outsourced services	304	(16)	-	288	288	-	100,0%	709	708
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	-	1 383	-	1 383	1 383	-	100,0%	1 159	1 147

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APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUB - PROGRAMME: 1.5: FINANCIAL SERVICES									
	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	2 287	(1 668)	-	619	619	-	100,0%	778	747
Consumable: Stationery, printing and office supplies	2 108	(704)	-	1 404	1 404	-	100,0%	1 724	1 708
Operating leases	2 707	3 399	-	6 106	6 106	-	100,0%	4 351	4 343
Property payments	20 338	(1 292)	-	19 046	19 046	-	100,0%	14 989	14 986
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	8 148	10 791	-	18 939	18 939	-	100,0%	11 012	10 945
Training and development	-	-	-	-	-	-	-	-	-
Operating payments	979	367	-	1 346	1 346	-	100,0%	745	736
Venues and facilities	732	634	-	1 366	1 366	-	100,0%	1 539	1 536
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	4	-	4	4	-	100,0%	-	-
Interest (Incl. interest on unitary payments (PPP))	-	4	-	4	4	-	100,0%	-	-

DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM
VOTE 39

APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUBPROGRAMME: 1.6: PROVINCIAL COORDINATION									
	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	432 414	6 357	-	438 771	438 771	-	100,0%	401 615	389 404
Compensation of employees	372 662	203	-	372 865	372 865	-	100,0%	346 222	334 512
Salaries and wages	322 063	(309)	-	321 754	321 754	-	100,0%	299 813	289 831
Social contributions	50 599	512	-	51 111	51 111	-	100,0%	46 409	44 681
Goods and services	59 752	6 154	-	65 906	65 906	-	100,0%	55 393	54 892
Administrative fees	1 181	181	-	1 362	1 362	-	100,0%	1 051	1 033
Advertising	393	(357)	-	36	36	-	100,0%	492	488
Minor assets	1 738	(1 097)	-	641	641	-	100,0%	450	418
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	250	(96)	-	154	154	-	100,0%	210	201
Communication (G&S)	2 740	224	-	2 964	2 964	-	100,0%	2 500	2 468
Computer services	3 000	(3 000)	-	-	-	-	-	-	-
Consultants: Business and advisory services	-	-	-	-	-	-	-	48	48
Infrastructure and planning services	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	236	1 400	-	1 636	1 636	-	100,0%	673	669
Contractors	558	(259)	-	299	299	-	100,0%	303	295
Agency and support / outsourced services	367	(60)	-	307	307	-	100,0%	486	485
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor	3 382	187	-	3 569	3 569	-	100,0%	3 751	3 722

DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM
VOTE 39

APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUBPROGRAMME: 1.6: PROVINCIAL COORDINATION									
	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
transport)	-	-	-	-	-	-	-	-	-
Housing	-	10	-	10	10	-	100,0%	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Meddas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	686	(190)	-	496	496	-	100,0%	700	633
Consumable: Stationery, printing and office supplies	4 496	(540)	-	3 956	3 956	-	100,0%	3 837	3 809
Operating leases	5 045	7 195	-	12 240	12 240	-	100,0%	8 059	8 051
Property payments	10 850	(6 863)	-	3 987	3 987	-	100,0%	3 602	3 592
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	19 105	11 145	-	30 250	30 250	-	100,0%	24 526	24 305
Training and development	8	-	-	8	8	-	100,0%	-	-
Operating payments	3 038	(1 600)	-	1 438	1 438	-	100,0%	1 517	1 500
Venues and facilities	2 606	(102)	-	2 504	2 504	-	100,0%	2 901	2 889
Rental and hiring	73	(24)	-	49	49	-	100,0%	287	286
Interest and rent on land	-	-	-	-	-	-	-	-	-

APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUBPROGRAMME: 1.6: PROVINCIAL COORDINATION									
	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Interest (Incl. interest on unitary payments (PPP))							-	-	
Rent on land							-	-	
Transfers and subsidies	139	11	567	717	717		100,0%	1 972	1 970
Provinces and municipalities	15	11	-	26	26		100,0%	5	4
Provinces	-	-	-	-	-		-	-	-
Provincial Revenue Funds							-	-	
Provincial agencies and funds							-	-	
Municipalities	15	11	-	26	26		100,0%	5	4
Municipal bank accounts	15	11	-	26	26		100,0%	5	4
Municipal agencies and funds							-	-	
Departmental agencies and accounts	-	-	-	-	-		-	-	2
Social security funds							-	-	
Departmental agencies (non-business entities)							-	-	2
Higher education institutions							-	-	
Foreign governments and international organisations							-	-	
Public corporations and private enterprises	-	-	-	-	-		-	-	-
Public corporations	-	-	-	-	-		-	-	-
Subsidies on products and production (pc)							-	-	
Other transfers to public corporations							-	-	
Private enterprises	-	-	-	-	-		-	-	-
Subsidies on products and production (pe)							-	-	
Other transfers to private enterprises							-	-	
Non-profit institutions							-	-	

DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM
VOTE 39

APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUBPROGRAMME: 1.6: PROVINCIAL COORDINATION									
	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Households	124	-	567	691	691		100,0%	1 964	1 964
Social benefits	124		567	691	691		100,0%	332	332
Other transfers to households	-			-	-		-	1 632	1 632
Payments for capital assets	4 890	13	-	4 903	4 903		100,0%	3 726	3 699
Buildings and other fixed structures	-	-	-	-	-		-	-	-
Buildings							-	-	
Other fixed structures							-	-	
Machinery and equipment	4 890	13	-	4 903	4 903		100,0%	3 726	3 699
Transport equipment	-			-	-		-	-	
Other machinery and equipment	4 890	13	-	4 903	4 903		100,0%	3 726	3 699
Heritage assets							-	-	
Specialised military assets							-	-	
Biological assets							-	-	
Land and sub-soil assets							-	-	
Software and other intangible assets							-	-	
Payment for financial assets							-	-	
Total	437 443	6 381	567	444 391	444 391	-	100,0%	407 313	395 286

DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM
VOTE 39

APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUBPROGRAMME: 1.7: OFFICE ACCOMMODATION									
	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	275 013	36 569	(7 041)	304 541	304 364	177	99,9%	330 020	330 017
Compensation of employees	-	-	-	-	-	-	-	-	-
Salaries and wages	-	-	-	-	-	-	-	-	-
Social contributions	-	-	-	-	-	-	-	-	-
Goods and services	275 013	36 569	(7 041)	304 541	304 364	177	99,9%	330 020	330 017
Administrative fees	-	-	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-	-	-
Minor assets	-	-	-	-	-	-	-	-	-
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	-	-	-	-	-	-	-	-	-
Communication (G&S)	-	-	-	-	-	-	-	-	-
Computer services	-	-	-	-	-	-	-	-	-
Consultants: Business and advisory services	4 770	2 448	(7 041)	177	-	177	-	-	-
Infrastructure and planning services	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	-	-	-	-	-	-	-	-	-
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor	-	-	-	-	-	-	-	-	-

DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM
VOTE 39

APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUBPROGRAMME: 1.7: OFFICE ACCOMMODATION									
	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
transport)									
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	-	-	-	-	-	-	-	-	-
Consumable: Stationery, printing and office supplies	-	-	-	-	-	-	-	-	-
Operating leases	234 203	33 318	-	267 521	267 521	-	100,0%	293 253	293 253
Property payments	36 040	803	-	36 843	36 843	-	100,0%	36 767	36 764
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	-	-	-	-	-	-	-	-	-
Training and development	-	-	-	-	-	-	-	-	-
Operating payments	-	-	-	-	-	-	-	-	-
Venues and facilities	-	-	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-

APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUBPROGRAMME: 1.7: OFFICE ACCOMMODATION							
Economic classification	2019/20				2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation
	R'000	R'000	R'000	R'000	R'000	R'000	%
Interest (Incl. interest on unitary payments (PPP))	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-
Municipal bank accounts	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-
Departmental agencies (non-business entities)	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-
Subsidies on products and production (pc)	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-
Subsidies on products and production (pe)	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-

DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM
VOTE 39

APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUBPROGRAMME: 1.7: OFFICE ACCOMMODATION							
Economic classification	2019/20				2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation
	R'000	R'000	R'000	R'000	R'000	R'000	%
Households	-	-	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-
Payments for capital assets	138 230	1	(122 759)	15 472	15 472	-	100,0%
Buildings and other fixed structures	138 230	-	(122 759)	15 471	15 471	-	100,0%
Buildings	138 230	-	(122 759)	15 471	15 471	-	100,0%
Other fixed structures	-	-	-	-	-	-	-
Machinery and equipment	-	1	-	1	1	-	100,0%
Transport equipment	-	-	-	-	-	-	-
Other machinery and equipment	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-
Total	413 243	36 570	(129 800)	320 013	319 836	177	99,9%
					579 576		532 795

DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM
VOTE 39

APPROPRIATION STATEMENT
for the year ended 31 March 2020

PROGRAMME 2: NATIONAL GEOMATICS MANAGEMENT SERVICES									
	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. NATIONAL GEOMATICS MANAGEMENT SERVICES	524 714	1 411	(16 261)	509 864	508 856	1 008	99,8%	480 607	471 472
2. SPATIAL PLANNING AND LAND USE MANAGEMENT	181 274	(1 411)	1 120	180 983	180 983	-	100,0%	154 104	147 839
3. REGISTRATION OF DEEDS TRADING ACCOUNT	-	-	-	-	-	-	-	-	-
4. SOUTH AFRICAN COUNCIL FOR PLANNERS	3 902	-	-	3 902	3 902	-	100,0%	3 695	3 695
5. SOUTH AFRICAN GEOMATICS COUNCIL	3 992	-	-	3 992	3 992	-	100,0%	3 900	3 900
	713 882	-	(15 141)	698 741	697 733	1 008	99,9%	642 306	626 906
Economic classification									
Current payments	669 090	-	(31 762)	637 328	636 320	1 008	99,8%	601 946	586 178
Compensation of employees	478 914	-	(282)	478 632	478 632	-	100,0%	473 528	459 141
Salaries and wages	415 465	-	649	416 114	416 114	-	100,0%	413 997	400 753
Social contributions	63 449	-	(931)	62 518	62 518	-	100,0%	59 531	58 388
Goods and services	190 176	-	(31 480)	158 696	157 688	1 008	99,4%	128 284	126 903
Administrative fees	1 272	241	-	1 513	1 513	-	100,0%	1 029	985
Advertising	559	(269)	-	290	290	-	100,0%	1 058	1 045
Minor assets	1 395	186	-	1 581	1 581	-	100,0%	771	704
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-

DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM
VOTE 39

APPROPRIATION STATEMENT
for the year ended 31 March 2020

PROGRAMME 2: NATIONAL GEOMATICS MANAGEMENT SERVICES									
	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Catering: Departmental activities	154	18	-	172	172	-	100,0%	317	292
Communication (G&S)	4 148	393	-	4 541	4 541	-	100,0%	3 891	3 824
Computer services	57 957	6 241	(31 480)	32 718	31 710	1 008	96,9%	13 480	13 480
Consultants: Business and advisory services	78 960	(10 481)	-	68 479	68 479	-	100,0%	53 859	53 852
Infrastructure and planning services	317	593	-	910	910	-	100,0%	1 514	1 514
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	11	1 200	-	1 211	1 211	-	100,0%	9	9
Contractors	14 160	(8 225)	-	5 935	5 935	-	100,0%	12 878	12 852
Agency and support / outsourced services	-	-	-	-	-	-	-	11	11
Entertainment	2	(1)	-	1	1	-	100,0%	-	-
Fleet services (including government motor transport)	776	505	-	1 281	1 281	-	100,0%	1 313	1 281
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Leamer and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-

APPROPRIATION STATEMENT
for the year ended 31 March 2020

PROGRAMME 2: NATIONAL GEOMATICS MANAGEMENT SERVICES									
	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Consumable supplies	1 126	200	-	1 326	1 326	-	100,0%	533	445
Consumable: Stationery, printing and office supplies	4 651	(805)	-	3 846	3 846	-	100,0%	3 457	3 180
Operating leases	2 074	736	-	2 810	2 810	-	100,0%	2 475	2 468
Property payments	6 230	134	-	6 364	6 364	-	100,0%	6 452	6 303
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	12 836	7 366	-	20 202	20 202	-	100,0%	20 225	19 804
Training and development	195	(195)	-	-	-	-	-	387	385
Operating payments	1 420	468	-	1 888	1 888	-	100,0%	1 067	919
Venues and facilities	1 933	1 695	-	3 628	3 628	-	100,0%	3 549	3 542
Rental and hiring	-	-	-	-	-	-	-	9	8
Interest and rent on land	-	-	-	-	-	-	-	134	134
Interest (Incl. interest on unitary payments (PPP))	-	-	-	-	-	-	-	134	134
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	38 711	(52)	10 927	49 586	49 586	-	100,0%	33 716	33 694
Provinces and municipalities	14	-	(8)	6	6	-	100,0%	13	7
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	14	-	(8)	6	6	-	100,0%	13	7
Municipal bank accounts	14	-	(8)	6	6	-	100,0%	13	7
Municipal agencies and funds	-	-	(1)	3 992	3 992	-	100,0%	3 900	-
Departmental agencies and accounts	3 993	-	-	-	-	-	-	-	3 900
Social security funds	-	-	-	-	-	-	-	-	-

APPROPRIATION STATEMENT
for the year ended 31 March 2020

PROGRAMME 2: NATIONAL GEOMATICS MANAGEMENT SERVICES									
	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Departmental agencies	3 993	-	(1)	3 992	3 992	-	100,0%	3 900	3 900
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	2 571	-	-	2 571	2 571	-	100,0%	2 169	2 168
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on products and production (pc)	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on products and production (pe)	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	3 902	-	-	3 902	3 902	-	100,0%	3 695	3 695
Households	28 231	(52)	10 936	39 115	39 115	-	100,0%	23 939	23 924
Social benefits	1 767	54	417	2 238	2 238	-	100,0%	1 165	1 155
Other transfers to households	26 464	(106)	10 519	36 877	36 877	-	100,0%	22 774	22 769
Payments for capital assets	6 081	52	5 694	11 827	11 827	-	100,0%	6 644	6 605
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	6 081	52	5 694	11 827	11 827	-	100,0%	6 644	6 605
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	6 081	52	5 694	11 827	11 827	-	100,0%	6 644	6 605
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-

APPROPRIATION STATEMENT
for the year ended 31 March 2020

PROGRAMME 2: NATIONAL GEOMATICS MANAGEMENT SERVICES									
2019/20					2018/19				
Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	
R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
Payment for financial assets									429
713 882	-	(15 141)	698 741	697 733	1 008	99,9%	642 306		626 906

APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUB - PROGRAMME: 2.1: NATIONAL GEOMATICS MANAGEMENT SERVICES									
2019/20					2018/19				
Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	
R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Economic classification									
Current payments	490 367	1 260	(32 882)	457 737	1 008	99,8%	453 749	444 236	
Compensation of employees	397 051	-	(1 402)	395 649	-	100,0%	399 169	390 855	
Salaries and wages	342 531	(481)	(921)	342 050	-	100,0%	347 191	339 713	
Social contributions	54 520			53 599	-	100,0%	51 978	51 142	
Goods and services	93 316	1 260	(31 480)	62 088	1 008	98,4%	54 524	53 325	
Administrative fees	388	36	424	424	-	100,0%	390	353	
Advertising	205	(96)	109	109	-	100,0%	53	46	
Minor assets	602	812	1 414	1 414	-	100,0%	356	307	
Audit costs: External			-	-	-	-	-	-	
Bursaries: Employees			-	-	-	-	-	-	
Catering: Departmental activities	101	34	135	135	-	100,0%	93	71	
Communication (G&S)	2 736	261	2 997	2 997	-	100,0%	2 356	2 295	
Computer services	56 984	(1 048)	24 456	23 448	1 008	95,9%	13 456	13 456	
Consultants: Business and advisory services	26	(14)	12	12	-	100,0%	3	3	
Infrastructure and planning services	317	593	910	910	-	100,0%	1 514	1 514	
Laboratory services			-	-	-	-	-	-	
Scientific and technological services			-	-	-	-	-	-	
Legal services	1	1 210	1 211	1 211	-	100,0%	9	9	
Contractors	13 912	(8 064)	5 848	5 848	-	100,0%	12 664	12 639	
Agency and support / outsourced services			-	-	-	-	11	11	
Entertainment	2	(1)	1	1	-	100,0%	-	-	

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APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUB - PROGRAMME: 2.1: NATIONAL GEOMATICS MANAGEMENT SERVICES									
	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Fleet services (including government motor transport)	752	503		1 255	1 255	-	100,0%	1 261	1 232
Housing				-		-	-	-	-
Inventory: Clothing material and accessories				-		-	-	-	-
Inventory: Farming supplies				-		-	-	-	-
Inventory: Food and food supplies				-		-	-	-	-
Inventory: Fuel, oil and gas				-		-	-	-	-
Inventory: Learner and teacher support material				-		-	-	-	-
Inventory: Materials and supplies				-		-	-	-	-
Inventory: Medical supplies				-		-	-	-	-
Inventory: Medicine				-		-	-	-	-
Medsas inventory interface				-		-	-	-	-
Inventory: Other supplies				-		-	-	-	-
Consumable supplies	592	356		948	948	-	100,0%	274	197
Consumable: Stationery, printing and office supplies	3 290	33		3 323	3 323	-	100,0%	2 713	2 451
Operating leases	1 687	795		2 482	2 482	-	100,0%	2 157	2 152
Property payments	4 585	865		5 450	5 450	-	100,0%	5 264	5 119
Transport provided: Departmental activity				-		-	-	-	-
Travel and subsistence	6 005	4 275		10 280	10 280	-	100,0%	10 670	10 332
Training and development				-		-	-	12	12
Operating payments	738	705		1 443	1 443	-	100,0%	815	674
Venues and facilities	393	5		398	398	-	100,0%	453	452
Rental and hiring				-		-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	56	56
Interest (Incl. interest on unitary payments (PPP))				-		-	-	56	56

DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM
VOTE 39

APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUB - PROGRAMME: 2.1: NATIONAL GEOMATICS MANAGEMENT SERVICES									
	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Rent on land	30 752	(283)	10 927	41 396	41 396	-	-	-	23 747
Transfers and subsidies	14	-	(8)	6	6	-	100,0%	13	7
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces						-	-	-	-
Provincial Revenue Funds						-	-	-	-
Provincial agencies and funds						-	-	-	-
Municipalities	14	-	(8)	6	6	-	100,0%	13	7
Municipal bank accounts	14		(8)	6	6	-	100,0%	13	7
Municipal agencies and funds				-	-	-	-	-	-
Departmental agencies and accounts	1	-	(1)	-	-	-	-	-	-
Social security funds				-	-	-	-	-	-
Departmental agencies (non-business entities)	1		(1)	-	-	-	-	-	-
Higher education institutions				-	-	-	-	-	-
Foreign governments and international organisations	2 571			2 571	2 571	-	100,0%	2 169	2 168
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations				-	-	-	-	-	-
Subsidies on products and production (pc)				-	-	-	-	-	-
Other transfers to public corporations				-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on products and production (pe)				-	-	-	-	-	-
Other transfers to private enterprises				-	-	-	-	-	-
Non-profit institutions	28 166	(283)	10 936	38 819	38 819	-	100,0%	21 582	21 572
Households	1 702		417	2 119	2 119	-	100,0%	926	917
Social benefits						-	-		

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APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUB - PROGRAMME: 2.1: NATIONAL GEOMATICS MANAGEMENT SERVICES									
	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Other transfers to households	26 464	(283)	10 519	36 700	36 700	-	100,0%	20 656	20 655
Payments for capital assets	3 595	434	5 694	9 723	9 723	-	100,0%	3 094	3 077
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	3 595	434	5 694	9 723	9 723	-	100,0%	3 094	3 077
Transport equipment									
Other machinery and equipment	3 595	434	5 694	9 723	9 723	-	100,0%	3 094	3 077
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payment for financial assets									
Total	524 714	1 411	(16 261)	509 864	508 856	1 008	99,8%	480 607	471 472

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APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUB - PROGRAMME: 2.2: SPATIAL PLANNING AND LAND USE MANAGEMENT									
	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	178 723	(1 260)	1 120	178 583	178 583	-	100,0%	148 197	141 942
Compensation of employees	81 863	-	1 120	82 983	82 983	-	100,0%	74 359	68 286
Salaries and wages	72 934		1 130	74 064	74 064	-	100,0%	66 806	61 040
Social contributions	8 929		(10)	8 919	8 919	-	100,0%	7 553	7 246
Goods and services	96 860	(1 260)	-	95 600	95 600	-	100,0%	73 760	73 578
Administrative fees	884	205		1 089	1 089	-	100,0%	639	632
Advertising	354	(173)		181	181	-	100,0%	1 005	999
Minor assets	793	(626)		167	167	-	100,0%	415	397
Audit costs: External				-	-	-	-	-	-
Bursaries: Employees				-	-	-	-	-	-
Catering: Departmental activities	53	(16)		37	37	-	100,0%	224	221
Communication (G&S)	1 412	132		1 544	1 544	-	100,0%	1 535	1 529
Computer services	973	7 289		8 262	8 262	-	100,0%	24	24
Consultants: Business and advisory services	78 934	(10 467)		68 467	68 467	-	100,0%	53 856	53 849
Infrastructure and planning services				-	-	-	-	-	-
Laboratory services				-	-	-	-	-	-
Scientific and technological services				-	-	-	-	-	-
Legal services	10	(10)		-	-	-	-	-	-
Contractors	248	(161)		87	87	-	100,0%	214	213
Agency and support / outsourced services				-	-	-	-	-	-
Entertainment				-	-	-	-	-	-
Fleet services (including government motor transport)	24	2		26	26	-	100,0%	52	49

APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUB - PROGRAMME: 2.2: SPATIAL PLANNING AND LAND USE MANAGEMENT									
Economic classification	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Housing									
Inventory: Clothing material and accessories				-			-		-
Inventory: Farming supplies				-			-		-
Inventory: Food and food supplies				-			-		-
Inventory: Fuel, oil and gas				-			-		-
Inventory: Learner and teacher support material				-			-		-
Inventory: Materials and supplies				-			-		-
Inventory: Medical supplies				-			-		-
Inventory: Medicine				-			-		-
Medsas inventory interface				-			-		-
Inventory: Other supplies				-			-		-
Consumable supplies	534	(156)		378	378		-		-
Consumable: Stationery, printing and office supplies	1 361	(838)		523	523		100,0%	259	248
Operating leases	387	(59)		328	328		100,0%	744	729
Property payments	1 645	(731)		914	914		100,0%	318	316
Transport provided: Departmental activity				-			-	1 188	1 184
Travel and subsistence	6 831	3 091		9 922	9 922		100,0%	-	-
Training and development	195	(195)		-			-	9 555	9 472
Operating payments	682	(237)		445	445		100,0%	375	373
Venues and facilities	1 540	1 690		3 230	3 230		100,0%	252	245
Rental and hiring				-			-	3 096	3 090
Interest and rent on land	-	-	-	-	-		-	9	8
Interest (Incl. interest on unitary payments (PPP))				-			-	78	78

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APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUB - PROGRAMME: 2.2: SPATIAL PLANNING AND LAND USE MANAGEMENT									
Economic classification	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Rent on land									
Transfers and subsidies	65	231	-	296	296		100,0%	2 357	2 352
Provinces and municipalities	-	-	-	-	-		-	-	-
Provinces	-	-	-	-	-		-	-	-
Provincial Revenue Funds				-			-	-	-
Provincial agencies and funds				-			-	-	-
Municipalities				-			-	-	-
Municipal bank accounts				-			-	-	-
Municipal agencies and funds				-			-	-	-
Departmental agencies and accounts				-			-	-	-
Social security funds				-			-	-	-
Departmental agencies (non-business entities)				-			-	-	-
Higher education institutions				-			-	-	-
Foreign governments and international organisations				-			-	-	-
Public corporations and private enterprises	-	-	-	-	-		-	-	-
Public corporations	-	-	-	-	-		-	-	-
Subsidies on products and production (pc)				-			-	-	-
Other transfers to public corporations				-			-	-	-
Private enterprises	-	-	-	-	-		-	-	-
Subsidies on products and production (pe)				-			-	-	-
Other transfers to private enterprises				-			-	-	-
Non-profit institutions				-			-	-	-
Households	65	231	-	296	296		100,0%	2 357	2 352

APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUB - PROGRAMME: 2.2: SPATIAL PLANNING AND LAND USE MANAGEMENT									
	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Social benefits	65	54		119	119	-	100,0%	239	238
Other transfers to households		177		177	177	-	100,0%	2 118	2 114
Payments for capital assets	2 486	(382)	-	2 104	2 104	-	100,0%	3 550	3 528
Buildings and other fixed structures	-	-		-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	2 486	(382)	-	2 104	2 104	-	100,0%	3 550	3 528
Transport equipment									
Other machinery and equipment	2 486	(382)		2 104	2 104	-	100,0%	3 550	3 528
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payment for financial assets									
Total	181 274	(1 411)	1 120	180 983	180 983	-	100,0%	154 104	147 839

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APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUB - PROGRAMME: 2.3: REGISTRATION OF DEEDS TRADING ACCOUNT									
	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	-	-	-	-	-	-	-	-	-
Salaries and wages	-	-	-	-	-	-	-	-	-
Social contributions									
Goods and services									
Administrative fees	-	-	-	-	-	-	-	-	-
Advertising									
Minor assets									
Audit costs: External									
Bursaries: Employees									
Catering: Departmental activities									
Communication (G&S)									
Computer services									
Consultants: Business and advisory services									
Infrastructure and planning services									
Laboratory services									
Scientific and technological services									
Legal services									
Contractors									
Agency and support / outsourced services									
Entertainment									
Fleet services (including government motor transport)									

APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUB - PROGRAMME: 2.3: REGISTRATION OF DEEDS TRADING ACCOUNT									
Economic classification	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Housing							-		
Inventory: Clothing material and accessories							-		
Inventory: Farming supplies							-		
Inventory: Food and food supplies							-		
Inventory: Fuel, oil and gas							-		
Inventory: Learner and teacher support material							-		
Inventory: Materials and supplies							-		
Inventory: Medical supplies							-		
Inventory: Medicine							-		
Medsas inventory interface							-		
Inventory: Other supplies							-		
Consumable supplies							-		
Consumable: Stationery, printing and office supplies							-		
Operating leases							-		
Property payments							-		
Transport provided: Departmental activity							-		
Travel and subsistence							-		
Training and development							-		
Operating payments							-		
Venues and facilities							-		
Rental and hiring							-		
Interest and rent on land							-		
Interest (Incl. interest on unitary payments (PPP))							-		

APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUB - PROGRAMME: 2.3: REGISTRATION OF DEEDS TRADING ACCOUNT									
Economic classification	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Rent on land							-		
Transfers and subsidies							-		
Provinces and municipalities							-		
Provinces							-		
Provincial Revenue Funds							-		
Provincial agencies and funds							-		
Municipalities							-		
Municipal bank accounts							-		
Municipal agencies and funds							-		
Departmental agencies and accounts							-		
Social security funds							-		
Departmental agencies (non-business entities)							-		
Higher education institutions							-		
Foreign governments and international organisations							-		
Public corporations and private enterprises							-		
Public corporations							-		
Subsidies on products and production (pc)							-		
Other transfers to public corporations							-		
Private enterprises							-		
Subsidies on products and production (pe)							-		
Other transfers to private enterprises							-		
Non-profit institutions							-		
Households							-		

APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUB - PROGRAMME: 2.3: REGISTRATION OF DEEDS TRADING ACCOUNT									
	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Social benefits									
Other transfers to households									
Payments for capital assets									
Buildings and other fixed structures	-	-	-						
Buildings									
Other fixed structures									
Machinery and equipment									
Transport equipment									
Other machinery and equipment									
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payment for financial assets									
Total									

APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUB - PROGRAMME: 2.4: SOUTH AFRICAN COUNCIL FOR PLANNERS									
	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments									
Compensation of employees	-	-	-						
Salaries and wages									
Social contributions									
Goods and services									
Administrative fees									
Advertising									
Minor assets									
Audit costs: External									
Bursaries: Employees									
Catering: Departmental activities									
Communication (G&S)									
Computer services									
Consultants: Business and advisory services									
Infrastructure and planning services									
Laboratory services									
Scientific and technological services									
Legal services									
Contractors									
Agency and support / outsourced services									
Entertainment									
Fleet services (including government motor transport)									

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SUB - PROGRAMME: 2.4: SOUTH AFRICAN COUNCIL FOR PLANNERS									
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Housing							-		
Inventory: Clothing material and accessories				-			-		
Inventory: Farming supplies				-			-		
Inventory: Food and food supplies				-			-		
Inventory: Fuel, oil and gas				-			-		
Inventory: Learner and teacher support material				-			-		
Inventory: Materials and supplies				-			-		
Inventory: Medical supplies				-			-		
Inventory: Medicine				-			-		
Medsas inventory interface				-			-		
Inventory: Other supplies				-			-		
Consumable supplies				-			-		
Consumable: Stationery, printing and office supplies				-			-		
Operating leases				-			-		
Property payments				-			-		
Transport provided: Departmental activity				-			-		
Travel and subsistence				-			-		
Training and development				-			-		
Operating payments				-			-		
Venues and facilities				-			-		
Rental and hiring				-			-		
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest (Incl. interest on unitary payments (PPP))				-			-		

APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUB - PROGRAMME: 2.4: SOUTH AFRICAN COUNCIL FOR PLANNERS									
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Rent on land	3 902	-	-	3 902	3 902	-	100,0%	3 695	3 695
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal bank accounts	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies (non-business entities)	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on products and production (pc)	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on products and production (pe)	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	3 902	-	-	3 902	3 902	-	100,0%	3 695	3 695
Households	-	-	-	-	-	-	-	-	-

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for the year ended 31 March 2020

SUB - PROGRAMME: 2.4: SOUTH AFRICAN COUNCIL FOR PLANNERS									
	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification	3 902	-	-	3 902	3 902	-	100,0%	3 695	3 695
Social benefits									
Other transfers to households									
Payments for capital assets									
Buildings and other fixed structures	-	-	-						
Buildings									
Other fixed structures									
Machinery and equipment									
Transport equipment	-								
Other machinery and equipment									
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payment for financial assets									
Total	3 902	-	-	3 902	3 902	-	100,0%	3 695	3 695

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APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUB - PROGRAMME: 2.5: SOUTH AFRICAN GEOMATICS COUNCIL									
	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments									
Compensation of employees	-	-	-						
Salaries and wages	-	-	-						
Social contributions									
Goods and services									
Administrative fees	-								
Advertising									
Minor assets									
Audit costs: External									
Bursaries: Employees									
Catering: Departmental activities									
Communication (G&S)									
Computer services									
Consultants: Business and advisory services									
Infrastructure and planning services									
Laboratory services									
Scientific and technological services									
Legal services									
Contractors									
Agency and support / outsourced services									
Entertainment									
Fleet services (including government motor transport)									

APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUB - PROGRAMME: 2.5: SOUTH AFRICAN GEOMATICS COUNCIL									
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Housing				-		-	-		-
Inventory: Clothing material and accessories				-		-	-		-
Inventory: Farming supplies				-		-	-		-
Inventory: Food and food supplies				-		-	-		-
Inventory: Fuel, oil and gas				-		-	-		-
Inventory: Learner and teacher support material				-		-	-		-
Inventory: Materials and supplies				-		-	-		-
Inventory: Medical supplies				-		-	-		-
Inventory: Medicine				-		-	-		-
Medsas inventory interface				-		-	-		-
Inventory: Other supplies				-		-	-		-
Consumable supplies				-		-	-		-
Consumable: Stationery, printing and office supplies				-		-	-		-
Operating leases				-		-	-		-
Property payments				-		-	-		-
Transport provided: Departmental activity				-		-	-		-
Travel and subsistence				-		-	-		-
Training and development				-		-	-		-
Operating payments				-		-	-		-
Venues and facilities				-		-	-		-
Rental and hiring				-		-	-		-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest (incl. interest on unitary payments (PPP))				-		-	-		-

APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUB - PROGRAMME: 2.5: SOUTH AFRICAN GEOMATICS COUNCIL									
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Rent on land				-		-	-		-
Transfers and subsidies	3 992	-	-	3 992	3 992	-	100,0%	3 900	3 900
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds				-		-	-	-	-
Provincial agencies and funds				-		-	-	-	-
Municipalities				-		-	-	-	-
Municipal bank accounts				-		-	-	-	-
Municipal agencies and funds				-		-	-	-	-
Departmental agencies and accounts	3 992	-	-	3 992	3 992	-	100,0%	3 900	3 900
Social security funds				-		-	-	-	-
Departmental agencies (non-business entities)	3 992	-	-	3 992	3 992	-	100,0%	3 900	3 900
Higher education institutions				-		-	-	-	-
Foreign governments and international organisations				-		-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on products and production (pc)				-		-	-	-	-
Other transfers to public corporations				-		-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on products and production (pe)				-		-	-	-	-
Other transfers to private enterprises				-		-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households				-		-	-	-	-

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for the year ended 31 March 2020

SUB - PROGRAMME: 2.5: SOUTH AFRICAN GEOMATICS COUNCIL									
	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Social benefits				-		-	-		
Other transfers to households				-		-	-		
Payments for capital assets							-		
Buildings and other fixed structures				-		-	-		
Buildings							-		
Other fixed structures							-		
Machinery and equipment							-		
Transport equipment							-		
Other machinery and equipment							-		
Heritage assets							-		
Specialised military assets							-		
Biological assets							-		
Land and sub-soil assets							-		
Software and other intangible assets							-		
Payment for financial assets							-		
Total	3 992	-	-	3 992	3 992	-	100.0%	3 900	3 900

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for the year ended 31 March 2020

Programme 3: RURAL DEVELOPMENT									
	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
SUB PROGRAMME									
1. RURAL INFRASTRUCTURE DEVELOPMENT	764 258	(21 624)	(48 168)	694 466	693 615	851	99,9%	724 514	717 830
2. RURAL ENTERPRISE AND INDUSTRIAL DEVELOPMENT	537 687	15 557	(26 495)	526 749	526 749	-	100,0%	825 039	815 875
3. NATIONAL RURAL YOUTH SERVICES CORPS	414 588	6 067	(32 483)	388 172	386 211	1 961	99,5%	449 171	446 995
	1 716 533	-	(107 146)	1 609 387	1 606 575	2 812	99,8%	1 998 724	1 980 700
Economic classification									
Current payments	1 187 883	4 555	(220 449)	967 318	964 489	2 829	99,7%	1 017 778	999 800
Compensation of employees	314 797	-	-	314 797	312 115	2 682	99,1%	304 424	287 027
Salaries and wages	276 947	-	-	276 947	275 244	1 703	99,4%	269 340	253 291
Social contributions	37 850	-	-	37 850	36 871	979	97,4%	35 084	33 736
Goods and services	872 974	4 585	(220 449)	657 110	656 961	147	100,0%	713 354	712 773
Administrative fees	4 121	1 732	-	5 853	5 853	-	100,0%	3 478	3 456
Advertising	958	(498)	-	460	460	-	100,0%	143	136
Minor assets	3 523	(2 977)	-	546	546	-	100,0%	635	607
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	1 829	236	-	2 065	2 065	-	100,0%	753	741
Communication (G&S)	3 652	(535)	-	3 117	3 117	-	100,0%	2 437	2 406

Economic classification	1 187 883	4 555	(220 449)	967 318	964 489	2 829	99,7%	1 017 778	999 800
Current payments	314 797	-	-	314 797	312 115	2 682	99,1%	304 424	287 027
Compensation of employees	276 947	-	-	276 947	275 244	1 703	99,4%	269 340	253 291
Salaries and wages	37 850	-	-	37 850	36 871	979	97,4%	35 084	33 736
Social contributions	872 974	4 585	(220 449)	657 110	656 961	147	100,0%	713 354	712 773
Goods and services	4 121	1 732	-	5 853	5 853	-	100,0%	3 478	3 456
Administrative fees	958	(498)	-	460	460	-	100,0%	143	136
Advertising	3 523	(2 977)	-	546	546	-	100,0%	635	607
Minor assets	-	-	-	-	-	-	-	-	-
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	1 829	236	-	2 065	2 065	-	100,0%	753	741
Catering: Departmental activities	3 652	(535)	-	3 117	3 117	-	100,0%	2 437	2 406
Communication (G&S)									

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APPROPRIATION STATEMENT
for the year ended 31 March 2020

Programme 3: RURAL DEVELOPMENT									
	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Computer services	1 360	(407)	-	953	953	-	100,0%	-	-
Consultants: Business and advisory services	208 939	(5 661)	(191 759)	11 519	11 150	9	99,9%	8 062	8 039
Infrastructure and planning services	4 693	(3 627)	(1 066)	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	216	(43)	-	173	173	-	100,0%	-	-
Contractors	1 530	(794)	-	736	736	-	100,0%	98	94
Agency and support / outsourced services	14 112	1 426	-	15 538	15 538	-	100,0%	28 257	28 251
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	2 721	(724)	-	1 997	1 997	-	100,0%	1 796	1 773
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	1 352	2 645	-	3 997	3 997	-	100,0%	-	-
Inventory: Farming supplies	182 716	(3 974)	(26 568)	152 174	152 034	140	99,9%	475 969	475 969
Inventory: Food and food supplies	-	148	-	148	148	-	100,0%	-	-
Inventory: Fuel, oil and gas	2 134	5 248	-	7 382	7 382	-	100,0%	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	12 656	(8 321)	9 533	13 868	13 868	-	100,0%	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	538	(85)	-	453	453	-	100,0%	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	102 749	7 636	-	110 385	110 385	-	100,0%	104 850	104 850
Consumable supplies	7 458	4 212	-	11 670	11 670	-	100,0%	1 359	1 306
Consumable: Stationery, printing and office supplies	7 528	(3 820)	-	3 708	3 708	-	100,0%	3 391	3 349

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Programme 3: RURAL DEVELOPMENT									
	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Operating leases	5 667	88	-	5 755	5 755	-	100,0%	4 527	4 522
Property payments	7 170	4 084	-	11 254	11 254	-	100,0%	3 965	3 957
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	179 572	(14 800)	(10 589)	154 183	154 183	-	100,0%	50 605	50 330
Training and development	104 552	13 207	-	117 759	117 759	-	100,0%	-	-
Operating payments	3 127	(1 123)	-	2 004	2 004	-	100,0%	17 237	17 211
Venues and facilities	7 447	7 375	-	14 822	14 822	-	100,0%	4 749	4 737
Rental and hiring	654	(326)	-	328	328	-	100,0%	1 043	1 039
Interest and rent on land	112	(30)	-	82	82	-	100,0%	-	-
Interest (Incl. interest on unitary payments (PPP))	112	(30)	-	82	82	-	100,0%	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	87 587	-	(21 894)	65 693	65 693	-	100,0%	480 204	479 748
Provinces and municipalities	-	5	-	5	5	-	100,0%	15	14
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	5	-	5	5	-	100,0%	15	14
Municipal bank accounts	-	5	-	5	5	-	100,0%	15	14
Municipal agencies and accounts	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-

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Programme 3: RURAL DEVELOPMENT									
	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on products and production (pc)	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on products and production (pe)	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	87 587	(5)	(21 894)	65 688	65 688	-	100,0%	480 189	479 734
Social benefits	43	281	-	324	324	-	100,0%	651	649
Other transfers to households	87 544	(286)	(21 894)	65 364	65 364	-	100,0%	479 538	479 085
Payments for capital assets	441 063	116	135 197	576 376	576 376	-	100,0%	500 742	500 707
Buildings and other fixed structures	434 534	(3 255)	135 124	566 403	566 403	-	100,0%	487 954	487 954
Buildings	138 647	(6 373)	70 963	202 873	202 873	-	100,0%	-	-
Other fixed structures	295 887	(1 189)	64 161	358 859	358 859	-	100,0%	487 954	487 954
Machinery and equipment	6 529	3 371	73	9 973	9 973	-	100,0%	12 753	12 753
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	6 529	3 371	73	9 973	9 973	-	100,0%	12 753	12 753
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-

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for the year ended 31 March 2020

Programme 3: RURAL DEVELOPMENT									
	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	19	(19)	-	-	445
	1 716 533	-	(107 146)	1 609 387	1 606 577	2 812	99,8%	1 998 724	1 980 700

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for the year ended 31 March 2020

SUBPROGRAMME: 3.1: RURAL INFRASTRUCTURE DEVELOPMENT									
	2019/20					2018/19			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Economic classification	R'000	(21 527)	(192 825)	126 564	125 715	849	99,3%	111 553	104 945
Current payments	340 916	(21 527)	(192 825)	126 564	125 715	849	99,3%	111 553	104 945
Compensation of employees	90 144	(1 362)	-	88 782	88 073	709	99,2%	93 656	87 231
Salaries and wages	81 036	(897)	-	80 139	79 430	709	99,1%	84 784	78 677
Social contributions	9 108	(465)	-	8 643	8 643	-	100,0%	8 872	8 554
Goods and services	250 700	(20 165)	(192 825)	37 710	37 570	140	99,6%	17 897	17 714
Administrative fees	435	(5)	-	430	430	-	100,0%	474	466
Advertising	310	(187)	-	123	123	-	100,0%	28	24
Minor assets	1 169	(992)	-	177	177	-	100,0%	136	125
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	19	112	-	131	131	-	100,0%	49	46
Communication (G&S)	976	(100)	-	876	876	-	100,0%	651	642
Computer services	1 360	(600)	-	760	760	-	100,0%	-	-
Consultants: Business and advisory services	196 765	(72)	(191 759)	4 934	4 934	-	100,0%	34	33
Infrastructure and planning services	4 693	(3 627)	(1 066)	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	76	(23)	-	53	53	-	100,0%	-	-
Contractors	158	208	-	366	366	-	100,0%	24	24
Agency and support / outsourced services	4 612	(1 706)	-	2 906	2 906	-	100,0%	8	7
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	477	(259)	-	218	218	-	100,0%	262	254

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APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUBPROGRAMME: 3.1: RURAL INFRASTRUCTURE DEVELOPMENT									
	2019/20					2018/19			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	256	1 573	-	1 829	1 829	-	100,0%	-	-
Inventory: Farming supplies	-	296	-	296	156	140	52,7%	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	147	-	147	147	-	100,0%	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	673	(374)	-	299	299	-	100,0%	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	8 897	(8 322)	-	575	575	-	100,0%	-	-
Consumable supplies	644	(383)	-	261	261	-	100,0%	102	81
Consumable: Stationery, printing and office supplies	2 521	(1 486)	-	1 035	1 035	-	100,0%	862	850
Operating leases	2 840	(1 651)	-	1 189	1 189	-	100,0%	653	652
Property payments	778	613	-	1 391	1 391	-	100,0%	1 605	1 603
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	9 064	6 736	-	15 800	15 800	-	100,0%	11 418	11 330
Training and development	11 935	(9 979)	-	1 956	1 956	-	100,0%	-	-
Operating payments	1 010	(529)	-	481	481	-	100,0%	653	643
Venues and facilities	859	616	-	1 475	1 475	-	100,0%	845	842
Rental and hiring	173	(171)	-	2	2	-	100,0%	93	92
Interest and rent on land	72	-	-	72	72	-	100,0%	-	-
Interest (Incl. interest on unitary payments (PPP))	72	-	-	72	72	-	100,0%	-	-

APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUBPROGRAMME: 3.1: RURAL INFRASTRUCTURE DEVELOPMENT									
	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Rent on land	44	-	-	-	-	-	-	-	-
Transfers and subsidies		24	-	68	68	-	100,0%	115 493	115 318
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal bank accounts	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies (non-business entities)	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on products and production (pc)	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on products and production (pe)	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	44	24	-	68	68	-	100,0%	115 493	115 318

APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUBPROGRAMME: 3.1: RURAL INFRASTRUCTURE DEVELOPMENT									
	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Social benefits	43	25	-	68	68	-	100,0%	208	207
Other transfers to households	1	(1)	-	-	-	-	-	115 285	115 111
Payments for capital assets	423 298	(121)	144 657	567 834	567 834	-	100,0%	497 468	497 459
Buildings and other fixed structures	421 558	188	144 657	566 403	566 403	-	100,0%	487 954	487 954
Buildings	130 836	-	76 708	207 544	207 544	-	100,0%	-	-
Other fixed structures	290 722	188	67 949	368 859	358 859	-	100,0%	487 954	487 954
Machinery and equipment	1 740	(309)	-	1 431	1 431	-	100,0%	9 514	9 505
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	1 740	(309)	-	1 431	1 431	-	100,0%	9 514	9 505
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payment for financial assets									
Total	764 258	(21 624)	(48 168)	694 466	693 617	849	99,9%	724 514	717 830

DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM
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APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUBPROGRAMME: 3.2: RURAL ENTERPRISE AND INDUSTRIAL DEVELOPMENT									
	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	521 231	11 803	(17 035)	515 999	515 992	7	100,0%	809 704	800 592
Compensation of employees	157 077	1 817	-	158 894	158 894	-	100,0%	145 149	136 279
Salaries and wages	136 499	2 096		138 595	138 595	-	100,0%	126 760	118 679
Social contributions	20 578	(279)		20 299	20 299	-	100,0%	18 389	17 600
Goods and services	364 114	10 016	(17 035)	357 095	357 088	7	100,0%	664 555	664 313
Administrative fees	1 919	28		1 947	1 947	-	100,0%	1 113	1 106
Advertising	171	(102)		69	69	-	100,0%	115	112
Minor assets	1 961	(1 658)		303	303	-	100,0%	400	388
Audit costs: External				-	-	-	-	-	-
Bursaries: Employees				-	-	-	-	-	-
Catering: Departmental activities	1 744	18		1 762	1 762	-	100,0%	695	688
Communication (G&S)	1 791	(292)		1 499	1 499	-	100,0%	1 216	1 205
Computer services		193		193	193	-	100,0%	-	-
Consultants: Business and advisory services	11 889	(5 659)		6 230	6 223	7	99,9%	8 028	8 006
Infrastructure and planning services				-	-	-	-	-	-
Laboratory services				-	-	-	-	-	-
Scientific and technological services				-	-	-	-	-	-
Legal services	140	(20)		120	120	-	100,0%	-	-
Contractors	1 369	(1 015)		354	354	-	100,0%	17	16
Agency and support / outsourced services	1 978	(384)		1 594	1 594	-	100,0%	21 279	21 276
Entertainment				-	-	-	-	-	-
Fleet services (including government motor transport)	1 217	(314)		903	903	-	100,0%	954	944

DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM
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APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUBPROGRAMME: 3.2: RURAL ENTERPRISE AND INDUSTRIAL DEVELOPMENT									
	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Housing	1 096	1 072		2 168	2 168	-	-	-	-
Inventory: Clothing material and accessories	182 716	(4 270)	(26 568)	151 878	151 878	-	100,0%	475 969	475 969
Inventory: Farming supplies		148		148	148	-	100,0%	-	-
Inventory: Food and food supplies	2 134	5 101		7 235	7 235	-	100,0%	-	-
Inventory: Fuel, oil and gas				-	-	-	-	-	-
Inventory: Learner and teacher support material	11 983	(7 947)	9 533	13 569	13 569	-	100,0%	-	-
Inventory: Materials and supplies				-	-	-	-	-	-
Inventory: Medical supplies	538	(85)		453	453	-	100,0%	-	-
Inventory: Medicine				-	-	-	-	-	-
Medsas inventory interface	93 765	15 959		109 724	109 724	-	100,0%	104 850	104 850
Inventory: Other supplies	4 790	(1 448)		3 342	3 342	-	100,0%	1 130	1 112
Consumable supplies	2 060	(562)		1 498	1 498	-	100,0%	1 722	1 706
Consumable: Stationery, printing and office supplies	2 015	976		2 991	2 991	-	100,0%	2 290	2 288
Operating leases	3 220	942		4 162	4 162	-	100,0%	1 303	1 302
Property payments				-	-	-	-	-	-
Transport provided: Departmental activity	22 065	7 363		29 428	29 428	-	100,0%	23 422	23 312
Travel and subsistence	6 085	(506)		5 579	5 579	-	100,0%	-	-
Training and development	1 179	(63)		1 116	1 116	-	100,0%	16 188	16 179
Operating payments	5 821	2 741		8 562	8 562	-	100,0%	3 267	3 260
Venues and facilities	468	(200)		268	268	-	100,0%	597	594
Rental and hiring	40	(30)		10	10	-	100,0%	-	-
Interest and rent on land	40	(30)		10	10	-	100,0%	-	-
Interest (Incl. interest on unitary payments (PPP))						-	-	-	-

DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM
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APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUBPROGRAMME: 3.3: NATIONAL RURAL YOUTH SERVICES CORPS										2018/19			
2019/20													
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure				
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000				
Current payments	325 736	9 608	(10 589)	324 755	322 782	1 973	99,4%	96 521	94 263				
Compensation of employees	67 576	(455)	-	67 121	65 148	1 973	97,1%	65 619	63 517				
Salaries and wages	59 412	(1 199)		58 213	57 219	994	98,3%	57 796	55 935				
Social contributions	8 164	744		8 908	7 929	979	89,0%	7 823	7 582				
Goods and services	258 160	10 063	(10 589)	257 634	257 634	-	100,0%	30 902	30 746				
Administrative fees	1 767	1 709		3 476	3 476	-	100,0%	1 891	1 884				
Advertising	477	(209)		268	268	-	100,0%	-	-				
Minor assets	393	(327)		66	66	-	100,0%	99	94				
Audit costs: External				-	-	-	-	-	-				
Bursaries: Employees				-	-	-	-	-	-				
Catering: Departmental activities	66	106		172	172	-	100,0%	9	7				
Communication (G&S)	885	(143)		742	742	-	100,0%	570	559				
Computer services				-	-	-	-	-	-				
Consultants: Business and advisory services	285	(285)		-	-	-	-	-	-				
Infrastructure and planning services				-	-	-	-	-	-				
Laboratory services				-	-	-	-	-	-				
Scientific and technological services				-	-	-	-	-	-				
Legal services				-	-	-	-	-	-				
Contractors	3	13		16	16	-	100,0%	57	54				
Agency and support / outsourced services	7 522	3 516		11 038	11 038	-	100,0%	6 970	6 968				
Entertainment				-	-	-	-	-	-				
Fleet services (including government motor transport)	1 027	(151)		876	876	-	100,0%	580	575				

DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM
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APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUBPROGRAMME: 3.3: NATIONAL RURAL YOUTH SERVICES CORPS										2018/19			
2019/20													
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure				
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000				
Housing				-	-	-	-	-	-				
Inventory: Clothing material and accessories				-	-	-	-	-	-				
Inventory: Farming supplies				-	-	-	-	-	-				
Inventory: Food and food supplies				-	-	-	-	-	-				
Inventory: Fuel, oil and gas				-	-	-	-	-	-				
Inventory: Learner and teacher support material				-	-	-	-	-	-				
Inventory: Materials and supplies				-	-	-	-	-	-				
Inventory: Medical supplies				-	-	-	-	-	-				
Inventory: Medicine				-	-	-	-	-	-				
Medsas inventory interface				-	-	-	-	-	-				
Inventory: Other supplies	87	(1)		86	86	-	100,0%	-	-				
Consumable supplies	2 024	6 043		8 067	8 067	-	100,0%	127	113				
Consumable: Stationery, printing and office supplies	2 947	(1 825)		1 122	1 122	-	100,0%	807	793				
Operating leases	812	763		1 575	1 575	-	100,0%	1 584	1 582				
Property payments	3 172	2 529		5 701	5 701	-	100,0%	1 057	1 052				
Transport provided: Departmental activity				-	-	-	-	-	-				
Travel and subsistence	148 443	(28 708)	(10 589)	109 146	109 146	-	100,0%	15 765	15 688				
Training and development	86 532	23 692		110 224	110 224	-	100,0%	-	-				
Operating payments	938	(531)		407	407	-	100,0%	396	389				
Venues and facilities	767	4 018		4 785	4 785	-	100,0%	637	635				
Rental and hiring	13	45		58	58	-	100,0%	353	353				
Interest and rent on land	-	-	-	-	-	-	-	-	-				
Interest (incl. interest on unitary payments (PPP))				-	-	-	-	-	-				

APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUBPROGRAMME: 3.3: NATIONAL RURAL YOUTH SERVICES CORPS									
2019/20							2018/19		
Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	
R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Economic classification									
Rent on land									
Transfers and subsidies	87 543	(3 171)	62 478	62 478	-	100,0%	351 575	351 494	
Provinces and municipalities	-	-	-	-	-	-	-	-	
Provinces	-	-	-	-	-	-	-	-	
Provincial Revenue Funds	-	-	-	-	-	-	-	-	
Provincial agencies and funds	-	-	-	-	-	-	-	-	
Municipalities	-	-	-	-	-	-	-	-	
Municipal bank accounts	-	-	-	-	-	-	-	-	
Municipal agencies and funds	-	-	-	-	-	-	-	-	
Departmental agencies and accounts	-	-	-	-	-	-	-	-	
Social security funds	-	-	-	-	-	-	-	-	
Departmental agencies (non-business entities)	-	-	-	-	-	-	-	-	
Higher education institutions	-	-	-	-	-	-	-	-	
Foreign governments and international organisations	-	-	-	-	-	-	-	-	
Public corporations and private enterprises	-	-	-	-	-	-	-	-	
Public corporations	-	-	-	-	-	-	-	-	
Subsidies on products and production (pc)	-	-	-	-	-	-	-	-	
Other transfers to public corporations	-	-	-	-	-	-	-	-	
Private enterprises	-	-	-	-	-	-	-	-	
Subsidies on products and production (pe)	-	-	-	-	-	-	-	-	
Other transfers to private enterprises	-	-	-	-	-	-	-	-	
Non-profit institutions	-	-	-	-	-	-	-	-	
Households	87 543	(3 171)	62 478	62 478	-	100,0%	351 575	351 494	

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APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUBPROGRAMME: 3.3: NATIONAL RURAL YOUTH SERVICES CORPS									
2019/20							2018/19		
Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	
R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Economic classification									
Social benefits	27		27	27	-	100,0%	217	216	
Other transfers to households	(3 389)	(21 894)	62 260	62 260	-	100,0%	351 358	351 278	
Payments for capital assets	1 309	(370)	939	939	-	100,0%	1 075	1 061	
Buildings and other fixed structures	-	-	-	-	-	-	-	-	
Buildings	-	-	-	-	-	-	-	-	
Other fixed structures	-	-	-	-	-	-	-	-	
Machinery and equipment	(370)	-	939	939	-	100,0%	1 075	1 061	
Transport equipment	(370)	-	939	939	-	100,0%	1 075	1 061	
Other machinery and equipment									
Heritage assets			-	-	-	-	-	-	
Specialised military assets			-	-	-	-	-	-	
Biological assets			-	-	-	-	-	-	
Land and sub-soil assets			-	-	-	-	-	-	
Software and other intangible assets			-	-	-	-	-	-	
Payment for financial assets									
Total	414 588	6 067	388 172	386 211	1 961	99,5%	449 171	446 995	

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APPROPRIATION STATEMENT
for the year ended 31 March 2020

PROGRAMME 4: RESTITUTION									
2019/20							2018/19		
Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	
R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
SUB PROGRAMME									
1. RESTITUTION NATIONAL OFFICE	181 087	(9 010)	151 310	144 317	6 993	95,4%	97 856	89 982	
2. RESTITUTION REGIONAL OFFICES	492 572	9 010	581 587	581 914	(327)	100,1%	501 210	494 808	
3. RESTITUTION GRANTS	2 919 712	-	2 989 796	2 989 796	-	100,0%	2 665 198	2 664 908	
	3 593 371	-	129 322	3 716 027	6 666	99,8%	3 264 264	3 249 698	
Economic classification									
Current payments	655 731	1 707 026	(19 379)	2 343 378	2 336 339	99,7%	1 320 758	1 305 940	
Compensation of employees	387 812	-	(724)	387 088	387 088	99,1%	371 582	361 432	
Salaries and wages	333 864	-	(371)	333 293	333 293	99,0%	320 077	311 439	
Social contributions	54 148	-	(353)	53 795	53 795	100,8%	51 505	49 993	
Goods and services	267 919	1 707 026	(18 655)	1 956 290	1 952 674	99,9%	948 420	943 753	
Administrative fees	10 733	289	-	11 022	11 021	100,0%	15 232	15 047	
Advertising	11 008	(5 220)	-	5 788	5 788	100,0%	5 593	5 586	
Minor assets	7 453	(6 562)	-	891	891	100,0%	725	721	
Audit costs: External	-	47 560	-	47 560	47 560	100,0%	347	347	
Bursaries: Employees	-	-	-	-	-	-	-	-	
Catering: Departmental activities	3 430	(1 288)	-	2 142	2 142	100,0%	1 804	1 799	
Communication (G&S)	9 728	(1 546)	-	8 182	8 182	100,0%	8 385	8 368	

DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM
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APPROPRIATION STATEMENT
for the year ended 31 March 2020

PROGRAMME 4: RESTITUTION									
2019/20							2018/19		
Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	
R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Computer services	753	(468)	-	285	-	100,0%	1	-	
Consultants: Business and advisory services	77 433	(36 087)	(18 655)	22 319	372	98,4%	12 414	12 253	
Infrastructure and planning services	297	(270)	-	27	-	100,0%	1 119	1 117	
Laboratory services	-	-	-	-	-	-	-	-	
Scientific and technological services	-	-	-	-	-	-	-	-	
Legal services	19 695	4 180	-	23 875	-	100,0%	21 166	21 161	
Contractors	2 931	(2 670)	-	261	-	100,0%	249	248	
Agency and support / outsourced services	24 005	(13 976)	-	10 029	-	100,0%	8 741	8 738	
Entertainment	-	-	-	-	-	-	-	-	
Fleet services (including government motor transport)	8 861	(1 626)	-	7 235	-	100,0%	7 307	7 269	
Housing	-	-	-	-	-	-	-	-	
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	
Inventory: Farming supplies	-	260 313	-	260 313	-	100,0%	410 994	410 994	
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	
Inventory: Medical supplies	-	-	-	-	-	-	-	-	
Inventory: Medicine	-	-	-	-	-	-	-	-	
Medsas inventory interface	-	-	-	-	-	-	-	-	
Inventory: Other supplies	2 440	1 446 713	-	1 446 713	-	100,0%	349 729	349 729	
Consumable supplies	11 387	(845)	-	1 595	-	100,0%	1 070	1 015	
Consumable: Stationery, printing and office supplies	-	(6 220)	-	5 167	-	100,0%	8 469	8 455	

APPROPRIATION STATEMENT
for the year ended 31 March 2020

PROGRAMME 4: RESTITUTION									
	2019/20					Variance	Expenditure as % of final appropriation	2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure			Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000			R'000	R'000
Operating leases	5 436	5 156	-	10 592	10 592	-	100,0%	8 305	7 444
Property payments	9 280	(3 258)	-	6 022	6 022	-	100,0%	6 082	6 068
Transport provided: Departmental activity	3 435	(502)	-	2 933	2 933	-	100,0%	2 533	2 531
Travel and subsistence	34 290	24 382	-	58 672	58 672	-	100,0%	58 523	58 426
Training and development	815	(19)	-	796	796	-	100,0%	87	87
Operating payments	7 047	(5 135)	-	1 912	1 912	-	100,0%	1 747	1 732
Venues and facilities	15 988	5 450	-	21 438	21 438	-	100,0%	16 954	16 948
Rental and hiring	1 474	(1 325)	-	149	149	-	100,0%	844	840
Interest and rent on land	-	-	-	-	-	-	-	756	755
Interest (Incl. interest on unitary payments (PPP))	-	-	-	-	-	-	-	756	755
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	2 926 467	(1 707 026)	22 764	1 242 205	1 242 204	1	100,0%	1 902 408	1 902 102
Provinces and municipalities	6 390	15	9 679	16 084	16 083	-	100,0%	4 957	4 945
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	6 390	15	9 679	16 084	16 083	1	100,0%	4 957	4 945
Municipal bank accounts	6 390	15	9 679	16 084	16 083	1	100,0%	4 957	4 945
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-

APPROPRIATION STATEMENT
for the year ended 31 March 2020

PROGRAMME 4: RESTITUTION									
	2019/20					Variance	Expenditure as % of final appropriation	2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure			Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000			R'000	R'000
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on products and production (pc)	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on products and production (pe)	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	2 920 077	(1 707 041)	13 085	1 226 121	1 226 121	-	100,0%	1 897 451	1 897 157
Social benefits	365	(20)	82	427	427	-	100,0%	532	528
Other transfers to households	2 919 712	(1 707 021)	13 003	1 225 694	1 225 694	-	100,0%	1 896 919	1 896 629
Payments for capital assets	11 173	-	125 937	137 110	137 109	1	100,0%	41 098	41 016
Buildings and other fixed structures	-	-	57 324	57 324	57 324	-	100,0%	7 556	7 556
Buildings	-	-	57 324	57 324	57 324	-	100,0%	7 556	7 556
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	10 737	(3 459)	(375)	6 903	6 903	-	100,0%	8 283	8 202
Transport equipment	246	-	-	246	246	-	100,0%	-	-
Other machinery and equipment	10 491	(3 459)	(375)	6 657	6 657	-	100,0%	8 283	8 202
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	436	1 710 485	68 988	1 779 909	1 779 908	1	100,0%	785 982	785 981

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APPROPRIATION STATEMENT
for the year ended 31 March 2020

PROGRAMME 4: RESTITUTION									
	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	375	(375)	-	-	640
	3 593 371	-	129 322	3 722 693	3 716 027	6 666	99,8%	3 264 264	3 249 698

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APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUBPROGRAMME: 4.1: RESTITUTION NATIONAL OFFICE									
	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification	178 801	(8 968)	(20 474)	149 359	148 987	372	99,8%	96 571	94 419
Current payments	46 377	-	(1 819)	44 558	44 558	-	100,0%	46 776	44 690
Compensation of employees	40 993		(1 634)	39 359	39 359	-	100,0%	41 456	39 495
Salaries and wages	5 384		(185)	5 199	5 199	-	100,0%	5 320	5 195
Social contributions	132 424	(8 968)	(18 655)	104 801	104 429	372	99,6%	49 795	49 729
Goods and services	6 463	(880)		5 583	5 583	-	100,0%	11 343	11 340
Administrative fees	8 403	(4 271)		4 132	4 132	-	100,0%	3 375	3 374
Advertising	4 164	(3 738)		426	426	-	100,0%	83	79
Minor assets		47 560		47 560	47 560	-	100,0%	-	-
Audit costs: External				-		-	-	-	-
Bursaries: Employees	901	(610)		291	291	-	100,0%	199	198
Catering: Departmental activities	412	(127)		285	285	-	100,0%	242	240
Communication (G&S)	500	(409)		91	91	-	100,0%	-	-
Computer services	72 805	(31 892)	(18 655)	22 258	21 886	372	98,3%	11 573	11 571
Consultants: Business and advisory services				-		-	-	-	-
Infrastructure and planning services				-		-	-	-	-
Laboratory services				-		-	-	-	-
Scientific and technological services				-		-	-	-	-
Legal services	913	320		1 233	1 233	-	100,0%	771	771
Contractors	490	(376)		114	114	-	100,0%	17	16
Agency and support / outsourced services	19 641	(11 894)		7 747	7 747	-	100,0%	5 182	5 180
Entertainment				-		-	-	-	-
Fleet services (including government motor transport)	3 352	414		3 766	3 766	-	100,0%	4 303	4 298

APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUBPROGRAMME: 4.1: RESTITUTION NATIONAL OFFICE								2018/19		
2019/20								Final Appropriation	Actual Expenditure	Expenditure as % of final appropriation
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	R'000	R'000	R'000
Housing				-		-	-	-	-	-
Inventory: Clothing material and accessories				-		-	-	-	-	-
Inventory: Farming supplies				-		-	-	-	-	-
Inventory: Food and food supplies				-		-	-	-	-	-
Inventory: Fuel, oil and gas				-		-	-	-	-	-
Inventory: Learner and teacher support material				-		-	-	-	-	-
Inventory: Materials and supplies				-		-	-	-	-	-
Inventory: Medical supplies				-		-	-	-	-	-
Inventory: Medicine				-		-	-	-	-	-
Medsas inventory interface				-		-	-	-	-	-
Inventory: Other supplies				-		-	-	-	-	-
Consumable supplies	671	(393)		278	278	-	-	-	-	-
Consumable: Stationery, printing and office supplies	4 434	(2 801)		1 633	1 633	-	100,0%	195	183	100,0%
Operating leases	527	(417)		110	110	-	100,0%	4 171	4 168	100,0%
Property payments	40	(22)		18	18	-	100,0%	102	101	100,0%
Transport provided: Departmental activity				-		-	-	11	11	100,0%
Travel and subsistence	5 716	1 297		7 013	7 013	-	100,0%	6 928	6 902	100,0%
Training and development	715	(466)		249	249	-	100,0%	87	87	100,0%
Operating payments	1 716	(1 297)		419	419	-	100,0%	256	255	100,0%
Venues and facilities	561	1 034		1 595	1 595	-	100,0%	957	955	100,0%
Rental and hiring				-		-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-	-
Interest (Incl. interest on unitary payments (PPP))				-		-	-	-	-	-

DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM
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APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUBPROGRAMME: 4.1: RESTITUTION NATIONAL OFFICE								2018/19		
2019/20								Final Appropriation	Actual Expenditure	Expenditure as % of final appropriation
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	R'000	R'000	R'000
Rent on land				-		-	-	-	-	-
Transfers and subsidies	115	15	82	212	212	-	100,0%	255	253	100,0%
Provinces and municipalities	100	15	-	115	115	-	100,0%	123	123	100,0%
Provinces	-	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds				-		-	-	-	-	-
Provincial agencies and funds				-		-	-	-	-	-
Municipalities	100	15	-	115	115	-	100,0%	123	123	100,0%
Municipal bank accounts	100	15	-	115	115	-	100,0%	123	123	100,0%
Municipal agencies and funds				-		-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-	-
Social security funds				-		-	-	-	-	-
Departmental agencies (non-business entities)				-		-	-	-	-	-
Higher education institutions				-		-	-	-	-	-
Foreign governments and international organisations				-		-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-	-
Subsidies on products and production (pc)				-		-	-	-	-	-
Other transfers to public corporations				-		-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-	-
Subsidies on products and production (pe)				-		-	-	-	-	-
Other transfers to private enterprises				-		-	-	-	-	-
Non-profit institutions				-		-	-	-	-	-
Households	15	-	82	97	97	-	100,0%	132	130	100,0%

APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUBPROGRAMME: 4.1: RESTITUTION NATIONAL OFFICE									
	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Social benefits	15		82	97	97	-	100,0%	132	130
Other transfers to households				-		-	-	-	
Payments for capital assets	2 171	(57)	(375)	1 739	1 739	-	100,0%	1 030	1 024
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings				-		-	-	-	
Other fixed structures				-		-	-	-	
Machinery and equipment	2 171	(57)	(375)	1 739	1 739	-	100,0%	1 030	1 024
Transport equipment	246			246	246	-	100,0%	-	-
Other machinery and equipment	1 925	(57)	(375)	1 493	1 493	-	100,0%	1 030	1 024
Heritage assets				-		-	-	-	-
Specialised military assets				-		-	-	-	-
Biological assets				-		-	-	-	-
Land and sub-soil assets				-		-	-	-	-
Software and other intangible assets				-		-	-	-	-
Payment for financial assets				-	45	(45)	-		49
Total	181 087	(9 010)	(20 767)	151 310	150 983	327	99,8%	97 856	95 745

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APPROPRIATION STATEMENT
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SUBPROGRAMME: 4.2: RESTITUTION REGIONAL OFFICES									
	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	476 930	8 968	1 095	486 993	486 992	1	100,0%	463 464	457 142
Compensation of employees	341 435	-	1 095	342 530	342 530	-	100,0%	324 806	319 584
Salaries and wages	292 671		1 263	293 934	293 934	-	100,0%	278 621	274 786
Social contributions	48 764		(168)	48 596	48 596	-	100,0%	46 185	44 798
Goods and services	135 495	8 968	-	144 463	144 462	1	100,0%	137 902	136 803
Administrative fees	4 270	1 169		5 439	5 438	1	100,0%	3 889	3 881
Advertising	2 605	(949)		1 656	1 656	-	100,0%	2 218	2 212
Minor assets	3 289	(2 824)		465	465	-	100,0%	642	642
Audit costs: External				-	-	-	-	347	347
Bursaries: Employees				-		-	-	-	
Catering: Departmental activities	2 529	(678)		1 851	1 851	-	100,0%	1 605	1 601
Communication (G&S)	9 316	(1 419)		7 897	7 897	-	100,0%	8 143	8 128
Computer services	253	(59)		194	194	-	100,0%	1	
Consultants: Business and advisory services	4 628	(4 195)		433	433	-	100,0%	841	840
Infrastructure and planning services	297	(270)		27	27	-	100,0%	1 119	1 117
Laboratory services				-		-	-	-	
Scientific and technological services				-		-	-	-	
Legal services	18 782	3 860		22 642	22 642	-	100,0%	20 395	20 390
Contractors	2 441	(2 294)		147	147	-	100,0%	232	232
Agency and support / outsourced services	4 364	(2 082)		2 282	2 282	-	100,0%	3 559	3 558
Entertainment				-		-	-	-	
Fleet services (including government motor transport)	5 509	(2 040)		3 469	3 469	-	100,0%	3 004	2 971

APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUBPROGRAMME: 4.2: RESTITUTION REGIONAL OFFICES							2018/19		
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Housing									
Inventory: Clothing material and accessories				-			-	-	-
Inventory: Farming supplies				-			-	-	-
Inventory: Food and food supplies				-			-	-	-
Inventory: Fuel, oil and gas				-			-	-	-
Inventory: Learner and teacher support material				-			-	-	-
Inventory: Materials and supplies				-			-	-	-
Inventory: Medical supplies				-			-	-	-
Inventory: Medicine				-			-	-	-
Medsas inventory interface				-			-	-	-
Inventory: Other supplies				-			-	-	-
Consumable supplies	1 769	(452)		1 317	1 317	-	100,0%	875	832
Consumable: Stationery, printing and office supplies	6 953	(3 419)		3 534	3 534	-	100,0%	4 298	4 287
Operating leases	4 909	5 573		10 482	10 482	-	100,0%	8 203	7 343
Property payments	9 240	(3 236)		6 004	6 004	-	100,0%	6 071	6 057
Transport provided: Departmental activity	3 435	(502)		2 933	2 933	-	100,0%	2 533	2 531
Travel and subsistence	28 574	23 085		51 659	51 659	-	100,0%	51 595	51 524
Training and development	100	447		547	547	-	100,0%	-	-
Operating payments	5 331	(3 838)		1 493	1 493	-	100,0%	1 491	1 477
Venues and facilities	15 427	4 416		19 843	19 843	-	100,0%	15 997	15 993
Rental and hiring	1 474	(1 325)		149	149	-	100,0%	844	840
Interest and rent on land	-	-	-	-	-	-	-	756	755
Interest (Incl. interest on unitary payments (PPP))	-	-	-	-	-	-	-	756	755

APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUBPROGRAMME: 4.2: RESTITUTION REGIONAL OFFICES							2018/19		
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Rent on land									
Transfers and subsidies	6 640	(15)	9 922	16 547	16 546	-	-	-	5 220
Provinces and municipalities	6 290	-	9 679	15 969	15 968	1	100,0%	4 834	4 822
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities	6 290	-	9 679	15 969	15 968	1	100,0%	4 834	4 822
Municipal bank accounts	6 290		9 679	15 969	15 968	1	100,0%	4 834	4 822
Municipal agencies and funds									
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds									
Departmental agencies (non-business entities)									
Higher education institutions									
Foreign governments and international organisations									
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on products and production (pc)									
Other transfers to public corporations									
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on products and production (pe)									
Other transfers to private enterprises									
Non-profit institutions									
Households	350	(15)	243	578	578	-	100,0%	400	398

APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUBPROGRAMME: 4.2: RESTITUTION REGIONAL OFFICES									
	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Social benefits	350	(20)		330	330	-	100,0%	400	398
Other transfers to households		5	243	248	248	-	100,0%	-	-
Payments for capital assets	9 002	57	68 988	78 047	78 046	1	100,0%	32 512	32 436
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings							-	-	-
Other fixed structures							-	-	-
Machinery and equipment	8 566	(3 402)	-	5 164	5 164	-	100,0%	7 253	7 178
Transport equipment							-	-	-
Other machinery and equipment	8 566	(3 402)		5 164	5 164	-	100,0%	7 253	7 178
Heritage assets							-	-	-
Specialised military assets							-	-	-
Biological assets							-	-	-
Land and sub-soil assets	436	3 459	68 988	72 883	72 882	1	100,0%	25 259	25 258
Software and other intangible assets							-	-	-
Payment for financial assets					330	(330)			591
Total	492 572	9 010	80 005	581 587	581 914	(327)	100,1%	501 210	495 389

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APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUBPROGRAMME: 4.3: RESTITUTION GRANTS									
	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	-	1 707 026	-	1 707 026	1 707 026	-	100,0%	760 273	760 273
Salaries and wages	-	-	-	-	-	-	-	-	-
Social contributions							-	-	-
Goods and services		1 707 026	-	1 707 026	1 707 026	-	100,0%	760 273	760 273
Administrative fees							-	-	-
Advertising							-	-	-
Minor assets							-	-	-
Audit costs: External							-	-	-
Bursaries: Employees							-	-	-
Catering: Departmental activities							-	-	-
Communication (G&S)							-	-	-
Computer services							-	-	-
Consultants: Business and advisory services							-	-	-
Infrastructure and planning services							-	-	-
Laboratory services							-	-	-
Scientific and technological services							-	-	-
Legal services							-	-	-
Contractors							-	-	-
Agency and support / outsourced services							-	-	-
Entertainment							-	-	-
Fleet services (including government motor transport)							-	-	-

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SUBPROGRAMME: 4.3: RESTITUTION GRANTS									
Economic classification	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Housing				-		-	-	-	-
Inventory: Clothing material and accessories				-		-	-	-	-
Inventory: Farming supplies			260 313	260 313	260 313		100.0%	410 994	410 994
Inventory: Food and food supplies				-		-	-	-	-
Inventory: Fuel, oil and gas				-		-	-	-	-
Inventory: Learner and teacher support material				-		-	-	-	-
Inventory: Materials and supplies				-		-	-	-	-
Inventory: Medical supplies				-		-	-	-	-
Inventory: Medicine				-		-	-	-	-
Medsas inventory interface				-		-	-	-	-
Inventory: Other supplies			1 446 713	1 446 713	1 446 713		100.0%	349 729	349 729
Consumable supplies				-		-	-	-	-
Consumable: Stationery, printing and office supplies				-		-	-	-	-
Operating leases				-		-	-	-	-
Property payments				-		-	-	-	-
Transport provided: Departmental activity				-		-	-	-	-
Travel and subsistence				-		-	-	-	-
Training and development				-		-	-	-	-
Operating payments				-		-	-	-	-
Venues and facilities				-		-	-	-	-
Rental and hiring				-		-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest (Incl. interest on unitary payments (PPP))				-		-	-	-	-

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for the year ended 31 March 2020

SUBPROGRAMME: 4.3: RESTITUTION GRANTS									
Economic classification	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Rent on land				-		-	-	-	-
Transfers and subsidies	2 919 712	(1 707 026)	12 760	1 225 446	1 225 446		100.0%	1 896 919	1 896 629
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds				-		-	-	-	-
Provincial agencies and funds				-		-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal bank accounts				-		-	-	-	-
Municipal agencies and funds				-		-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds				-		-	-	-	-
Departmental agencies (non-business entities)				-		-	-	-	-
Higher education institutions				-		-	-	-	-
Foreign governments and international organisations				-		-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on products and production (pc)				-		-	-	-	-
Other transfers to public corporations				-		-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on products and production (pe)				-		-	-	-	-
Other transfers to private enterprises				-		-	-	-	-
Non-profit institutions				-		-	-	-	-
Households	2 919 712	(1 707 026)	12 760	1 225 446	1 225 446	-	100.0%	1 896 919	1 896 629

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APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUBPROGRAMME: 4.3: RESTITUTION GRANTS							
	2019/20					2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation
	R'000	R'000	R'000	R'000	R'000	R'000	%
Economic classification							
Social benefits							
Other transfers to households	2 919 712	(1 707 026)	12 760	1 225 446	1 225 446	-	-
Payments for capital assets	-	-	57 324	1 504 037	1 504 037	-	100,0%
Buildings and other fixed structures	-	-	57 324	57 324	57 324	-	100,0%
Buildings			57 324	57 324	57 324	-	100,0%
Other fixed structures			-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-
Transport equipment			-	-	-	-	-
Other machinery and equipment			-	-	-	-	-
Heritage assets			-	-	-	-	-
Specialised military assets			-	-	-	-	-
Biological assets			-	-	-	-	-
Land and sub-soil assets		-	-	-	-	-	-
Software and other intangible assets			-	-	-	-	-
Payment for financial assets							
Total	2 919 712	-	70 084	2 989 796	2 989 796	-	100,0%
						2 665 198	2 664 908

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APPROPRIATION STATEMENT
for the year ended 31 March 2020

PROGRAMME 5: LAND REFORM							
	2019/20					2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation
	R'000	R'000	R'000	R'000	R'000	R'000	%
Sub programme							
1. LAND REDISTRIBUTION AND DEVELOPMENT	275 157	(10 252)	100 886	365 791	365 791	-	100,0%
2. LAND TENURE AND ADMINISTRATION	580 855	55 982	16 156	652 993	652 993	-	100,0%
3. LAND REFORM GRANTS	498 485	(306 387)	(106 777)	198 344	198 344	-	100,0%
4. KWAZULU-NATAL INGONYAMA TRUST BOARD	21 489	-	-	21 489	21 489	-	100,0%
5. AGRICULTURAL LAND HOLDING ACCOUNT	1 405 947	147 634	129 366	1 682 947	1 682 947	-	100,0%
6. OFFICE OF VALUER-GENERAL	142 127	-	-	142 127	142 127	-	100,0%
	2 924 060	(113 023)	252 654	3 063 691	3 063 691	-	100,0%
						2 608 520	2 574 863
Economic classification							
Current payments	667 776	-	214 937	882 713	882 620	93	100,0%
Compensation of employees	403 058	-	6 508	409 566	409 473	93	100,0%
Salaries and wages	347 836	2 084	6 508	356 428	356 335	93	100,0%
Social contributions	55 222	(2 084)	-	53 138	53 138	-	100,0%
Goods and services	264 718	-	208 429	473 147	473 147	-	100,0%
Administrative fees	2 972	364	-	3 336	3 336	-	100,0%
Advertising	2 251	(127)	-	2 124	2 124	-	100,0%
Minor assets	7 188	(5 400)	-	1 788	1 788	-	100,0%
Audit costs: External	4 602	(4 602)	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-
						719 123	692 192
						382 540	356 473
						330 988	310 063
						51 552	46 410
						336 555	335 691
						3 333	3 302
						1 101	1 090
						1 334	1 280
						848	847
						-	-

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APPROPRIATION STATEMENT
for the year ended 31 March 2020

PROGRAMME 5: LAND REFORM							2018/19		
	2019/20						Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	%	R'000	R'000
Catering: Departmental activities	2 018	(1 367)	-	651	651	-	100,0%	1 349	1 333
Communication (G&S)	11 860	1 638	-	13 498	13 498	-	100,0%	12 970	12 926
Computer services	4 013	(2 249)	-	1 764	1 764	-	100,0%	1 602	1 601
Consultants: Business and advisory services	27 409	(16 696)	954	11 667	11 667	-	100,0%	8 018	8 000
Infrastructure and planning services	181	(181)	-	-	-	-	-	32	31
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	81 277	31 871	10 495	123 643	123 643	-	100,0%	147 030	147 024
Contractors	752	(406)	11 710	12 056	12 056	-	100,0%	523	513
Agency and support / outsourced services	960	(506)	377	831	831	-	100,0%	1 156	1 147
Entertainment	24	(23)	-	1	1	-	100,0%	1	-
Fleet services (including government motor transport)	6 705	(1 150)	-	5 555	5 555	-	100,0%	4 412	4 370
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	184 893	184 893	184 893	-	100,0%	51 280	51 280
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	4 275	(2 288)	-	1 987	1 987	-	100,0%	2 663	2 563

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APPROPRIATION STATEMENT
for the year ended 31 March 2020

PROGRAMME 5: LAND REFORM							2018/19		
	2019/20						Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	%	R'000	R'000
Consumable: Stationery, printing and office supplies	12 057	(6 471)	-	5 586	5 586	-	100,0%	5 612	5 543
Operating leases	13 431	3 517	-	16 948	16 948	-	100,0%	10 394	10 371
Property payments	11 979	(2 486)	-	9 493	9 493	-	100,0%	9 490	9 471
Transport provided: Departmental activity	752	(556)	-	196	196	-	100,0%	690	687
Travel and subsistence	54 359	7 967	-	62 326	62 326	-	100,0%	57 427	57 093
Training and development	455	652	-	1 107	1 107	-	100,0%	-	-
Operating payments	6 683	(3 044)	-	3 639	3 639	-	100,0%	5 616	5 572
Venues and facilities	7 779	1 849	-	9 628	9 628	-	100,0%	9 139	9 120
Rental and hiring	736	(306)	-	430	430	-	100,0%	535	527
Interest and rent on land	-	-	-	-	-	-	-	28	28
Interest (Incl. interest on unitary payments (PPP))	-	-	-	-	-	-	-	28	28
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	2 244 848	(113023)	37 270	2 169 095	2 169 095	-	100,0%	1 880 108	1 872 935
Provinces and municipalities	176 664	44 138	-	220 802	220 802	-	100,0%	220 383	220 369
Provinces	-	100	-	100	100	-	100,0%	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	100	-	100	100	-	100,0%	-	-
Municipalities	176 664	44 038	-	220 702	220 702	-	100,0%	220 383	220 369
Municipal bank accounts	-	44 038	-	220 702	220 702	-	100,0%	220 383	220 369
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	1 569 563	147 634	129 369	1 846 566	1 846 566	-	100,0%	1 487 933	1 487 931
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies	1 569 563	147 634	129 369	1 846 566	1 846 566	-	100,0%	1 487 933	1 487 931
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-

DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM
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APPROPRIATION STATEMENT
for the year ended 31 March 2020

PROGRAMME 5: LAND REFORM									
	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Public corporations and private enterprises	1	-	99 999	100 000	100 000	-	100,0%	-	-
Public corporations	1	-	99 999	100 000	100 000	-	100,0%	-	-
Subsidies on products and production (pc)	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	1	-	99 999	100 000	100 000	-	100,0%	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on products and production (pe)	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	498 620	(191 772)	(192 098)	114 750	114 750	-	100,0%	171 792	164 635
Social benefits	135	938	-	1 073	1 073	-	100,0%	504	497
Other transfers to households	498 485	(192 710)	(192 098)	113 677	113 677	-	100,0%	171 288	164 138
Payments for capital assets	11 436	-	447	11 883	11 883	-	100,0%	9 289	9 217
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	11 436	-	447	11 883	11 883	-	100,0%	9 289	9 217
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	11 436	-	447	11 883	11 883	-	100,0%	9 289	9 217
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	93	(93)	-	-	519
	2 924 060	(113 023)	252 654	3 063 691	3 063 691	-	100,0%	2 608 520	2 574 863

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APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUBPROGRAMME: 5.1: LAND REDISTRIBUTION AND DEVELOPMENT									
	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification	268 407	(10 499)	469	258 377	258 284	93	100,0%	251 140	237 478
Current payments	177 646	889	469	179 004	178 911	93	99,9%	180 087	166 886
Compensation of employees	154 078	1 146	469	155 693	155 600	93	99,9%	155 552	144 846
Salaries and wages	23 568	(257)	-	23 311	23 311	-	100,0%	24 535	22 040
Social contributions	90 761	(11 388)	-	79 373	79 373	-	100,0%	71 053	70 592
Goods and services	1 376	91	-	1 467	1 467	-	100,0%	1 256	1 240
Administrative fees	1 960	18	-	1 978	1 978	-	100,0%	1 012	1 005
Advertising	4 116	(3 219)	-	897	897	-	100,0%	807	780
Minor assets	4 602	(4 602)	-	-	-	-	-	-	-
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	1 169	(884)	-	285	285	-	100,0%	851	842
Catering: Departmental activities	9 427	1 655	-	11 082	11 082	-	100,0%	11 057	11 035
Communication (G&S)	147	(119)	-	28	28	-	100,0%	1	1
Computer services	7 119	(6 702)	-	417	417	-	100,0%	1 668	1 654
Consultants: Business and advisory services	90	(90)	-	-	-	-	-	32	31
Infrastructure and planning services	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	2 253	325	-	2 578	2 578	-	100,0%	2 006	2 004
Contractors	336	(155)	-	181	181	-	100,0%	61	55
Agency and support / outsourced services	430	(423)	-	7	7	-	100,0%	90	87
Entertainment	12	(11)	-	1	1	-	100,0%	1	1
Fleet services (including government motor transport)	4 883	(520)	-	4 363	4 363	-	100,0%	4 143	4 107
Housing	-	-	-	-	-	-	-	-	-

DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM
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APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUBPROGRAMME: 5.1: LAND REDISTRIBUTION AND DEVELOPMENT									
	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Inventory: Clothing material and accessories				-		-	-	-	-
Inventory: Farming supplies				-		-	-	-	-
Inventory: Food and food supplies				-		-	-	-	-
Inventory: Fuel, oil and gas				-		-	-	-	-
Inventory: Learner and teacher support material				-		-	-	-	-
Inventory: Materials and supplies				-		-	-	-	-
Inventory: Medical supplies				-		-	-	-	-
Inventory: Medicine				-		-	-	-	-
Medsas inventory interface				-		-	-	-	-
Inventory: Other supplies				-		-	-	-	-
Consumable supplies	1 879	(1 179)		700	700	-	100,0%	781	721
Consumable: Stationery, printing and office supplies	6 497	(3 564)		2 933	2 933	-	100,0%	3 047	3 009
Operating leases	8 427	5 337		13 764	13 764	-	100,0%	9 526	9 512
Property payments	7 440	(1 555)		5 885	5 885	-	100,0%	5 053	5 042
Transport provided: Departmental activity	411	(356)		55	55	-	100,0%	230	229
Travel and subsistence	20 111	6 128		26 239	26 239	-	100,0%	23 330	23 176
Training and development	40	(40)		-		-	-	-	-
Operating payments	4 012	(2 098)		1 914	1 914	-	100,0%	2 403	2 377
Venues and facilities	3 725	689		4 414	4 414	-	100,0%	3 496	3 487
Rental and hiring	299	(114)		185	185	-	100,0%	202	198
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest (Incl. interest on unitary payments (PPP))				-		-	-	-	-
Rent on land				-		-	-	-	-
Transfers and subsidies	45	247	100 002	100 294	100 294	-	100,0%	253	248
Provinces and municipalities	2	(1)	-	1	1	-	100,0%	3	2

DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM
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APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUBPROGRAMME: 5.1: LAND REDISTRIBUTION AND DEVELOPMENT									
	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds				-		-	-	-	-
Provincial agencies and funds				-		-	-	-	-
Municipalities	2	(1)	-	1	1	-	100,0%	3	2
Municipal bank accounts	2	(1)		1	1	-	100,0%	3	2
Municipal agencies and funds				-		-	-	-	-
Departmental agencies and accounts	-	-	3	3	3	-	100,0%	3	2
Social security funds				-		-	-	-	-
Departmental agencies (non-business entities)			3	3	3	-	100,0%	3	2
Higher education institutions				-		-	-	-	-
Foreign governments and international organisations				-		-	-	-	-
Public corporations and private enterprises	-	1	99 999	100 000	100 000	-	100,0%	-	-
Public corporations	-	1	99 999	100 000	100 000	-	100,0%	-	-
Subsidies on products and production (pc)				-		-	-	-	-
Other transfers to public corporations		1	99 999	100 000	100 000	-	100,0%	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on products and production (pe)				-		-	-	-	-
Other transfers to private enterprises				-		-	-	-	-
Non-profit institutions				-		-	-	-	-
Households	43	247	-	290	290	-	100,0%	247	244
Social benefits	43	247	-	290	290	-	100,0%	247	244
Other transfers to households				-		-	-	-	-
Payments for capital assets	6 705	-	415	7 120	7 120	-	100,0%	5 573	5 536
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings				-		-	-	-	-

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APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUBPROGRAMME: 5.1: LAND REDISTRIBUTION AND DEVELOPMENT									
	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Other fixed structures							-	-	-
Machinery and equipment	6 705	-	415	7 120	7 120	-	100,0%	5 573	5 536
Transport equipment							-	-	-
Other machinery and equipment	6 705		415	7 120	7 120	-	100,0%	5 573	5 536
Heritage assets							-	-	-
Specialised military assets							-	-	-
Biological assets							-	-	-
Land and sub-soil assets							-	-	-
Software and other intangible assets							-	-	-
Payment for financial assets					93	(93)	-	-	322
Total	275 157	(10 252)	100 886	365 791	365 791	-	100,0%	256 966	243 584

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VOTE 39

APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUB - PROGRAMME: 5.2: LAND TENURE AND ADMINISTRATION									
	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	399 369	10 499	16 124	425 992	425 992	-	100,0%	412 432	399 163
Compensation of employees	225 412	(889)	6 039	230 562	230 562	-	100,0%	202 453	189 587
Salaries and wages	193 758	938	6 039	200 735	200 735	-	100,0%	175 436	165 217
Social contributions	31 654	(1 827)		29 827	29 827	-	100,0%	27 017	24 370
Goods and services	173 957	11 388	10 085	195 430	195 430	-	100,0%	209 951	209 548
Administrative fees	1 596	273		1 869	1 869	-	100,0%	2 077	2 062
Advertising	291	(145)		146	146	-	100,0%	89	85
Minor assets	3 072	(2 181)		891	891	-	100,0%	527	500
Audit costs: External	-			-		-	-	848	847
Bursaries: Employees	-			-		-	-	-	-
Catering: Departmental activities	849	(483)		366	366	-	100,0%	498	491
Communication (G&S)	2 433	(17)		2 416	2 416	-	100,0%	1 877	1 855
Computer services	3 866	(2 130)		1 736	1 736	-	100,0%	1 601	1 600
Consultants: Business and advisory services	20 290	(9 994)		10 296	10 296	-	100,0%	4 364	4 360
Infrastructure and planning services	91	(91)		-		-	-	-	-
Laboratory services				-		-	-	-	-
Scientific and technological services				-		-	-	-	-
Legal services	79 024	31 546	10 085	120 655	120 655	-	100,0%	145 024	145 020
Contractors	416	(251)		165	165	-	100,0%	462	458
Agency and support / outsourced services	530	(83)		447	447	-	100,0%	874	868
Entertainment	12	(12)		-		-	-	-	-
Fleet services (including government motor transport)	1 822	(630)		1 192	1 192	-	100,0%	269	263
Housing				-		-	-	-	-

DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM
VOTE 39

APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUB - PROGRAMME: 5.2: LAND TENURE AND ADMINISTRATION									
	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Inventory: Clothing material and accessories				-		-	-	-	-
Inventory: Farming supplies				-		-	-	-	-
Inventory: Food and food supplies				-		-	-	-	-
Inventory: Fuel, oil and gas				-		-	-	-	-
Inventory: Learner and teacher support material				-		-	-	-	-
Inventory: Materials and supplies				-		-	-	-	-
Inventory: Medical supplies				-		-	-	-	-
Inventory: Medicine				-		-	-	-	-
Medsas inventory interface				-		-	-	-	-
Inventory: Other supplies				-		-	-	-	-
Consumable supplies	2 396	(1 109)		1 287	1 287	-	100,0%	1 882	1 842
Consumable: Stationery, printing and office supplies	5 560	(2 907)		2 653	2 653	-	100,0%	2 565	2 534
Operating leases	5 004	(1 820)		3 184	3 184	-	100,0%	868	859
Property payments	4 539	(931)		3 608	3 608	-	100,0%	4 437	4 429
Transport provided: Departmental activity	341	(200)		141	141	-	100,0%	460	458
Travel and subsistence	34 248	1 839		36 087	36 087	-	100,0%	34 097	33 917
Training and development	415	692		1 107	1 107	-	100,0%	-	-
Operating payments	2 671	(946)		1 725	1 725	-	100,0%	1 411	1 393
Venues and facilities	4 054	1 160		5 214	5 214	-	100,0%	5 388	5 378
Rental and hiring	437	(192)		245	245	-	100,0%	333	329
Interest and rent on land	-	-	-	-	-	-	-	28	28
Interest (Incl. interest on unitary payments (PPP))	-	-	-	-	-	-	-	28	28
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	176 755	45 484	-	222 239	222 238	1	100,0%	223 013	222 993
Provinces and municipalities	176 662	44 139	-	220 801	220 801	-	100,0%	220 380	220 367

DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM
VOTE 39

APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUB - PROGRAMME: 5.2: LAND TENURE AND ADMINISTRATION									
	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Provinces	-	100	-	100	100	-	100,0%	-	-
Provincial Revenue Funds				-		-	-	-	-
Provincial agencies and funds		100		100	100	-	100,0%	-	-
Municipalities	176 662	44 039	-	220 701	220 701	-	100,0%	220 380	220 367
Municipal bank accounts	176 662	44 039		220 701	220 701	-	100,0%	220 380	220 367
Municipal agencies and funds				-		-	-	-	-
Departmental agencies and accounts				-		-	-	-	-
Social security funds				-		-	-	-	-
Departmental agencies (non-business entities)				-		-	-	-	-
Higher education institutions				-		-	-	-	-
Foreign governments and international organisations				-		-	-	-	-
Public corporations and private enterprises	1	-	-	1	-	1	-	-	-
Public corporations	1	-	-	1	-	1	-	-	-
Subsidies on products and production (pc)				-		-	-	-	-
Other transfers to public corporations	1			1		1	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on products and production (pe)				-		-	-	-	-
Other transfers to private enterprises				-		-	-	-	-
Non-profit institutions				-		-	-	-	-
Households	92	1 345	-	1 437	1 437	-	100,0%	2 633	2 626
Social benefits	92	691		783	783	-	100,0%	257	253
Other transfers to households		654		654	654	-	100,0%	2 376	2 373
Payments for capital assets	4 731	-	32	4 763	4 763	-	100,0%	3 716	3 681
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-

DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM
VOTE 39

APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUB - PROGRAMME: 5.2: LAND TENURE AND ADMINISTRATION									
	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Other fixed structures				-	-	-	-	-	-
Machinery and equipment	4 731	-	32	4 763	4 763	-	100,0%	3 716	3 681
Transport equipment				-	-	-	-	-	-
Other machinery and equipment	4 731		32	4 763	4 763	-	100,0%	3 716	3 681
Heritage assets				-	-	-	-	-	-
Specialised military assets				-	-	-	-	-	-
Biological assets				-	-	-	-	-	-
Land and sub-soil assets				-	-	-	-	-	-
Software and other intangible assets				-	-	-	-	-	-
Payment for financial assets	580 855	55 983	16 156	652 994	652 993	1	100,0%	639 161	626 034
Total									

DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM
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APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUB - PROGRAMME: 5.3: LAND REFORM GRANTS									
	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	-	-	198 344	198 344	198 344	-	100,0%	55 551	55 551
Salaries and wages	-	-	-	-	-	-	-	-	-
Social contributions									
Goods and services			198 344	198 344	198 344	-	100,0%	55 551	55 551
Administrative fees									
Advertising									
Minor assets									
Audit costs: External									
Bursaries: Employees									
Catering: Departmental activities									
Communication (G&S)								36	36
Computer services									
Consultants: Business and advisory services			954	954	954	-	100,0%	1 986	1 986
Infrastructure and planning services									
Laboratory services									
Scientific and technological services									
Legal services			410	410	410	-	100,0%	-	-
Contractors			11 710	11 710	11 710	-	100,0%	-	-
Agency and support / outsourced services			377	377	377	-	100,0%	192	192
Entertainment									
Fleet services (including government motor transport)									
Housing									

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APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUB - PROGRAMME: 5.3: LAND REFORM GRANTS									
Economic classification	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	2019/20		Variance R'000	Expenditure as % of final appropriation %	2018/19	
				Final Appropriation R'000	Actual Expenditure R'000			Final Appropriation R'000	Actual Expenditure R'000
Inventory: Clothing material and accessories						-	-	-	
Inventory: Farming supplies			184 893	184 893	184 893	-	100,0%	51 280	51 280
Inventory: Food and food supplies						-	-	-	
Inventory: Fuel, oil and gas						-	-	-	
Inventory: Learner and teacher support material						-	-	-	
Inventory: Materials and supplies						-	-	-	
Inventory: Medical supplies						-	-	-	
Inventory: Medicine						-	-	-	
Medsas inventory interface						-	-	-	
Inventory: Other supplies						-	-	-	
Consumable supplies						-	-	-	
Consumable: Stationery, printing and office supplies						-	-	-	
Operating leases						-	-	-	
Property payments						-	-	-	
Transport provided: Departmental activity						-	-	-	
Travel and subsistence						-	-	-	
Training and development						-	-	-	
Operating payments						-	-	1 802	1 802
Venues and facilities						-	-	255	255
Rental and hiring						-	-	-	-
Interest and rent on land						-	-	-	-
Interest (Incl. interest on unitary payments (PPP))						-	-	-	-
Rent on land						-	-	-	-
Transfers and subsidies	498 485	(306 387)	(192 098)				100,0%	168 912	161 765
Provinces and municipalities	-	-	-				-	-	-

DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM
VOTE 39

APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUB - PROGRAMME: 5.3: LAND REFORM GRANTS									
Economic classification	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	2019/20		Variance R'000	Expenditure as % of final appropriation %	2018/19	
				Final Appropriation R'000	Actual Expenditure R'000			Final Appropriation R'000	Actual Expenditure R'000
Provinces	-	-	-			-	-	-	-
Provincial Revenue Funds						-	-	-	-
Provincial agencies and funds						-	-	-	-
Municipalities	-	-	-			-	-	-	-
Municipal bank accounts						-	-	-	-
Municipal agencies and funds						-	-	-	-
Departmental agencies and accounts	-	-	-			-	-	-	-
Social security funds						-	-	-	-
Departmental agencies (non-business entities)						-	-	-	-
Higher education institutions						-	-	-	-
Foreign governments and international organisations						-	-	-	-
Public corporations and private enterprises	-	-	-			-	-	-	-
Public corporations	-	-	-			-	-	-	-
Subsidies on products and production (pc)						-	-	-	-
Other transfers to public corporations						-	-	-	-
Private enterprises	-	-	-			-	-	-	-
Subsidies on products and production (pe)						-	-	-	-
Other transfers to private enterprises						-	-	-	-
Non-profit institutions						-	-	-	-
Households	498 485	(306 387)	(192 098)			-	100,0%	168 912	161 765
Social benefits						-	-	-	-
Other transfers to households	498 485	(306 387)	(192 098)			-	-	168 912	161 765
Payments for capital assets	-	-	-			-	-	-	-
Buildings and other fixed structures	-	-	-			-	-	-	-
Buildings						-	-	-	-

DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM
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APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUB - PROGRAMME: 5.4: KWAZULU-NATAL INGONYAMA TRUST BOARD							
	2019/20				2018/19		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Inventory: Clothing material and accessories				-		-	-
Inventory: Farming supplies				-		-	-
Inventory: Food and food supplies				-		-	-
Inventory: Fuel, oil and gas				-		-	-
Inventory: Learner and teacher support material				-		-	-
Inventory: Materials and supplies				-		-	-
Inventory: Medical supplies				-		-	-
Inventory: Medicine				-		-	-
Medsas inventory interface				-		-	-
Inventory: Other supplies				-		-	-
Consumable supplies				-		-	-
Consumable: Stationery, printing and office supplies				-		-	-
Operating leases				-		-	-
Property payments				-		-	-
Transport provided: Departmental activity				-		-	-
Travel and subsistence				-		-	-
Training and development				-		-	-
Operating payments				-		-	-
Venues and facilities				-		-	-
Rental and hiring				-		-	-
Interest and rent on land	-	-	-	-	-	-	-
Interest (Incl. interest on unitary payments (PPP))				-		-	-
Rent on land	21 489	-	-	21 489	21 489	-	100,0%
Transfers and subsidies							
Provinces and municipalities	-	-	-	-	-	-	-

DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM
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APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUB - PROGRAMME: 5.4: KWAZULU-NATAL INGONYAMA TRUST BOARD							
	2019/20				2018/19		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Provinces	-	-	-	-	-	-	-
Provincial Revenue Funds				-		-	-
Provincial agencies and funds				-		-	-
Municipalities				-		-	-
Municipal bank accounts				-		-	-
Municipal agencies and funds				-		-	-
Departmental agencies and accounts	21 489	-	-	21 489	21 489	-	100,0%
Social security funds				-		-	-
Departmental agencies (non-business entities)	21 489	-	-	21 489	21 489	-	100,0%
Higher education institutions				-		-	-
Foreign governments and international organisations				-		-	-
Public corporations and private enterprises	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-
Subsidies on products and production (pc)				-		-	-
Other transfers to public corporations				-		-	-
Private enterprises	-	-	-	-	-	-	-
Subsidies on products and production (pe)				-		-	-
Other transfers to private enterprises				-		-	-
Non-profit institutions				-		-	-
Households	-	-	-	-	-	-	-
Social benefits				-		-	-
Other transfers to households				-		-	-
Payments for capital assets							
Buildings and other fixed structures	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-

DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM
VOTE 39

APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUB - PROGRAMME: 5.5: AGRICULTURAL LAND HOLDING ACCOUNT									
	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Inventory: Clothing material and accessories				-		-	-	-	-
Inventory: Farming supplies				-		-	-	-	-
Inventory: Food and food supplies				-		-	-	-	-
Inventory: Fuel, oil and gas				-		-	-	-	-
Inventory: Learner and teacher support material				-		-	-	-	-
Inventory: Materials and supplies				-		-	-	-	-
Inventory: Medical supplies				-		-	-	-	-
Inventory: Medicine				-		-	-	-	-
Medias inventory interface				-		-	-	-	-
Inventory: Other supplies				-		-	-	-	-
Consumable supplies				-		-	-	-	-
Consumable: Stationery, printing and office supplies				-		-	-	-	-
Operating leases				-		-	-	-	-
Property payments				-		-	-	-	-
Transport provided: Departmental activity				-		-	-	-	-
Travel and subsistence				-		-	-	-	-
Training and development				-		-	-	-	-
Operating payments				-		-	-	-	-
Venues and facilities				-		-	-	-	-
Rental and hiring				-		-	-	-	-
Interest and rent on land				-		-	-	-	-
Interest (Incl. interest on unitary payments (PPP))				-		-	-	-	-
Rent on land				-		-	-	-	-
Transfers and subsidies	1 405 947	147 634	129 366	1 682 947	1 682 947	-	100,0%	1 326 457	1 326 457
Provinces and municipalities	-	-	-	-	-	-	-	-	-

DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM
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APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUB - PROGRAMME: 5.5: AGRICULTURAL LAND HOLDING ACCOUNT									
	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal bank accounts	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	1 405 947	147 634	129 366	1 682 947	1 682 947	-	100,0%	1 326 457	1 326 457
Social security funds	1 405 947	147 634	129 366	1 682 947	1 682 947	-	100,0%	1 326 457	1 326 457
Departmental agencies (non-business entities)	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on products and production (pc)	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on products and production (pe)	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-

DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM
VOTE 39

APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUB - PROGRAMME: 5.6: OFFICE OF VALUER-GENERAL									
	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Inventory: Clothing material and accessories				-		-	-		
Inventory: Farming supplies				-		-	-		
Inventory: Food and food supplies				-		-	-		
Inventory: Fuel, oil and gas				-		-	-		
Inventory: Learner and teacher support material				-		-	-		
Inventory: Materials and supplies				-		-	-		
Inventory: Medical supplies				-		-	-		
Inventory: Medicine				-		-	-		
Medsas inventory interface				-		-	-		
Inventory: Other supplies				-		-	-		
Consumable supplies				-		-	-		
Consumable: Stationery, printing and office supplies				-		-	-		
Operating leases				-		-	-		
Property payments				-		-	-		
Transport provided: Departmental activity				-		-	-		
Travel and subsistence				-		-	-		
Training and development				-		-	-		
Operating payments				-		-	-		
Venues and facilities				-		-	-		
Rental and hiring				-		-	-		
Interest and rent on land	-			-	-	-	-		
Interest (Incl. interest on unitary payments (PPP))				-		-	-		
Rent on land				-	142 127	-	100,0%	141 124	141 123
Transfers and subsidies	142 127	-	-	142 127	142 127	-		141 124	141 123

DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM
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APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUB - PROGRAMME: 5.6: OFFICE OF VALUER-GENERAL									
	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds				-		-	-	-	
Provincial agencies and funds				-		-	-	-	
Municipalities				-		-	-	-	
Municipal bank accounts				-		-	-	-	
Municipal agencies and funds				-		-	-	-	
Departmental agencies and accounts	142 127	-	-	142 127	142 127	-	100,0%	141 124	141 123
Social security funds				-		-	-	-	
Departmental agencies (non-business entities)	142 127	-	-	142 127	142 127	-	100,0%	141 124	141 123
Higher education institutions				-		-	-	-	
Foreign governments and international organisations				-		-	-	-	
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations				-		-	-	-	
Subsidies on products and production (pc)				-		-	-	-	
Other transfers to public corporations				-		-	-	-	
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on products and production (pe)				-		-	-	-	
Other transfers to private enterprises				-		-	-	-	
Non-profit institutions				-		-	-	-	
Households				-		-	-	-	
Social benefits				-		-	-	-	
Other transfers to households				-		-	-	-	
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-

APPROPRIATION STATEMENT
for the year ended 31 March 2020

SUB - PROGRAMME: 5.6: OFFICE OF VALUER-GENERAL	2019/20					2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation
	R'000	R'000	R'000	R'000	R'000	R'000	%
Economic classification							
Buildings							
Other fixed structures							
Machinery and equipment							
Transport equipment							
Other machinery and equipment							
Heritage assets							
Specialised military assets							
Biological assets							
Land and sub-soil assets							
Software and other intangible assets							
Payment for financial assets							
Total	142 127	-	-	142 127	142 127	-	100,0%
				141 124			
					141 123		

DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM
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NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2020

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

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

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

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

3. Detail on payments for financial assets

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

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

4.1 Per programme:

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Approp.
Per programme:	R'000	R'000	R'000	%
Administration	1 734 402	1 728 801	5 601	0%
Ministry	50 481	48 552	1 929	4%
Management	233 735	233 181	554	0%
Internal Audit	45 344	45 311	33	0%
Corporate Services	421 527	419 661	1 866	0%
Financial Services	218 911	217 869	1 042	0%
Provincial Coordination	444 391	444 391	-	0%
Office Accommodation	320 013	319 836	177	0%

Variance was mainly due to delays in the commencement of the construction of the new head office premises and vacant posts.

NGMS	698 741	697 733	1 008	0%
National Geomatics Management Services	509 864	508 856	1 008	0%
Spatial Planning and Land Use Management	180 983	180 983	-	0%
Registration of Deeds Trading account	-	-	-	0%
South African Council for Planners	3 902	3 902	-	0%
South African Geomatics Council	3 992	3 992	-	0%

Variance was due to vacant posts.

RURAL DEVELOPMENT	1 609 387	1 606 575	2 812	0%
Rural Infrastructure Development	694 466	693 615	851	0%

DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM
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NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2020

Rural Enterprise and Industrial Development	526 749	526 749	-	0%
National Rural Youth Services Corps	388 172	386 211	1 961	1%

Variance was mainly due to delays experienced in the implementation of the rural infrastructure projects.

RESTITUTION	3 722 693	3 716 027	6 666	0%
Restitution National Office	151 310	144 317	6 993	5%
Restitution Regional Offices	581 587	581 914	(327)	0%
Restitution Grants	2 989 796	2 989 796	-	0%

Variance was due to vacant posts.

LAND REFORM	3 063 691	3 063 691	-	0%
Land Reform National Office	365 791	365 791	-	0%
Land Reform Provincial Offices	652 993	652 993	-	0%
Land Reform Grants	198 344	198 344	-	0%
KwaZulu-Natal Ingonyama Trust Board	21 489	21 489	-	0%
Agricultural Land Holding Account	1 682 947	1 682 947	-	0%
Office Of Valuer-General	142 127	142 127	-	0%

4.2 Per economic classification

Per economic classification:

Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
R'000	R'000	R'000	%

Current expenditure

Compensation of employees
Goods and services
Interest and rent on land

Transfers and subsidies

Provinces and municipalities
Departmental agencies and accounts
Higher education institutions
Public corporations and private enterprises
Foreign governments and international organisations
Non-profit institutions
Households

Payments for capital assets

6 526 218	6 510 466	15 752	0%
2 426 830	2 416 581	10 249	0%
4 099 218	4 093 715	5 503	0%
170	170	-	0%
3 533 830	3 533 829	1	0%
236 932	236 931	1	0%
1 850 558	1 850 558	-	0%
100 000	100 000	-	0%
2 571	2 571	-	0%
3 902	3 902	-	0%
1 339 867	1 339 867	-	0%
762 323	761 272	334	0%

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NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2020

Buildings and other fixed structures	635 066	635 066	-	0%
Machinery and equipment	54 374	53 324	1 050	1%
Heritage assets	-	-	-	
Specialised military assets				
Biological assets				
Land and subsoil assets	72 883	72 882	1	0%
Software and other intangible assets			-	
Payments for financial assets	6 543	7 260	(717)	-11%
Total	10 828 914	10 812 827	16 087	0%

Variance was mainly due to delays in the following: commencement of the construction of the new head office premises and implementation of rural infrastructure projects; and vacant posts.

DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM
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STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2020

	Note	2019/20 R'000	2018/19 R'000
REVENUE			
Annual appropriation	1	10 828 914	10 425 243
Statutory appropriation	2	-	-
Departmental revenue	3	123 397	114 509
NRF Receipts		-	-
Aid assistance		-	-
TOTAL REVENUE		10 952 311	10 539 752
EXPENDITURE			
Current expenditure			
Compensation of employees	4	2 416 581	2 236 354
Goods and services		4 093 707	
	5		2 960 045
Interest and rent on land	6	169	921
Aid assistance	3	-	-
Total current expenditure		6 510 457	5 197 320
Transfers and subsidies			
Transfers and subsidies	8	3 533 838	4 292 680
Aid assistance	3	-	-
Total transfers and subsidies		3 533 838	4 292 680
Expenditure for capital assets			
Tangible assets	9	761 272	782 096
Intangible assets	9	-	-
Total expenditure for capital assets		761 272	782 096
Payments for financial assets	7	7 260	2 660
TOTAL EXPENDITURE		10 812 827	10 274 756
SURPLUS/(DEFICIT) FOR THE YEAR		139 484	264 996
Reconciliation of Net Surplus/(Deficit) for the year			
Voted Funds		16 087	150 487
Annual appropriation		16 087	150 487
Conditional grants		-	-
Departmental revenue and NRF Receipts	14	123 397	114 509
Aid assistance	3	-	-
SURPLUS/(DEFICIT) FOR THE YEAR		139 484	264 996

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STATEMENT OF FINANCIAL POSITION
for the year ended 31 March 2020

	Note	2019/20 R'000	2018/19 R'000
ASSETS			
Current Assets		317 233	432 103
Cash and cash equivalents	10	217 208	332 919
Prepayments and advances	11	54 558	55 683
Receivables	12	45 467	43 501
Aid assistance receivable	3	-	-
Non-Current Assets		2 440	2 520
Investments		-	-
Receivables	12	2 440	2 520
Other financial assets		-	-
TOTAL ASSETS		319 673	434 623
LIABILITIES			
Current Liabilities		296 504	417 743
Voted funds to be surrendered to the Revenue Fund	13	22 430	150 486
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	14	7 537	43 115
Payables	15	266 537	224 142
Aid assistance unutilised	3	-	-
TOTAL LIABILITIES		296 504	417 743
NET ASSETS		23 169	16 880
Represented by:			
Capitalisation reserve		-	-
Recoverable revenue		23 169	16 880
Retained funds		-	-
Revaluation reserves		-	-
TOTAL		23 169	16 880

**DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM
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**STATEMENT OF CHANGES IN THE NET ASSETS
for the year ended 31 March 2020**

NET ASSETS	Note	2019/20 R'000	2018/19 R'000
Capitalisation Reserves			
Recoverable revenue			
Opening balance		16 880	14 146
Transfers		6 289	2 734
Irrecoverable amounts written off		(5 096)	-
Debts recovered (included in departmental receipts)		(2 490)	(2 274)
Debts raised		13 875	5 008
Closing balance		23 169	16 880
TOTAL		23 169	16 880

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CASH FLOW STATEMENT
for the year ended 31 March 2020

	Note	2019/20 R'000	2018/19 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		10 949 886	10 539 481
Annual appropriated funds received	1.1	10 828 914	10 425 243
Departmental revenue received	2	78 139	76 606
Interest received	2	42 833	37 632
Aid assistance received	3	-	-
Net (increase)/ decrease in working capital		41 554	387 469
Surrendered to Revenue Fund		(303 118)	(617 763)
Surrendered to RDP Fund/Donor			(122)
Current payments		(6 510 288)	(5 196 399)
Interest paid	6	(169)	(921)
Payments for financial assets		(7 260)	(2 660)
Transfers and subsidies paid		(3 533 838)	(4 292 680)
Net cash flow available from operating activities	16	636 767	816 405
CASH FLOWS FROM INVESTING ACTIVITIES			
Distribution/dividend received		-	-
Payments for capital assets	9	(761 272)	(782 096)
Proceeds from sale of capital assets	2.2	2 425	271
(Increase)/ decrease in loans		-	-
(Increase)/ decrease in investments		-	-
(Increase)/ decrease in other financial assets		-	-
(Increase)/decrease in non-current receivables		80	-
Net cash flows from investing activities		(758 767)	(781 825)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/ (decrease) in net assets		6 289	-3 610
Increase/ (decrease) in non-current payables		-	-
Net cash flows from financing activities		6 289	-3 610
Net increase/ (decrease) in cash and cash equivalents		(115 711)	30 970
Cash and cash equivalents at beginning of period		332 919	301 949
Unrealised gains and losses within cash and cash equivalents		-	-
Cash and cash equivalents at end of period	10	217 208	332 919

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

	date is recognised as a payable / receivable in the statement of financial position.
7.2	Departmental revenue Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise. Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.
7.3	Accrued departmental revenue Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when: - it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and - the amount of revenue can be measured reliably. The accrued revenue is measured at the fair value of the consideration receivable. Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents. Write-offs are made according to the department's debt write-off policy
8	Expenditure
8.1	Compensation of employees
8.1.1	Salaries and wages Salaries and wages are recognised in the statement of financial performance on the date of payment.
8.1.2	Social contributions Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment. Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.
8.2	Other expenditure Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.
8.3	Accruals and payables not recognised Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.
8.4	Leases
8.4.1	Operating leases Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. The operating lease commitments are recorded in the notes to the financial statements.
8.4.2	Finance leases Finance lease payments made during the reporting period are recognised as capital expenditure

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

	in the statement of financial performance on the date of payment. The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions. Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of: - 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.
9	Aid Assistance
9.1	Aid assistance received Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value. Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.
9.2	Aid assistance paid 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.
10	Cash and cash equivalents Cash and cash equivalents are stated at cost in the statement of financial position. Bank overdrafts are shown separately on the face of the statement of financial position as a current liability. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.
11	Prepayments and advances Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash. Prepayments and advances are initially and subsequently measured at cost. <Indicate when prepayments and advances are expensed and under what circumstances.>
12	Loans and receivables Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.
13	Investments Investments are recognised in the statement of financial position at cost.
14	Financial assets
14.1	Financial assets (not covered elsewhere) A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

	At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.
14.2	Impairment of financial assets Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.
15	Payables Payables recognised in the statement of financial position are recognised at cost.
16	Capital Assets
16.1	Immovable capital assets Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use. Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.
16.2	Movable capital assets Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition. Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. Biological assets are subsequently carried at fair value. Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.
16.3	Intangible assets Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition. Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project. Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

	measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.
16.4	Project Costs: Work-in-progress Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid. Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use, the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register. Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.
17	Provisions and Contingents
17.1	Provisions Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.
17.2	Contingent liabilities Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.
17.3	Contingent assets Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.
17.4	Capital commitments Capital commitments are recorded at cost in the notes to the financial statements.
18	Unauthorised expenditure Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either: - 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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

	the appropriation in the statement of financial performance; or transferred to receivables for recovery. Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.
19	Fruitless and wasteful expenditure Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred. Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables or written off. Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.
20	Irregular expenditure 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. 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. 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.
21	Changes in accounting estimates and errors Changes in accounting estimates are applied prospectively in accordance with MCS requirements. Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.
22	Events after the reporting date Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.
23	Principal-Agent arrangements The department is party to a principal-agent arrangement for [include details here]. In terms of the arrangement the department is the [principal / agent] and is responsible for [include details here]. 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.
24	Departures from the MCS requirements The Department did not departure from MCS requirements
25	Capitalisation reserve The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020**

	identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.
26	Recoverable revenue Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.
27	Related party transactions Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length. The number of individuals and the full compensation of key management personnel is recorded in the notes to the financial statements.
28	Inventories At the date of acquisition, inventories are recognised at cost in the statement of financial performance. Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition. Inventories are subsequently measured at the lower of cost and net realisable value or where intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge, the lower of cost and current replacement value. The cost of inventories is assigned by using the weighted average cost basis.
29	Public-Private Partnerships Public Private Partnerships are accounted for based on the nature and or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies. A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the department are recorded in the notes to the financial statements.
30	Employee benefits The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.
31	Transfers of functions Transfers of functions are accounted for by the acquirer by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of transfer. Transfers of functions are accounted for by the transferor by derecognising or removing assets and liabilities at their carrying amounts at the date of transfer.
32	Mergers Mergers are accounted for by the combined department by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of the merger. Mergers are accounted for by the combining departments by derecognising or removing assets and liabilities at their carrying amounts at the date of the merger.

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020**

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:

	2019/20			2018/19		
	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Final Appropriation	Appropriation Received	Funds not requested/ not received
	R'000	R'000	R'000	R'000	R'000	R'000
Programmes						
Administration	1 881 068	1 881 068	-	1 911 429	1 911 429	-
National Geomatics Management Services	713 882	713 882	-	642 306	642 306	-
Rural Development	1 716 533	1 716 533	-	1 998 724	1 998 724	-
Restitution	3 593 371	3 593 371	-	3 264 264	3 264 264	-
Land Reform	2 924 060	2 924 060	-	2 608 520	2 608 520	-
	10 828 914	10 828 914	-	10 425 243	10 425 243	-

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

2 Departmental revenue

	Note	2019/20 R'000	2018/19 R'000
Departmental Revenue			
Sales of goods and services other than capital assets	2.1	28 699	25 598
Interest, dividends and rent on land	2.2	47 471	40 454
Sales of capital assets	2.3	2 425	271
Transactions in financial assets and liabilities	2.4	44 802	48 186
Total revenue collected		123 397	114 509
Less: Own revenue included in appropriation			-
Departmental revenue collected		123 397	114 509

2.1 Sales of goods and services

	Note	2019/20 R'000	2018/19 R'000
Sales of goods and services produced by the department	2	28 695	25 595
Sales by market establishment		507	623
Administrative fees		24 363	21 248
Other sales		3 825	3 724
Sales of scrap, waste and other used current goods		4	3
Total		28 699	25 598

2.2 Interest, dividends and rent on land

	Note	2019/20 R'000	2018/19 R'000
Interest	2	42 833	37 632
Dividends		-	-
Rent on land		4 638	2 822
Total		47 471	40 454

2.3 Sales of capital assets

	Note	2019/20 R'000	2018/19 R'000
Tangible assets	2	2 425	271
Machinery and equipment	30	1 205	11
Land and subsoil assets	31	1 220	260
Total		2 425	271

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2.4 Transactions in financial assets and liabilities

	Note	2019/20 R'000	2018/19 R'000
Receivables	2	4 949	1 381
Stale cheques written back		3 476	-
Other Receipts including Recoverable Revenue		36 377	46 805
Total		44 802	48 186

3 Aid Assistance

	Note	2019/20 R'000	2018/19 R'000
Opening Balance		-	122
Prior period error		-	-
As restated		-	122
Transferred from statement of financial performance		-	-
Transferred to/from retained funds		-	-
Paid during the year		-	-122
Closing Balance		-	-

3.1 Analysis of balance by source

	Note	2019/20 R'000	2018/19 R'000
Aid assistance from RDP	3	-	-
Aid assistance from other sources		-	-
CARA		-	-
Closing Balance		-	-

3.2 Analysis of balance

	Note	2019/20 R'000	2018/19 R'000
Aid assistance receivable		-	-
Aid assistance prepayments (Not expensed)		-	-
Aid assistance unutilised		-	-
Aid assistance repayable		-	-
Closing balance	3	-	-

3.3 AID assistance expenditure per economic classification

	Note	2019/20 R'000	2018/19 R'000
Current	2	-	-
Capital	10	-	-
Transfers and subsidies		-	-
Total aid assistance expenditure		-	-

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4 Compensation of Employees

4.1 Salaries and wages

	Note	2019/20 R'000	2018/19 R'000
Basic salary		1 704 347	1 569 469
Performance award		29 946	37 189
Service Based		2 562	1 897
Compensative/circumstantial		31 829	34 450
Other non-pensionable allowances		335 079	308 312
Total		2 103 763	1 951 317

4.2 Social Contributions

	Note	2019/20 R'000	2018/19 R'000
Employer contributions			
Pension		217 076	197 625
Medical		95 173	87 031
Bargaining council		434	381
Insurance		135	-
Total		312 818	285 037
Total compensation of employees		2 416 581	2 236 354
Average number of employees		4 259	4 205

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5 Goods and services

	Note	2019/20 R'000	2018/19 R'000
Goods and services			
Administrative fees		27 127	28 131
Advertising		18 507	12 977
Minor assets	5.1	7 406	5 206
Bursaries (employees)		9 135	5 967
Catering		5 759	4 760
Communication		45 287	40 223
Computer services	5.2	188 927	180 945
Consultants: Business and advisory services		129 622	95 357
Infrastructure and planning services		937	2 662
Laboratory services		-	-
Scientific and technological services		-	-
Legal services		170 266	202 492
Contractors		26 118	23 554
Agency and support / outsourced services		36 509	42 797
Entertainment		1	-
Audit cost – external	5.3	65 689	18 235
Fleet services		23 190	21 253
Inventory	5.4	2 180 374	1 392 822
Consumables	5.5	45 538	38 112
Housing		-	-
Operating leases		325 731	332 709
Property payments	5.6	186 890	154 510
Rental and hiring		956	2 702
Transport provided as part of the departmental activities		3 129	3 218
Travel and subsistence	5.7	379 297	254 991
Venues and facilities		64 885	50 487
Training and development		137 379	17 377
Other operating expenditure	5.8	15 048	28 558
Total		4 093 707	2 960 045

5.1 Minor assets

	Note	2019/20 R'000	2018/19 R'000
Tangible assets			
Machinery and equipment	5	7 406	5 206
Total		7 406	5 206

5.2 Computer services

	Note	2019/20 R'000	2018/19 R'000
SITA computer services	5	12 536	48 073
External computer service providers		176 391	132 872
Total		188 927	180 945

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5.3 Audit cost – external

	Note	2019/20 R'000	2018/19 R'000
	5		
Regularity audits		18 129	17 041
Investigations		47 560	1 194
Total		65 689	18 235

5.4 Inventory

	Note	2019/20 R'000	2018/19 R'000
	5		
Clothing material and accessories		4 007	-
Farming supplies		597 419	938 243
Food and food supplies		148	-
Fuel, oil and gas		7 382	-
Materials and supplies		4 334	-
Medicine		453	-
Other supplies	5.4.1	1 566 631	454 579
Total		2 180 374	1 392 822

5.4.1 Other Supplies

Assets for distribution	1 566 072	349 729
Machinery and equipment	118 445	-
Sports and recreation	914	-
Other assets for distribution	1 446 713	349 729
Other	559	104 850
Total	1 566 631	454 579

5.5 Consumables

	Note	2019/20 R'000	2018/19 R'000
	5		
Consumables			
Consumable supplies		18 770	8 342
Uniform and clothing		8 019	2 011
Household supplies		4 841	3 500
Building material and supplies		3 477	1 108
Communication accessories		4	6
IT consumables		432	346
Other consumables		1 997	1 371
Stationery, printing and office supplies		26 768	29 770
Total		45 538	38 112

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5.6 Property payments

	Note	2019/20 R'000	2018/19 R'000
	5		
Municipal services		47 998	43 021
Property management fees		-	-
Property maintenance and repairs		12 652	-
Other		126 240	111 489
Total		186 890	154 510

5.7 Travel and subsistence

	Note	2019/20 R'000	2018/19 R'000
	5		
Travel and subsistence			
Local		377 086	250 509
Foreign		2 211	4 482
Total		379 297	254 991

5.8 Other operating expenditure

	Note	2019/20 R'000	2018/19 R'000
	5		
Professional bodies, membership and subscription fees		181	123
Resettlement costs		6 549	4 015
Other		8 318	24 420
Total		15 048	28 558

6 Interest and Rent on Land

	Note	2019/20 R'000	2018/19 R'000
Interest paid		169	921
Rent on land		-	-
Total		169	921

7 Payments for financial assets

	Note	2019/20 R'000	2018/19 R'000
Payments for financial assets			
Other material losses written off	7.1	964	2 627
Debts written off	7.2	6 296	33
Total		7 260	2 660

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7.1 Other material losses written off

	Note 7	2019/20 R'000	2018/19 R'000
Nature of losses			
Damaged rental vehicles - officials did not forfeit state cover		964	2 627
Total		964	2 627

7.2 Debts written off

	Note 7	2019/20 R'000	2018/19 R'000
Nature of debts written off			
Recoverable revenue written off			
Bursary Debt		4 485	-
GG Accident		105	-
Losses and Damages		503	-
Salary Overpayment		3	-
Total		5 096	-
Other debt written off			
Tax Debts		1	-
GG Accident		312	-
Losses and Damages		807	-
Salary Over Payment		80	-
Tax Debts		-	24
Total		1 200	33
Total debt written off		6 296	33

8 Transfers and Subsidies

	Note	2019/20 R'000	2018/19 R'000
Provinces and municipalities	48, 49	236 931	225 351
Departmental agencies and accounts	ANNEXURE 1B	1 850 558	1 491 833
Higher education institutions	ANNEXURE 1C	-	-
Foreign governments and international organisations	ANNEXURE 1E	2 571	2 168
Public corporations and private enterprises	ANNEXURE 1D	100 000	14
Non-profit institutions	ANNEXURE 1F	3 902	3 695
Households	ANNEXURE 1G	1 339 876	2 569 619
Total		3 533 838	4 292 680

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9 Expenditure for capital assets

	Note	2019/20 R'000	2018/19 R'000
Tangible assets		761 272	782 096
Buildings and other fixed structures	31	635 066	700 758
		2019/20 R'000	2018/19 R'000
Machinery and equipment	30	53 323	56 080
Land and subsoil assets	31	72 883	25 258
Total		761 272	782 096

9.1 Analysis of funds utilised to acquire capital assets - 2019/20

	Voted Funds R'000	Aid assistance R'000	TOTAL R'000
Tangible assets	761 272	-	761 272
Buildings and other fixed structures	635 066	-	635 066
Machinery and equipment	53 323	-	53 323
Land and subsoil assets	72 883	-	72 883
Total	761 272	-	761 272

9.2 Analysis of funds utilised to acquire capital assets - 2018/19

	Voted Funds R'000	Aid assistance R'000	TOTAL R'000
Tangible assets	782 096	-	782 096
Buildings and other fixed structures	700 758	-	700 758
Machinery and equipment	56 080	-	56 080
Land and subsoil assets	25 258	-	25 258
Total	782 096	-	782 096

9.3 Finance lease expenditure included in Expenditure for capital assets

	2019/20 R'000	2018/19 R'000
Tangible assets		
Machinery and equipment	10 296	10 451
Total	10 296	10 451

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10 Cash and Cash Equivalents

	Note	2019/20 R'000	2018/19 R'000
Consolidated Paymaster General Account		217 084	332 795
Cash on hand		124	124
Total		217 208	332 919

11 Prepayments and Advances

	Note	2019/20 R'000	2018/19 R'000
Prepayments and Advances			
Travel and subsistence		7	41
Prepayments (Not expensed)	11.1	51 911	41 415
Advances paid (Not expensed)	11.2	2 640	14 227
Total		54 558	55 683

11.1 Advances paid (Not expensed)

	Note	Balance as at 1 April 2019 R'000	Less: Amount expensed in current year R'000	Add/Less: Other R'000	Add: Current Year advances R'000	Balance as at 31 March 2020 R'000
National departments	11	14 227	(11 587)			2 640
Total		14 227	(11 587)	-	-	2 640

	Note	Balance as at 1 April 2018 R'000	Less: Amount expensed in current year R'000	Add/Less: Other R'000	Add: Current Year advances R'000	Balance as at 31 March 2019 R'000
Advances paid (Not expensed)	11					
National departments		6 780	(3 217)	-	10 664	14 227
Total		6 780	(3 217)	-	10 664	14 227

11.2 Prepayments (Not expensed)

	Note	Balance as at 1 April 2019 R'000	Less: Amount expensed in current year R'000	Add/Less: Other R'000	Add: Current Year prepayments R'000	Balance as at 31 March 2020 R'000
<i>Listed by economic classification</i>	11					
Goods and services		41 415	(113 748)		124 244	51 911
Total		41 415	(113 748)	-	124 244	51 911

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11.3 Prepayments (Not expensed)

	Note	Balance as at 1 April 2018 R'000	Less: Amount expensed in current year R'000	Add/Less: Other R'000	Add: Current Year prepayments R'000	Balance as at 31 March 2019 R'000
Prepayments (Not expensed)	11					
<i>Listed by economic classification</i>						
Goods and services		373	(147 461)	-	188 503	41 415
Total		373	(147 461)	-	188 503	41 415

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12 Receivables	Note	2019/20		2018/19	
		Current R'000	Non-current R'000	Current R'000	Non-current R'000
Claims recoverable	12.1	13 077		8 008	-
Recoverable expenditure	12.2	9 640		6 828	-
Staff debt	12.3	13 837	2 440	26 730	2 520
Fruitless and wasteful expenditure	12.4	8 466		1 536	-
Other receivables	12.5	447		399	-
Total		45 467	2 440	43 501	2 520

46 021

12.1 Claims recoverable

	Note	2019/20 R'000	2018/19 R'000
Claims recoverable	12		
National departments		67	887
Provincial departments			24
Public entities		13 010	7 097
Total		13 077	8 008

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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12.1 Recoverable expenditure (disallowance accounts)

	Note	2019/20 R'000	2018/19 R'000
(Group major categories, but list material items)	12		
Salary: Deduction Disallowance Account		5	9
Damaged Vehicles		8 759	6 751
Salary: Tax Debt		5	3
Salary: Reversal Control Account		406	65
Salary: GEHS Refund Control Account		465	-
Total		9 640	6 828

12.2 Staff debt

	Note	2019/20 R'000	2018/19 R'000
Staff debt	12		
(Group major categories, but list material items)			
Salary Debt		2 340	2 415
Bursary Debt		8 630	12 879
Subsidised Motor Scheme		66	77
Tax Debt		132	217
Leave without Pay		226	-
Suppliers		4 172	11 295
Misconduct		-	1 484
GG Accident		343	627
Other Debts		368	256
Total		16 277	29 250

12.3 Other receivables

	Note	2019/20 R'000	2018/19 R'000
(Group major categories, but list material items)	12		
Transport Payment Suspense		447	399
Total		447	399

12.4 Fruitless and wasteful expenditure

	Note	2019/20 R'000	2018/19 R'000
Opening balance	12	1 536	1
Less amounts recovered		(200)	-
Transfers from note 32 Fruitless and Wasteful expenditure		7 129	1 535
Total		8 466	1 536

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12.5 Impairment of receivables

	Note	2019/20 R'000	2018/19 R'000
Impairment of receivables			
Estimate of impairment of receivables		14 835	15 892
Total		14 835	15 892

13 Voted Funds to be Surrendered to the Revenue Fund

	Note	2019/20 R'000	2018/19 R'000
Voted Funds to be Surrendered to the Revenue Fund			
Opening balance		150 486	542 260
As restated		150 486	542 260
Transfer from statement of financial performance (as restated)		16 087	150 487
Paid during the year		(144 143)	(542 261)
Closing balance		22 430	150 486

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

	Note	2019/20 R'000	2018/19 R'000
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund			
Opening balance		43 115	4 108
As restated		43 115	4 108
Transfer from Statement of Financial Performance (as restated)		123 397	114 509
Paid during the year		(158 975)	(75 502)
Closing balance		7 537	43 115

15 Payables - current

	Note	2019/20 R'000	2018/19 R'000
Advances received	15.1	2 001	2 001
Clearing accounts	15.2	68 305	71 788
Other payables	15.3	196 231	150 353
Total		266 537	224 142

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15.1 Advances received

	Note	2019/20 R'000	2018/19 R'000
National departments	Annex 8B	2 001	2 001
Total		2 001	2 001

15.2 Clearing accounts

	Note	2019/20 R'000	2018/19 R'000
Payable: Advance National Departments	15	67 780	71 740
Salary ACB Recall		525	48
Total		68 305	71 788

15.3 Other payables

	Note	2019/20 R'000	2018/19 R'000
Salary Pension Fund	15	-	46
Salary Tax Debts		-	2
Salary Income Tax		21	1 735
REC: DOM: CLMS:Nat Dept. Claim Reco		47	-
Salary: Reversal Control Account		1	-
Restitution Project Account - ABSA		196 156	148 569
Salary Bargaining Council		-	1
Debt Account (Credit balances)		6	-
Total		196 231	150 353

16 Net cash flow available from operating activities

	Note	2019/20 R'000	2018/19 R'000
Net surplus/(deficit) as per Statement of Financial Performance		139 484	264 996
Add back non cash/cash movements not deemed operating activities		497 283	551 409
(Increase)/decrease in receivables		(1 966)	422 855
(Increase)/decrease in prepayments and advances		1 125	(48 516)
Increase/(decrease) in payables – current		42 395	13 130
Proceeds from sale of capital assets		(2 425)	(271)
Expenditure on capital assets		761 272	782 096
Surrenders to Revenue Fund		(303 118)	(617 763)
Surrenders to RDP Fund/Donor		-	(122)
Net cash flow generated by operating activities		636 767	816 405

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17 Reconciliation of cash and cash equivalents for cash flow purposes

		2019/20	2018/19
	Note	R'000	R'000
Consolidated Paymaster General account		217 084	332 795
Cash on hand		124	124
Total		217 208	332 919

18 Contingent liabilities and contingent assets

18.1 Contingent liabilities

Liable to	Nature	Note	2019/20 R'000	2018/19 R'000
Housing loan guarantees	Employees	Annex 3A	275	275
Claims against the department		Annex 3B	2 087 865	2 046 021
Intergovernmental payables (unconfirmed balances)		Annex 5	54 135	150 316
Other		Annex 3B	332 570	5 877
Total			2 474 845	2 202 489

Other includes Restitution claims which are still at validation stage. The validation of the merits of the claim may result in a possible obligation which can be confirmed after the negotiation process. After finalisation of negotiations, an award may be made by the Minister in accordance with S42D of the Restitution of Land Rights Act. The award may constitute restoration of land, financial compensation or a combination of both options. The submissions which have been vetted for substantial compliance and which are ready for Minister's consideration are valued at R 332,570 million as 31 March 2020.

Interest and legal costs that may arise from claims against the state are not disclosed as contingent liability as the occurrence obligations depends on the handing down of an order by a court that the department is liable for payment of interest and legal costs, and it is only in instances where the department is not appealing or reviewing in order.

There are some claims brought against the department that are not sounding in money and which are therefore not qualifiable due to the nature of the claims not sounding in money.

18.2 Contingent assets

Nature of contingent asset	Note	2019/20 R'000	2018/19 R'000
Assets seized during forfeiture order by the Assets Forfeiture Unit (AFU)		24 210	45 211
Total		24 210	45 211

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19 Capital commitments

	Note	2019/20 R'000	2018/19 R'000
Approved and contracted			
Building and other fixed structure		1 821 694	2 428 904
Machinery and equipment		8 208	3 927
Approved but not yet contracted			
Building and other fixed structure		28 661	19 657
Machinery and equipment		-	-
Total		1 858 563	2 452 488

20 Accruals and payables not recognised

20.1 Accruals

		2019/20 R'000	2018/19 R'000
Listed by economic classification			
Goods and services	30 days	40 202	15 896
Interest and rent on land	30+ days	328	328
Transfers and subsidies	Total	16 229	12 925
Capital assets		-	531
Total		56 577	104 238

Listed by programme level

	Note	2019/20 R'000	2018/19 R'000
Programme 1		27 013	29 899
Programme 2		606	4 738
Programme 3		16 847	7 744
Programme 4		857	53 601
Programme 5		27 149	8 256
Total		72 473	104 238

20.2 Payables not recognised

	30 days	30+ days	Total	Total
Listed by economic classification				
Goods and services	27 786	22 119	49 905	39 657
Transfers and subsidies	84	5 003	5 087	48 215
Capital assets			-	3 080
Total	27 870	27 122	54 992	90 952

Listed by programme level

Programme 1

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Listed by programme level

	<i>Note</i>	2019/20 R'000	2018/19 R'000
Programme 1		8 528	22 456

Listed by programme level

	<i>Note</i>	2019/20 R'000	2018/19 R'000
Programme 2		1 189	4 738
Programme 3		14 182	29 131
Programme 4		1 415	25 372
Programme 5		29 678	9 255
Total		54 992	90 952

Included in the above totals are the following:

	<i>Note</i>	2019/20 R'000	2018/19 R'000
Confirmed balances with departments	Annex 5	13	84
Total		13	84

21 Employee benefits

	<i>Note</i>	2019/20 R'000	2018/19 R'000
Leave entitlement		103 404	132 457
Service bonus		69 174	64 310
Performance awards		36 402	37 516
Capped leave		33 400	31 584
Other		152	174
Total		242 532	266 041

Included in the leave entitlement balance are negative balance of R 2,3 million which resulted from the following:
At the beginning of the year, officials are allocated 22 days of vacation leave for the whole year which is pro – rated from month to month. Sometimes there are delays in terms of capturing the leave and which then result in the pro – rated days of that particular month being exceeded hence the negative balances.

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**22 Lease commitments
22.1 Operating leases**

	2019/20				
		Specialised military assets	Land	Buildings and other fixed structures	Machinery and equipment
		R'000	R'000	R'000	R'000
Not later than 1 year		-	-	-	-
Later than 1 year and not later than 5 years		-	-	86 925	53 192
Later than five years		-	-	111 161	63 095
Total lease commitments		-	-	198 086	116 287
					314 373

2018/19

Not later than 1 year		-	-	-	-
Later than 1 year and not later than 5 years		-	-	52 200	19 139
Later than five years		-	-	94 154	11 498
Total lease commitments		-	-	146 354	30 637
					176 991

22.2 Finance leases

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2019/20	Specialised military assets R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year					
Later than 1 year and not later than 5 years				4 780	4 780
Later than five years				1 666	1 666
Total lease commitments	-	-	-	6 446	6 446

2018/19	Specialised military assets R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	-	7 994	7 994
Later than 1 year and not later than 5 years	-	-	-	3 966	3 966
Later than five years	-	-	-	-	-
Total lease commitments	-	-	-	11 960	11 960

22.3 Operating lease future revenue

2019/20	Specialised military assets R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year					
Later than 1 year and not later than 5 years		4 682			4 682
Later than five years		21 904			21 904
Total operating lease revenue receivable	-	1 874 588	-	-	1 874 588

2018/19	Specialised military assets R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000

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2018/19	Specialised military assets R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	2 507	-	-	2 507
Later than 1 year and not later than 5 years	-	8 753	-	-	8 753
Later than five years	-	1 574 475	-	-	1 574 475
Total operating lease revenue receivable	-	1 585 735	-	-	1 585 735

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23 Accrued departmental revenue

	Note	2019/20 R'000	2018/19 R'000
Interest, dividends and rent on land		129 191	132 272
Total		129 191	132 272

23.1 Analysis of accrued departmental revenue

	Note	2019/20 R'000	2018/19 R'000
Opening balance		132 272	141 817
Less: Amounts received		30 032	20 856
Add: Amounts recognised		26 951	11 312
Less: Amounts written-off/reversed as irrecoverable			1
Closing balance		129 191	132 272

23.2 Accrued department revenue written off

	2019/20 R'000	2018/19 R'000
Nature of losses (Group major categories, but list material items)		
Lease Debtors not recoverable	-	1
Total	-	1

23.3 Impairment of accrued departmental revenue

	Note	2019/20 R'000	2018/19 R'000
Impairment of accrued departmental revenue			
Estimate of impairment of accrued departmental revenue		90 670	73 262
Total		90 670	73 262

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24 Irregular expenditure

24.1 Reconciliation of irregular expenditure

	Note	2019/20 R'000	2018/19 R'000
Opening balance		103 533	46 859
	Note	2019/20 R'000	2018/19 R'000
Prior period error			-
As restated		103 533	46 859
Add: Irregular expenditure - relating to prior year	24.2	25 930	60 984
Add: Irregular expenditure - relating to current year	24.2	13 843	44 689
Less: Prior year amounts condoned			-46 860
Less: Current year amounts condoned			-2 139
Less: Amounts recoverable (current and prior year)	24.3	(6)	-
Closing balance		143 300	103 533
Analysis of closing balance			
Current year		13 843	42 281
Prior years		129 458	61 252
Total		143 300	103 533

24.2 Details of current and prior year irregular expenditure – added current year (under determination and investigation)

	2019/20 R'000
Details of current and prior year irregular expenditure – added current year (under determination and investigation)	
Incident	
Non - Compliance with Supply Chain Management	39 773
Total	39 773

24.3 Details of irregular expenditure recoverable (not condoned)

	2019/20 R'000
Incident	
Overpayment	6
Total	6

24.4 Details of irregular expenditure under assessment (not included in the main note)

	2019/20 R'000
Details of irregular expenditure under assessment (not included in the main note)	
Incident	
Non - Compliance with SCM policies	11 585
Non - Compliance with Land Acquisition Strategy	12 980
Total	24 565

24.5 Prior period error

	Note	2018/19 R'000
Relating to 2018/19		(268)
Irregular expenditure - add: relating to prior year		(268)
Total		(268)

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25 Fruitless and wasteful expenditure

25.1 Reconciliation of fruitless and wasteful expenditure

		2019/20 R'000	2018/19 R'000
Opening balance		6 781	8 709
As restated		6 781	8 709
Fruitless and wasteful expenditure – relating to prior year	25.2	379	-
Fruitless and wasteful expenditure – relating to current year	25.2	171	2 113
Less: Amounts recoverable	12.5	(7 129)	(2 506)
Less: Amounts written off	25.3	(199)	(1 535)
Closing balance		3	6 781

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

Incident	Disciplinary steps taken/criminal proceedings	2019/20 R'000
Interest paid on late payments of invoices	None	5
Travel duplicate invoices	None	381
Interest on Cancellation of contract	None	72
Interest paid as a result of Arbitration	None	93
Total		550

25.3 Details of fruitless and wasteful expenditure recoverable

Details of fruitless and wasteful expenditure recoverable Incident	2019/20 R'000
Travel - Duplicate invoices	7 129
Total	7 129

25.4 Details of fruitless and wasteful expenditure written off

Incident	2019/20 R'000
Interest paid on late payments of invoices	1
Duplicate payments	34
Interest on cancellation of contract	72
Interest paid as a result of Arbitration award	92
Total	199

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25.5 Prior period error

Prior period error	Note	2018/19 R'000
Relating to 2018/19		(72)
Fruitless and wasteful expenses - relating to current year		(72)
Total		(72)

25.6 Details of fruitless and wasteful expenditure under investigation (not in the main note)

Incident	2019/20 R'000
The department did not obtain any value from the amount expended	913
Total	913

26 Related party transactions

List in kind goods and services provided/received	2019/20 R'000	2018/19 R'000
The Department paid for the office space for the Deeds	(74 598)	(71 631)
Deeds Registration Trading Account has rendered services (it was the bulk information searches for properties) to SG	137 066	142 986
The Agricultural Land Holdings Account falls under the administration of the Department of Rural Development and Land Reform. The executives of the Department spend some of their time on the affairs of the trading entity. Furthermore, the department provides the services of internal audit function, IT and staff training.	(15 958)	(15 324)
Compensation of employee paid for the CLCC, DLCC, RLCC and others incurred on behalf of the Commission	(2 311)	(2 544)
The Department paid for the office space for the OVG	(932)	(920)
Total	43 267	52 567

27 Key management personnel

Key management personnel	No. of Individuals	2019/20 R'000	2018/19 R'000
Political office bearers (provide detail below)	3	4 491	6 157
Officials:			-
Level 15 - 16(excluding Political Officer Bearers)	17	28 240	20 478
Level 14 (Including CFO if at not at level 14)	71	83 125	79 944
Family members of key management personnel	5	4 195	5 073
Total		120 051	111 652

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28 Public Private Partnership

	Note	2019/20 R'000	2018/19 R'000
Capital/(Liabilities)		220 134	204 663
Property		220 134	204 663

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 Public Private Partnership

PPP is between DRDLR and Tshala Bese Uyavuna Consortium

The Status of PPP

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

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

Treasury Approval I : Design Procurement Processes

Treasury Approval IIA : Pre-qualification of parties, Issuing of RFP, receive bids, compare bids with feasibility study, select preferred bidder and prepare value for money report.

Treasury Approval IIB : Negotiations with the preferred bidder

Treasury Approval III : Approval to sign the PPP agreement (approval granted by National Treasury in May 2017)

PROPOSED PPP PROJECT PLAN

a) The PPP building will accommodate all Pretoria based offices including the Gauteng: PSSC, National Office, Deeds and Restitution.

b) The building will have 82434 square meters, 1124 parking bays and will accommodate 2149 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 services
- Maintenance services
- Furniture

d) The building is estimated to cost :R2.1 Billion

- Private Party Contribution :R1.43 Billion

- Government Contribution :R0,67 Billion

e) Note: The private party will operate the building for a period of 25 years and thereafter the building becomes state property.

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29 Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing balance R'000
MACHINERY AND EQUIPMENT	651 192	-	42 054	30 178	663 068
Transport assets	45 858		-	3 206	42 652
Computer equipment	423 234		28 706	23 790	428 150
Furniture and office equipment	98 513		9 910	2 379	106 044
Other machinery and equipment	83 587		3 438	803	86 222
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	651 192	-	42 054	30 178	663 068

Additions

29.1 ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Cash R'000	Non-cash R'000	(Capital work-in-progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total R'000
MACHINERY AND EQUIPMENT	53 324	-	(10 296)	(974)	42 054
Transport assets	246			(246)	-
Computer equipment	30 073			(1 367)	28 706
Furniture and office equipment	9 584		-	326	9 910
Other machinery and equipment	13 421		(10 296)	313	3 438
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	53 324	-	(10 296)	(974)	42 054

Disposals

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29.2 DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Sold for cash	Non-cash disposal	Total disposals	Cash received Actual
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT				
Transport assets	-	3 206	3 206	1 203
Computer equipment	22 218	1 572	23 790	2
Furniture and office equipment	2 334	45	2 379	
Other machinery and equipment	638	165	803	2
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	25 190	4 988	30 178	1 207

29.3 Movement for 2018/19
MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing balance R'000
MACHINERY AND EQUIPMENT					
Transport assets	629 848	(20)	47 039	25 675	651 192
Computer equipment	42 103		3 755	-	45 858
Furniture and office equipment	404 141	140	24 030	5 077	423 234
Other machinery and equipment	90 745	(457)	8 658	433	98 513
	92 859	297	10 596	20 165	83 587
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	629 848	(20)	47 039	25 675	651 192

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29.3.1	Prior period error	Note	2018/19 R'000
Nature of prior period error			
Relating to 2018/19 (affecting the opening balance)			
Computer equipment			(20)
			140
Furniture and office equipment			(457)
Other machinery and equipment			297
Total			(20)

29.4 Minor assets
MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	-	-	98 714	-	98 714
Value adjustments				-		-
Additions				7 488		7 488
Disposals				4 024		4 024
TOTAL MINOR ASSETS	-	-	-	102 178	-	102 178
Number of R1 minor assets						
Number of minor assets at cost				22		22
TOTAL NUMBER OF MINOR ASSETS	-	-	-	71	-	71

Minor assets
MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	-	-	94 418	-	94 418
Prior period error	-	-	-	56	-	56
Additions	-	-	-	5 320	-	5 320

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Disposals	-	-	-	-	1 080	-	1 080
TOTAL MINOR ASSETS	-	-	-	-	98 714	-	98 714
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total	
Number of R1 minor assets	-	-	-	23	-	23	
Number of minor assets at cost	-	-	-	48	-	48	
TOTAL NUMBER OF MINOR ASSETS	-	-	-	71	-	71	
39.4.1 Prior period error	Note						2018/19 R'000
Nature of prior period error	Nature of prior period error						56
Relating to 2018/19 (affecting the opening balance)	Relating to 2018/19 (affecting the opening balance)						56
Machinery and equipment	Machinery and equipment						56
Total	Total						56

29.5 Movable assets written off

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2020

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Assets written off	-	-	-	79	-	79
TOTAL MOVABLE ASSETS WRITTEN OFF	-	-	-	79	-	79

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2019

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	Cash R'000	Non-cash R'000	(Capital work-in-progress current costs and finance lease payments) R'000	Received current, not paid (Paid current year, received prior year) R'000	Total R'000
Non-residential buildings	16 010	-	(16 010)	-	-
Other fixed structures	539 490	397 644	(539 490)	397 644	397 644
LAND AND SUBSOIL ASSETS					
Land	72 883	248	(61 915)	3 734	14 950
	72 883	248	(61 915)	3 734	14 950
TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS	707 949	397 892	(696 981)	3 734	412 594

30.2 Disposals

DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Sold for cash R'000	Non-cash disposal R'000	Total disposals R'000	Cash received Actual R'000
BUILDINGS AND OTHER FIXED STRUCTURES				
Other fixed structures	-	225 042	225 042	-
		225 042	225 42	
LAND AND SUBSOIL ASSETS				
Land	-	78 796	78 796	-
		78 796	78 796	

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TOTAL DISPOSAL OF IMMOVABLE TANGIBLE CAPITAL ASSETS	-	303 838	303 838	-
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30.3 Movement for 2018/19
MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES					
Other fixed structures	541 971	-	355 966	596 386	301 551
	541 971		355 966	596 386	301 551
HERITAGE ASSETS					
Heritage assets	-	-	-	-	-
	-		-	-	-
LAND AND SUBSOIL ASSETS					
Land	1 323 639	13 511	32 894	367 307	1 002 737
	1 323 639	13 511	32 894	367 307	1 002 737
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	1 865 610	13 511	388 860	963 693	1 304 288

30.3.1	Prior period error	Note	2018/19 R'000
Nature of prior period error Relating to 2018/19 (affecting the opening balance)			13 511
			13 511
Relating to 2018/19 Additions			19
			19
Total			13 530

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30.4 Capital Work-in-progress
CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2020

	Note	Opening Balance 1 April 2019 R'000	Current Year WIP R'000	Ready for use (Assets to the AR) / Contracts terminated R'000	Closing Balance 31 March 2020 R'000
Buildings and other fixed structures		991 770	519 566	(220 763)	1 290 573
Machinery and equipment		10 408	10 661	(10 408)	10 661
Intangible assets		-	-	-	-
TOTAL		1 002 178	530 227	(231 171)	1 301 234

Age analysis on ongoing projects	Number of projects Planned, construction not started	Planned, construction started	2019/20 Total R'000
0 to 1 year	11	43	230 443
1 to 3 year(s)	6	31	738 971
3 to 5 years	5	25	236 350
Longer than 5 years	1	2	15 897
Total	23	101	1 221 661

PROJECT LONGER THAN 5 YEARS

Suppliers Name	Project Name	Status
Element consulting	Designing of construction monitoring of 8 stock water dams at qumbu&tso	The department has completed 5 stock water dams instead of the 8 that were initially planned. The plan was to finalise the 3 remaining dams in the 2019/20 FY but they were eliminated during reprioritisation process. The services of the PSP were required and submission for extension of time were made. The

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Suppliers Name	Project Name	Status
LDM Quantity Surveyors	Construction of a high throughput cattle and sheep abattoir in butterworth	funds have been exhausted, approval not granted. Project closed. There has been slow progress on site due to work stoppages, delays as a result of redesigning, regulatory and compliance issues, community unrest.
Element consulting	Design of irrigation system for agricultural land and other infrastructure in mvezo and ludondolo	Contract expired, and has therefore been transferred to an Implementing Agent for completion. DSW was to assist with reserve determination but ran out funds. Project to be abandoned following the reprioritisation process. It was at planning and design stage

TERMINATED PROJECTS

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 by the contractor due to Cash flow problems
Spinks Trading	Supply And Installation Of 1.8 M By 9 Km Diamond Mesh Fence For The Perimeter Of Rietkuil Fpsu	Fence	2 325 292,20	Extreme theft and vandalism of the fence during implementation
Kipp Engineers JV Mashaipone General Construction	Construction Of Mphalaleni Irrigation Scheme	Irrigation	11 824 316,43	Terminated due to Continuous Community protests
Striving Mind	Construction Of 20 Houses Gonono Village	Houses	4 144 128,00	Terminated due to Cash flow problems
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	Street Paving	24 950	Terminated due to Cash flow problems by

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Tychofied	In Muyexe Village Psp Construction Of Madzivhandila College Access Road	Road	378,79 9 454 552,07	contractor Terminated due to Financial problems
Spinks Trading	Supply, Delivery & Erection Of 2km Of Palisade Fence & 4km Of Diamond Razor Mesh Security Fence For Matlosane Agripark In Klerksdorp Under Dr. Kenneth Kaunder District Municipality	Fence	3 454 519,20	Termination due to Non-Performance and the Service Provider abandoned the site because they wanted more funds
Exeo Khokela Civil Engineering Construction Pty LTD	Construction of Ebenhaeser bulk irrigation Revitalisation Project	Bulk Infrastructure	81 359 225,31	Contractor Terminated due to Court Order.
Lindaboy Construction	Supply And Delivery Of Fencing For Bhandeni	Fence	1 341 843,58	Contractor Abandoned the Contract, failed to proceed with the work after been given notices, etc.
Inqubeko Yami Trading	Construction Of Four Small Prefabricated Community Halls In Abaqulusi	Prefabricated Halls	3 058 770,00	Contractor Abandoned the Contract, failed to proceed with the work after been given notices, etc.
Ah-Tak-Thi-Ki Trading	Tugela Ferry FPSU	Storage Shed	10 558 705,24	Contractor Abandoned the Contract, failed to proceed with the work after been given notices, etc.
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.
Xesibe	Construction Of Ncera Macadamia Phase-2	Irrigation System	49 082 624,08	Xesibe Contract Terminated due to Poor performance and Slow progress on site with the contract period lapsing without extension of time.
Nebavest	Construction Of A High Throughput	Cattle And Sheep Abattoir	59 999	Nebavest Contract Terminated due to

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	Cattle And Sheep Abattoir In Butterworth		999,99	contract period lapsing without extension of time.
Sizeya Consulting	Design And Monitor Construction Of Multi-Purpose Centre In Qutubeni	PSP	2 574 148,50	The project had experienced 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.
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.
Nanga Trading	Construction Of Paved Road, Storm Water Culverts, Erection Of Carports At Mbodla Heritage	Road, Storm Water Culverts, Carports	4 165 138,43	Nanga Contract Terminated due to Poor performance and Slow progress on site and the Contractor abandoning site.
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

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				considered for implementation in future years.
Element Consulting	Design ReView And Construction Monitoring For 16.1km In Ncora In Intsika Yethu Lm	PSP	2 583 838,50	Contract to be terminated due to few issues: After the appointment of the PSP, they indicated that their appointment was based on the NEC3 Contract and that they will require an additional R968 151,28 for Design and Construction Management before they can continue.
AURECON SOUTH AFRICA PTY LTD	Professional service in the built environment consisting of civil engineering at zuurborg r335	Road	25 833,20 631	Only Phase 1 has been completed. Phase 2, 3, 4 and 5 were supposed to continue with the construction but due to budget constraints and other priorities by the Department, the project was put on hold.

Payables not recognised relating to Capital WIP

[Amounts relating to progress certificates received but not paid at year end and therefore not included in capital work-in-progress]

Total

2019/20	2018/19
R'000	R'000
4 211	116 518
4 211	116 518

CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2019

	Ready for use (Assets to the AR) / Contracts terminated	Closing Balance 31 March 2019
Note	R'000	R'000
Annexure 7	(224 033)	991 770
Buildings and other fixed structures	(9 197)	10 408
Machinery and equipment		
TOTAL	(233 230)	1 002 178

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Age analysis on ongoing projects	Number of projects		2018/19
	Planned, construction not started	Planned, construction started	Total R'000
0 to 1 year	1	97	469 316
1 to 3 year(s)	-	43	307 700
3 to 5 years	-	19	125 808
Longer than 5 years	-	17	75 180
Total	1	176	978 005

PROJECT LONGER THAN 5 YEARS

Suppliers Name	Project Name	Status
Aurecon south africa pty ltd	Professional service in the built environment consisting of civil engineering at zuurborg r335	Phase 1 of 5 completed, the contract period is 9 years and expires in 2022.
Element consulting	Designing of construction monitoring of 8 stock water dams at qumbu&tso	The department has completed 5 stock water dams instead of the 8 that were initially planned. The plan was to finalise the 3 remaining dams in the 2019/20 financial year but they were eliminated during reprioritisation process. The services of the psp were required and submission for extension of time were made.
Nebavest	Construction of a high throughput cattle and sheep abattoir in butterworth	Contractor on site

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Suppliers Name	Project Name	Status
Ldm quantity surveyors	Construction of a high throughput cattle and sheep abattoir in butterworth	There has been slow progress on site due to work stoppages, delays as a result of redesigning, regulatory and compliance issues, community unrest.
Element consulting	Design of irrigation system for agricultural land and other infrastructure in mvezo and ludondolo	Dsw was to assist with reserve determination but ran out funds. Project to be abandoned following the reprioritisation process. It was at planning and design stage
Montseng/mapitsi jv	Construction of a river crossing bridge and 10km access road at gqunu	Terminated
Aecom sa (pty) ltd	Construction of a river crossing bridge and 10km access road at gqunu	Project to be handed over to the department of roads. The project has been terminated owing to non-performance of contractor on site.
Nanga trading	Construction of paved road,storm water calverts,erection of carports at mbodla heritage	The project has been terminated owing to non-performance of contractor on site.
Ranti and associates	Gon'on'o paving	There were community unrests that delayed the project. There was also late allocation of site for brick facility, delayed appointment of a clo and rainfall.
Ranti and associates	Dingamanzi paving	There were changes on the borrow pit and rainfall that delayed the project
Tychofield	Madzhivhandila paving	The contract for tychofield (contractor) was terminated due to poor performance. The process of appointing a new contractor delayed the project

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Name of the Public Entity	Description	Achievements of the public entity
CSIR	Provision of agro-biotechnology research. Procurement and installation of ICT equipment at 24 rural schools, development of training manuals and training to educators. iSchool Africa Rural Development Programme and ICT for education project. Operational support and maintenance of infrastructure installed under the digital doorways and schools connectivity and ICT educational projects	Provision of agro-biotechnology research. Procurement and installation of ICT equipment at 24 rural schools, development of training manuals and training to educators. iSchool Africa Rural Development Programme and ICT for education project. Operational support and maintenance of infrastructure installed under the digital doorways and schools connectivity and ICT educational projects
Maenetja Attorney	Refer cases and matters to members of legal and mediation panels, and other experts on behalf of the Department and the Commission on Restitution of 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.
Nkosi Seabelo	Refer cases and matters to members of legal and mediation panels, and other experts on behalf of the Department and the Commission on Restitution of 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
NATIONAL RESEARCH FOUNDATION	Implementation of the SAEON (South African Environmental Observation Network) system.	A functional SAEON Sytems is in place. The system is used by data custodians to capture and publish metadata in line with section 12 of the Spatial Data Infrastructure Act, 2003.
NATIONAL WOOL GROWERS ASSOCIATION	Provision of animal and veld infrastructure to rural communities to participate in the livestock (rams) improvement programme	Genetic improvement programme (2 927 quality rams bred)
NATIONAL SCHOOL OF GOVERNMENT	Leadership and management development programmes	Training and development was provided
DEPARTMENT OF DEFENCE	Training of youth (National Youth Leadership	Training, accommodation, meals and basic

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Name of the Public Entity	Description	Achievements of the public entity
	Development Programme) including provision of accommodation, meals and basic health care for the duration of training.	health care services were provided.
UNDP	To secure international and local expertise to execute policy research and development tasks in support of acceleration of land reforms and broader land governance in South Africa	To secure international and local expertise to execute policy research and development tasks in support of acceleration of land reforms and broader land governance in South Africa
HEIFER PROJECT	Umdukatsane rural development project - implementation of KZN goat agribusiness in five prioritised districts of KwaZulu Natal province	CAHWs pilot training and facilitation has taken place.
South African Farmers Development Association	Provide training, advice, strategy leadership and capacity building to farmer and the sugar industry to ensure success of the sector and maintain profitability.	Training, advice, and strategy leadership were provided.

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31.2 Department acting as the agent

31.2.1 Revenue received for agency activities

	2019/20 R'000	2018/19 R'000
Department of Higher Educations and Training: NSF	2 001	22 951
Total	2 001	22 951

The nature of arrangement is to train NARYSEC youth in different skills programme as stipulated in the implementation protocol. In 2012, the department did not have enough funding to train more than 7 000 youth. A funding proposal was made to the Department of Higher Education and Training which was approved. A Memorandum of Agreement (MoA) was signed by two departments. The conditions to the agreement was that:

- (i) DRDLR will in writing notify NSF within 21 day of any changes in the project which might affect the planned project deliverables.
- (ii) All draw down request should be accompanied by the current bank reconciliation statement, supported by evidence of specific commitment and performance and all other documentation and information as may be requested by NSF.
- (iii) The department undertakes to honour its obligation for vat payment and other transaction in compliance with South African laws and good practices.
- (iv) DRDLR undertakes to submit to NSF quarterly report within 15 days after the end of the quarter. This would have a positive impact in implementing the project as outlined below:
 - Skills training provided to the youth.
 - Increase employability chances for the skills youth.
 - Current training linked to NQF to enable rural youth to further their studies after exit should they choose to.

The following risks were however identified:

- (i) Limited capacity of public colleges to absorb all NARYSEC learners and to offer all required skills training.
- (ii) Colleges outsource training to private providers without informing the department.
- (iii) Prolonged delay by SETAs to issue competent learners with certificates and failure by colleges to up – load learner information into SETA systems.

NSF obligations to the DRDLR:

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- (i) The NSF will pay an amount for the first quarter as agreed in the project draw – down schedule upon receipt of the signed agreement and necessary supporting documents.
- (ii) Payment of subsequent draw – downs shall be dependent on the presentation by DRDLR and acceptance by the NSF of the quarterly progress reports as in clause 5.7 above.
- (iii) The NSF shall retain 10% of the total project costs and this shall be paid to DRDLR on the successful closure of the project.
- (iv) The NSF shall process DRDLR quarterly in advance subject to clause 6.5 above and in accordance with the rate and budgeted times as set out in the project budget.

The NSF is entitled to refuse to pay any claim submitted by DRDLR in relation to this MoA if such claim is submitted after the expiry of this MoA.

31.2.2 Reconciliation of funds and disbursements - 2019/20

Category of revenue/expenditure per arrangement	Total funds received R'000	Expenditure incurred against funds R'000
Department of Higher Educations and Training: NSF	2 001	-
Total	2 001	-

Reconciliation of funds and disbursements - 2018/19

Category of revenue/expenditure per arrangement	Total funds received R'000	Expenditure incurred against funds R'000
Department of Higher Educations and Training: NSF	22 951	20 950
Total	22 951	20 950

Payables

Name of entity	Opening balance R'000	Expenses incurred on behalf of principal R'000	Cash paid on behalf of principal R'000	Closing balance R'000
Dept. of Higher Education	2 001			2 001
TOTAL	2 001	-	-	2 001

Payables

Name of entity	Opening balance R'000	Expenses incurred on behalf of principal R'000	Cash paid on behalf of principal R'000	Closing balance R'000
Dept. of Higher Education	22 951	(20 950)		2 001
TOTAL	22 951	(20 950)	-	2 001

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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	Note	2018/19	
		Amount bef error correction R'000	Prior period error R'000
32. Prior period errors			
32.1 Correction of prior period errors		-	-
Revenue:			
Net effect			-
Expenditure:			
Compensation of Employees		2 239 196	(2 842)
Goods and Services		2 217 012	743 033
Tangible Assets		767 908	14 188
Transfers and subsidies(Land purchase incorrectly classified as transfers and subsidies)		5 053 403	(760 723)
Net effect		10 277 519	(6 344)
Assets:			
Receivable- Claim recoverable- Public entity		753	6 344
Operating Lease Revenue		1 546 720	39 015
Accrued departmental revenue		143 584	(11 312)
Minor assets – Addition		5 320	56
Immovable tangible capital assets – Land		32 894	19
Immovable tangible capital assets - WIP - Buildings and other fixed structure		528 609	14 188
Immovable tangible capital assets - WIP - Dwellings(Annexure 7)		104 678	162
Net effect s		2 362 558	48 472
			2 411 030

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Revenue: et effect	2 357 177	(154 688)	2 356 224
	83	91	174
Liabilities:			
Contingent Liabilities			
Employee Benefits			
Lease commitments Buildings	112 296	34 058	146 354
Lease Commitment - Machinery and Equipment	31 013	(376)	30 637
Finance Leases	9 175	2 785	11 960
Commitment - Capital - Restitution & Contract	7 775 977	(5 343 146)	2 432 831
Net effect	10 285 721	(5 461 275)	4 824 446
Other: (e.g. Irregular expenditure, fruitless and wasteful expenditure, etc.)			
Irregular Expenditure	61 252	(268)	60 984
Fruitless Expenditure	2 184	(71)	2 113
Related party transactions - CLCC	(15 364)	12 820	(2 544)
Public Private Partnership - Property	190 475	14 188	204 663
Net effect	238 547	26 669	265 216

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for the year ended 31 March 2020**

33. INVENTORIES

Inventories for the year ended 31 March 2020

	Farmin g Suppli ers	Other supplier s	Fuel, oil and gas	Othe rs	Total
<i>Note</i>	R'000	R'000	R'000	R'000	R'000
<i>Annexure 6</i>					
Opening balance					-
Add/(Less): Adjustments to prior year balances					-
	597	1 566			2 180
Add: Additions/Purchases - Cash	419	631	7 382	8 942	374
	(597)	(1 566 6)	(7 38	(8 94	(2 180
(Less): Issues	419)	31)	2)	2)	374)
Closing balance	-	-	-	-	-

Inventories for the year ended 31 March 2019

	Farmin g Suppli ers	Other supplier s	Fuel, oil and gas	Othe rs	Total
<i>Note</i>	R'000	R'000	R'000	R'000	R'000
<i>Annexure 6</i>					
Opening balance	-	-	-	-	-
Add/(Less): Adjustments to prior year balances	-	-	-	-	-
	938				1 392
Add: Additions/Purchases - Cash	243	454 579	-	-	822
	(938	(454			(1 392
(Less): Issues	243)	579)	-	-	822)
Closing balance	-	-	-	-	-

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34. NON-ADJUSTING EVENTS AFTER REPORTING DATE

The President announced the reconfiguration of Departments on 14 June 2019. The Agriculture functions of the current Department of Agriculture, Forestry and Fisheries will merge with the Rural Development and Land Reform functions of the current Department of Rural Development and Land Reform to form the Department of Agriculture, Land Reform and Rural Development. The Forestry and Fisheries functions will be transferred to the Department of Forestry, Fisheries and Environment.

The transfer of the budget to the newly formed departments were finalised and became effective on 1 April 2020. The staff components were also transferred on PERSAL with effect from 1 April 2020. These processes were in line with the National Macro Organisation of Government.

The COVID-19 pandemic was declared a national state of disaster in terms of section 27(1) of the Disaster Management Act (DMA), 2000 (Act no. 57 of 2002) in March 2020. The Honourable President announced the enforcement of the nation-wide lockdown for 21 days with effect from midnight on Thursday 26 March 2020. The nation-wide lockdown was later extended to August 2020 through the implementation of Levels 5, 4, 3 and 1.

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ANNEXURE TO THE ANNUAL FINANCIAL STATEMENTS
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Annexure 1A
STATEMENT OF CONDITIONAL GRANTS AND OTHER
TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER			SPENT				2018/19		
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by Municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Mun B/Acc: Fine and Penalties		-	6	6	6							4	4
Mun B/Acc: Mun Rates and Taxes	183 109		53 637	236 746	236	645						225	225
Mun B/Acc: Vehicle Licences Mun			180	180	180							159	225 382
												188	188
Total	183 109	-	53 823	236 932	831	-	-	-	-	-	-	225	351

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ANNEXURE 1B
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/AGENCY/ACCOUNT	TRANSFER ALLOCATION			TRANSFER		2018/19 Final Appropriation
	Adjusted appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	
	R'000	R'000	R'000	R'000	R'000	R'000
Ingonyama Trust Board	21 489	-	-	21 489	21 489	20 349
Agricultural Land Holding Account	1 405 947		277 000	1 682 947	1 682 947	1 326 457
Office of the Valuer-General	142 127		-	142 127	142 127	141 126
SA Geomatics Council	3 992		-	3 992	3 992	3 900
Registration of Deeds	1		(1)	-	-	
Com: Licences	-		3	3	3	
Total	1 573 556	-	277 002	1 850 558	1 850 558	1 491 832

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ANNEXURE 1D
STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION			EXPENDITURE			2018/19 Final Appropriation
	Adjusted appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	
	R'000	R'000	R'000	R'000	R'000	%	
Public corporations							
Transfers	1	-	99 999	100 000	100 000	100,0%	14
Fines & Penalties Priv Ent							14
Land Bank of SA	1		99 999	100 000	100 000	100,0%	
Sub total: Public corporations	1	-	99 999	100 000	100 000	100,0%	14
Private enterprises							
Transfers	-	-	-	-	-	-	-
Subsidies	-	-	-	-	-	-	-
Sub total: Private enterprises	-	-	-	-	-	-	-
TOTAL	1	-	99 999	100 000	100 000	100,0%	14

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ANNEXURE 1E
STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS

FOREIGN GOVERNMENT / INTERNATIONAL ORGANISATION	TRANSFER ALLOCATION			EXPENDITURE			2018/19 Final Appropriation
	Adjusted appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	
	R'000	R'000	R'000	R'000	R'000	%	
Transfers							
Sub Fees: Regnl Cntr for MAP - Res for Dev	2 571	-	-	2 571	2 571	100%	2 168
	2 571	-	-	2 571	2 571		2 168
Total	2 571	-	-	2 571	2 571		2 168

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ANNEXURE 1F
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ANNEXURE 1F
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2018/19 Final Appropriation
	Adjusted appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
South African Council for Planners	3 902		-	3 902	3 902	100%	3 695
	3 902	-	-	3 902	3 902		3 695
Total	3 902	-	-	3 902	3 902		3 695

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ANNEXURE 1G
ANNEXURE TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 1G
STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2018/19 Final Appropriation
	Adjusted appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Social benefits (leave gratuity)	3 447		4 558	8 005	7 312	91%	4 617
Claims against state	125		7 451	7 576	7 436	98%	8 431
Bursaries cash (Non employees)	26 397		10 236	36 633	36 633	100%	19 686
Other transfers to households: RID	1		(1)	-	-		115 493
Other Transfers to households: REID	-		38	38	38	100%	13 121
Other Transfers to households: NARYSEC	87 543		(25 092)	62 451	62 260	100%	351 358
Other Transfers to households: Restitution	2 919 712		(1 433 273)	1 468 439	1 226 157	82%	2 663 798
Other Transfers to households: Land Reform	498 427		(385 575)	112 852	40	0%	161 765
	3 535 652	-	(1 821 658)	1 713 994	1 339 876		3 338 269

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ANNEXURE TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 3A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH
2020 - LOCAL

GUARANTOR INSTITUTION	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2019	Guarantees drawn during the year	Guaranteed repayments/ cancelled/reduced during the year	Revaluation due to foreign currency movements	Closing balance 31 March 2020	Revaluations due to inflation rate movements	Accrued guaranteed interest for year ended 31 March 2020
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Housing									
ABSA			110				110		
Nedbank			18				18		
Standard Bank			147				147		
	Subtotal	-	275	-	-	-	275	-	-
	Total	-	275	-	-	-	275	-	-

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ANNEXURE 3B						
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2020						
NATURE OF LIABILITY	Opening balance 1 April 2019	Adjustment to opening balance	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2020
	R'000		R'000	R'000	R'000	R'000
Claims against the department						
Breach of contract and compelling specific performance	1 696					1 696
Claim on demolished dwellings	1 600					1 600
Claim on interest 15.5%	7 971					7 971
Claim on property	31 101					31 101
Claimant dispute claim of just and equitable compensation	28 470					28 470
Commission disputes feasibility and claim for specific performance.	15 678					15 678
Current owner wants to be paid more than the valuation amount on an approved S42D matter	4 500					4 500
Department dispute, claim of just and equitable compensation	164 896					164 896
Lease rental claim	1 516	(1 516)				-
Liquidator issued summons against commission matter is opposed breach contract	15 252					15 252
Matter for payment of interest for breach of contract	53					53
Claims compensation he received was not just & equitable	67 989					67 989
Restitution claim, for purchase price and interest of 15,5% and costs.	1 006 427					1 006 427
The claim is for alleged under compensation	9 036			(1 436)		7 600

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ANNEXURE TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 3B							
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2020							
NATURE OF LIABILITY	Opening balance 1 April 2019	Adjustment to opening balance	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2020	
	R'000		R'000	R'000	R'000	R'000	R'000
This is a direct access case for under compensation	5 377					5 377	
Breach of agreement	363	(363)				-	
Breach of contract	203	(33)	1 307	(170)		1 307	
Breach of contract, specific performance.	44					44	
Claim damages due to failure to comply with contractual obligations in the form of mora interest on the amount	6 522					6 522	
Claim for compensation	427 276					427 276	
Claim for losses incurred as a result of fire	373			-		373	
Claim for repair of boundary fence	16	(16)				-	
Claim for Services rendered	2 285	(2 285)	8 448			8 448	
Claim under compensation	48 050					48 050	
Claims against the department						-	
Claims Financial Compensation not received	2 732					2 732	
Claims Financial Compensation - Tramways	1 500					1 500	
Claims for damages	37 500	(37 500)				-	
Commission is disputing validity of the contract with applicant	3 491					3 491	
Contractual claim	194 679	(52 780)	132 414	(120 566)		153 747	
Contractual claim on appeal	2 499	(2 499)				-	
Damage motor vehicle	233		61	(151)		143	

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ANNEXURE 3B							
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2020							
NATURE OF LIABILITY	Opening balance 1 April 2019	Adjustment to opening balance	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2020	
	R'000		R'000	R'000	R'000	R'000	R'000
Damages for misrepresentation	1 000	(1 000)				-	
Damages from leaking storage dam	3 420			(3 420)		-	
Farm Fire	2 226					2 226	
Fire losses claim	63 303	(35 880)				27 423	
Fire losses claim GP/PTA/RC0150/1T	244			(244)		-	
Grants claim	1 000					1 000	
Indemnification of fire losses claim	634					634	
Labour dispute	653					653	
Malicious prosecution, Unlawful Arrest and Detention.	590					590	
Negligence	577	(100)				477	
Offer to purchase	5 583					5 583	
OSD	-		36 851			36 851	
Reimbursement on improvements made on land	3 720			(3 720)		-	
Relocation of Labour tenants	550			(550)		-	
Sale of Property	19 766	(19 766)				-	
The claim is for alleged under compensation	6 980			(6 980)		-	
Third party claim for damage vehicle	42	(42)				-	

ANNEXURE TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

ANNEXURE 3B STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2020						
NATURE OF LIABILITY	Opening balance 1 April 2019	Adjustment to opening balance	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2020
	R'000		R'000	R'000	R'000	R'000
Contractual claim	185	-	-	-	-	185
Subtotal	2 199 801	(153 780)	179 081	(137 237)	-	2 087 865
Other						
QCC S42D claims	6 803	(926)	2 038 263	(1 711 570)		332 570
Subtotal	6 803		2 038 263	(1 711 570)	-	332 570
TOTAL	2 206 604	(154 706)	2 217 344	(1 848 807)	-	2 420 435

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ANNEXURE TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 4
CLAIMS RECOVERABLE

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Depart. Of Water and Sanitation				879	-	879
Gauteng Depart. Of Agriculture and Rural Development				22	-	22
KZN Depart. Of Arts and Culture				2	-	2
Depart. Of Justice				8	-	8
Dept. of International Relations and Cooperation		63			-	63
Dept. of Women, Youth and Persons with Disability			67	-	67	-
	-	63	67	911	67	974
OTHER GOVERNMENT ENTITIES						
Deeds Registration Trading Account		753			-	753
Land Commission			13 010	6 344	13 010	6 344
		753	13 010	6 344	13 010	7 091
Total	-	816	13 010	7 255	13 010	8 071

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ANNEXURE 5
INTER-GOVERNMENT PAYABLES

ANNEXURE TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 5
INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Current						
Department of Justice	-			4 084	-	4 084
Department of Labour	13				13	-
CoGTA				44	-	44
SASSA				23	-	23
Department of Environmental Affairs		84	-		-	84
Government Communication and Information System			63		63	-
Subtotal	13	84	63	4 151	76	4 235
Current						
Chief Register of Deeds			1		1	-
DPW - Rates and Taxes Project			49 318	60 326	49 318	60 326
National Agricultural Marketing Council			4 753	85 839	4 753	85 839
Subtotal	-	-	54 071	146 165	54 071	146 165
Total Departments	13	84	54 134	150 316	54 147	150 400
TOTAL INTERGOVERNMENTAL PAYABLES	13	84	54 134	150 316	54 147	150 400

DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM
VOTE 39

ANNEXURE 6
INVENTORIES

ANNEXURE TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

ANNEXURE 6
INVENTORIES

INVENTORIES FOR THE YEAR ENDED 31 MARCH 2020

	Note	Farming Suppliers R'000	Other suppliers R'000	Fuel, oil and gas R'000	Others R'000	TOTAL R'000
Opening balance		-	-	-	-	-
Add/(Less): Adjustments to prior year balances						-
Add: Additions/Purchases - Cash		223 903	119 918	7 382	8 942	360 145
(Less): Issues		(223 903)	(119 918)	(7 382)	(8 942)	(360 145)
Closing balance		-	-	-	-	-

INVENTORIES FOR THE YEAR ENDED 31 MARCH 2019

	Note	Farming Suppliers R'000	Other suppliers R'000	Fuel, oil and gas R'000	Others R'000	TOTAL R'000
Opening balance						-
Add/(Less): Adjustments to prior year balances						-
Add: Additions/Purchases - Cash		210 575	324 981	-	-	535 556
(Less): Issues		(210 575)	(324 981)	-	-	(535 556)
Closing balance		-	-	-	-	-

DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM
VOTE 39

ANNEXURE TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

ANNEXURE 7

Movement in Capital Work-in-Progress

MOVEMENT IN CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2020

	Opening balance	Current Year Capital WIP	Ready for use (Asset register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT				
Other machinery and equipment	10 408	10 661	(10 408)	10 661
	10 408	10 661	(10 408)	10 661
BUILDINGS AND OTHER FIXED STRUCTURES				
Dwellings	984 772	457 651	(220 763)	1 221 660
Non-residential buildings	112 914	79 566		192 480
Other fixed structures	204 663	15 471		220 134
	667 195	362 614	(220 763)	809 046
LAND AND SUBSOIL ASSETS				
Land	6 998	61 915	-	68 913
	6 998	61 915		68 913
TOTAL	1 002 178	530 227	(231 171)	1 301 234

MOVEMENT IN CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2019

	Opening balance	Prior period errors	Current Year Capital WIP	Ready for use (Asset register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT					
Other machinery and equipment	9 197	-	10 408	(9 197)	10 408
	9 197		10 408	(9 197)	10 408

DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM
VOTE 39

ANNEXURE TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

BUILDINGS AND OTHER FIXED STRUCTURES

Dwellings	663 192	162	535 214	(213 796)	984 772
Non-residential buildings	104 678	162	8 074	-	112 914
Other fixed structures	558 514		204 663	(213 796)	204 663
			322 477		667 195

LAND AND SUBSOIL ASSETS

Land	10 237	-	6 998	(10 237)	6 998
	10 237	-	6 998	(10 237)	6 998

TOTAL

	682 626	162	552 620	(233 230)	1 002 178
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DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM
VOTE 39

ANNEXURE TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

ANNEXURE 8A
INTER-ENTITY ADVANCES PAID (note 14)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019
	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL DEPARTMENTS						
Government Communication and Information System			2 640	14 227	2 640	14 227
Subtotal	-	-	2 640	14 227	2 640	14 227
TOTAL	-	-	2 640	14 227	2 640	14 227

ANNEXURE TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

ANNEXURE 8B
INTER-ENTITY ADVANCES RECEIVED (note 21 AND note 22)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2020 R'000	31/03/2019 R'000	31/03/2020 R'000	31/03/2019 R'000	31/03/2020 R'000	31/03/2019 R'000
NATIONAL DEPARTMENTS						
Current		2 001	2 001		2 001	2 001
National Higher Education & Training						
Subtotal	-	2 001	2 001	-	2 001	2 001
TOTAL		2 001	2 001	-	2 001	2 001
Current	-	2 001	2 001	-	2 001	2 001

ANNEXURE TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

ANNEXURE 9
IMMOVABLE ASSETS ADDITIONAL DISCLOSURE

In addition to the detail for note 41.7 the department should address the information regarding

1. Surveyed unregistered land parcels

There are 1,031 land parcels that are surveyed but not yet registered at the Deeds Office.

2. State Land held in Trust

There are 800 land parcels that are held in Trust for communities.

3. Deemed Vested Properties

There are 3,383 land parcels that must still be vested.

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 on pages 326 to 363 which comprise the statement of financial position as at 31 March 2020, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the effects of the matter described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Agricultural Land Holdings Account as at 31 March 2020, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

Basis for qualified opinion

Trade and other receivables from non-exchange transactions

3. I was unable to obtain sufficient appropriate audit evidence for trade receivables from non-exchange transactions and the related provision for impairment, if any, as the trading account did not adequately assess the recapitalisation and development grants where there were indicators that the grants must be repaid and recognised as receivables. I could not confirm the amount of the trade and other receivables from non-exchange transactions and the resultant impact on the prior period error disclosure by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to trade and other receivables from non-exchange transactions stated at R408 937 000 (2018-19: R65 060 000) and the prior period error disclosure for the recapitalisation and development grants in notes 8 and 28 of the financial statements, respectively.

Context for the opinion

4. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
5. I am independent of the trading account in accordance with sections 290 and 291 of the *Code of ethics for professional accountants* and parts 1 and 3 of the *International code of ethics for professional accountants* (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA codes) as well as the 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 codes.

6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of matters

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

Impairment of trade receivables from exchange transaction

8. As disclosed in note 7 to the financial statements, the trading account had receivables from exchange transactions totalling R438,224 million, with an impairment provision for doubtful debts of R436,844 million as at 31 March 2020. The receivables relate to operating leases on farms leased to beneficiaries.

Adjusting event after the reporting period

9. As disclosed in note 31 to the financial statements, the Land Bank returned R163,484 million to the blended finance fund facility that it had utilised for its own unauthorised activities during the financial year.

Responsibilities of the accounting officer for the financial statements

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

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

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

Report on the audit of the annual performance report

14. In terms of section 40(3)(a) of the PFMA, the trading account is required to prepare an annual performance report. The performance information of the trading account was reported in the annual performance report of the Department of Rural Development and Land Reform. The usefulness and the reliability of the reported performance information were tested as part of the audit of the Department of Rural Development and Land Reform and any audit findings are included in the management and auditor's reports of the said department.

Report on the audit of compliance with legislation

Introduction and scope

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

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

Financial statements

17. Financial statements were not submitted for auditing within two months after the deadline in the applicable provision of section 40(1)(c)(i) of the PFMA.

18. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework as required by section 40(1)(b) of the PFMA. Material misstatements of general expenses, the cash generated from operations note, future minimum lease receivables and the risk management disclosure note identified by the auditors in the submitted financial statements were corrected but uncorrected material misstatements resulted in the financial statements receiving a qualified opinion.

Expenditure Management

19. Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R167 266 000, as disclosed in note 26 to the financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. Most of the irregular expenditure disclosed in the financial statements resulted from non-compliance with supply chain management processes. Irregular expenditure amounting to R155 145 891 was incurred on land development support projects.

Other Information

20. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements and the auditor's report.

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

22. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

23. The other information I obtained prior to the date of this auditor's report is the accounting officer's report and the report of the audit committee; the other information to be included in the annual report is expected to be made available to me after 03 February 2021.

24. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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

Internal control deficiencies

26. I considered internal control relevant to my audit of the financial statements and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion and the findings on compliance with legislation included in this report.

27. Compliance with legislation was not properly and regularly reviewed and monitored, resulting in the financial statements not being submitted within two months after the legislated deadline and not being prepared in accordance with the prescribed reporting framework of the trading account.

28. There were no adequate monitoring and oversight to ensure compliance with legislation and to prevent the irregular expenditure incurred by the trading account.

29. Management did not effectively exercise oversight responsibility over financial reporting, compliance and related controls, as evidenced by the material misstatements in the financial statements.

Auditor-General

Pretoria

03 February 2021



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general's responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and on the trading account's compliance with respect to the selected subject matters.

Financial statements

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

Communication with those charged with governance

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

AGRICULTURAL LAND HOLDINGS ACCOUNT

Annual Financial Statements for the year ended 31 March 2020

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Land Acquisition and Management
Business address	No 184 Jeff Masemola Street Pretoria 0001
Postal address	Private Bag X 833 Pretoria 0001
Bankers	ABSA
Auditors	Auditor General of South Africa

AGRICULTURAL LAND HOLDINGS ACCOUNT

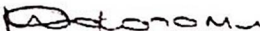
Annual Financial Statements for the year ended 31 March 2020

Index

The reports and statements set out below comprise the annual financial statements presented to the parliament:

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Accounting Policies	334 - 345
Notes to the Annual Financial Statements	346 - 363

The annual financial statements set out on pages 326 to 363, which have been prepared on the going concern basis, were approved by the accounting authority on 03 February 2021 and were signed on its behalf by:


MM Mokono
Chief Director:PLAS Trading Account


R Sadiki
Chief Financial Officer


M Ramasodi
Director General

AGRICULTURAL LAND HOLDINGS ACCOUNT

Annual Financial Statements for the year ended 31 March 2020

Audit committee members

Dr NZ Qunta (Chairperson)
Mr AN Mhlongo
Ms AMM Badimo

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 2020

Statement of Financial Position as at 31 March 2020

		2020	2019
	Note(s)	R'000	Restated* R'000
Assets			
Current Assets			
Cash and cash equivalents	6	1 472 973	1 269 758
Trade and other receivables from exchange transactions	7	84 076	110 118
Trade and other receivables from non-exchange transactions	8	408 937	65 060
Prepayments	10	12 921	14 520
		1 978 907	1 459 456
Non-Current Assets			
Property, plant and equipment	3	13 843 358	13 192 556
Intangible assets	4	-	1
Other financial assets	5	347 217	324 942
		14 190 575	13 517 499
Total Assets		16 169 482	14 976 955
Liabilities			
Current Liabilities			
Trade and other payables from exchange transactions	9	153 125	245 851
Other Provisions	11	591 435	493 178
		744 560	739 029
Total Liabilities		744 560	739 029
Net Assets		15 424 922	14 237 926
Accumulated surplus		15 424 924	14 237 926

AGRICULTURAL LAND HOLDINGS ACCOUNT

Annual Financial Statements for the year ended 31 March 2020

Statement of Financial Performance

		2020	2019
	Note(s)	R'000	Restated* R'000
Revenue			
Revenue from exchange transactions			
Rental income on lease receivable		47 976	101 059
Rental income on servitude		64	-
Interest on lease receivable		22 687	23 172
Interest on servitude		3	1
Other income		5	56
Interest income	13	107 569	88 375
Total revenue from exchange transactions		178 304	212 663
Revenue from non-exchange transactions			
Transfer revenue			
Grant income - non exchange		1 682 947	1 326 457
Donation received		13 736	4 992
Total revenue from non-exchange transactions		1 696 683	1 331 449
Total revenue	12	1 874 987	1 544 112
Expenditure			
Depreciation and amortisation		(67 092)	(57 158)
Impairment	17	(102 169)	(41 286)
Interest expense		(1 727)	(723)
Bad debts written off	29	(10 689)	(4 430)
Grant expense farmers		(79 931)	(150 335)
General Expenses	15	(196 511)	(275 183)
Total expenditure		(458 119)	(529 115)
Operating surplus		1 416 868	1 014 997
Loss on disposal of assets		(32 178)	(6 499)
Surplus for the year		1 384 690	1 008 498

* See Note 30 & 28

AGRICULTURAL LAND HOLDINGS ACCOUNT

Annual Financial Statements for the year ended 31 March 2020

Statement of Changes in Net Assets

	Accumulated surplus R'000	Total net assets R'000
Opening balance as previously reported	13 749 157	13 749 157
Adjustments		
Change in accounting policy	(409 059)	(409 059)
Prior year adjustments - Note 28	(110 670)	(110 670)
Balance at 01 April 2018 as restated*	13 229 428	13 229 428
Changes in net assets		
Surplus for the year	1 008 498	1 008 498
Total changes	1 008 498	1 008 498
Restated* Balance at 01 April 2019	14 237 925	14 237 925
Changes in net assets		
Funds surrendered to National Treasury	(197 691)	(197 691)
Net income (losses) recognised directly in net assets	(197 691)	(197 691)
Surplus for the year	1 384 690	1 384 690
Total recognised income and expenses for the year	1 186 999	1 186 999
Total changes	1 186 999	1 186 999
Balance at 31 March 2020	15 424 924	15 424 924

* See Note 30 & 28

AGRICULTURAL LAND HOLDINGS ACCOUNT

Annual Financial Statements for the year ended 31 March 2020

Cash Flow Statement

		2020	2019
	Note(s)	R'000	Restated* R'000
Cash flows from operating activities			
Cash receipts			
Sale of goods and services		14 717	4 557
Grant income		1 682 947	1 326 457
Interest income		78 859	59 971
Other operating revenue		-	330
		1 776 523	1 391 315
Cash paid to suppliers and employees			
Suppliers and other payables		(813 737)	(145 761)
Net cash flows from operating activities	18	962 786	1 245 554
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(759 569)	(755 439)
Net cash flows from investing activities		(759 569)	(755 439)
Net increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents at the beginning of the year		1 269 758	779 643
Cash and cash equivalents at the end of the year	6	1 472 975	1 269 758

AGRICULTURAL LAND HOLDINGS ACCOUNT

Annual Financial Statements for the year ended 31 March 2020

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	18 187	17 786	35 973	47 976	12 003	33% - 1
Rental income on servitude	-	-	-	64	64	100% - 2
Interest (outstanding debtors)	-	25 809	25 809	22 687	(3 122)	(12%) - 3
Interest on servitude	-	-	-	3	3	100% - 4
Other income	7 620	56 854	64 474	5	(64 469)	(100%) - 5
Interest income	53 035	(4 126)	48 909	107 569	58 660	120% - 6
Total revenue from exchange transactions	78 842	96 323	175 165	178 304	3 139	
Revenue from non-exchange transactions						
Transfer revenue						
Government grants & subsidies	1 405 947	277 000	1 682 947	1 682 947	-	0%
Donation received	-	16 694	16 694	13 736	(2 958)	(18%) - 7
Total revenue from non-exchange transactions	1 405 947	293 694	1 699 641	1 696 683	(2 958)	
Total revenue	1 484 789	390 017	1 874 806	1 874 987	181	
Expenditure						
Depreciation and amortisation	(48 234)	(2 596)	(50 830)	(67 092)	(16 262)	32% - 8
Impairment	(23 810)	(68 707)	(92 517)	(102 169)	(9 652)	(10%) - 9
Interest expense	(5 000)	4 000	(1 000)	(1 727)	(727)	73% - 10
Bad debts written off	(909)	(3 954)	(4 863)	(10 689)	(5 826)	120% - 11
Grant expense farmers	(562 003)	(288 282)	(850 285)	(79 931)	770 354	(91%) - 12
General expense	(104 374)	(138 333)	(242 707)	(196 511)	46 196	(13%) - 13
Total expenditure	(744 330)	(497 872)	(1 242 202)	(458 119)	784 083	
Operating surplus	740 459	(107 855)	632 604	1 416 868	784 264	
Loss on disposal of assets	-	(41 608)	(41 608)	(32 178)	9 430	(23)% - 14
Surplus before taxation	740 459	(149 463)	590 996	1 384 690	793 694	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	740 459	(149 463)	590 996	1 384 690	793 694	

AGRICULTURAL LAND HOLDINGS ACCOUNT

Annual Financial Statements for the year ended 31 March 2020

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	

1. **Rental income on lease receivable – 33%** The variance relates to recognition of additional lease rental that were not budgeted for.

2. **Rental income on servitude – 100%** the variance is due to billing on servitudes that has not been budgeted for.

3. **Interest on Outstanding debt – (12%)** the variance is due to the decline in the collection rate as well as new contracts that are not yet due for interest to be charged and the bad debt write off.

4. **Interest on servitude – 100%** the variance is due to billing on servitudes that has not been budgeted for.

5. **Other income – (100%)** The variance is due to income for the year that was anticipated against the budget error in anticipating that the refund from SRR will be classified as an income.

6. **Interest received – 120%** The variance relates to slow spending during the year

7. **Donation received – (18%)** the variance relates to assets that were donated on acquisition of property through a pre inspection that has subsequently been performed.

8. **Depreciation & amortisation – 32%** The variance is due to high volume of additions during the current financial year.

9. **Impairment – 102%** variance is due to impairment for PPE, and lease debtors impairment for the year.

10. **Interest expense – 73%** variance is due to interest expense on rates and taxes that was not anticipated for.

11. **Bad debts written off – 120%** variance is due to bad debts written off in the current year under review.

12. **Grant expense farmers – (91%)** variance relates to slow spending during the year, on LDS which is the main cost driver on this category. as well as the delays in opening of grant holding accounts

13. **General expense - (13%)** variance relates to slow spending on items like Valuation, Rates & Taxes, as well as Repairs & Maintenance. Reasons for slow spending are mainly delays from OVG regarding valuation expenditure.

14. **Loss on disposal of assets – (23%)** variance is as a result of unverified asset write offs as well as unplanned land disposed through donation to communal property associations during the six months of the financial year, and these disposals were not budgeted for. .

AGRICULTURAL LAND HOLDINGS ACCOUNT

Annual Financial Statements for the year ended 31 March 2020

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	43 662	16 016	59 678	84 076	24 398	41% - 15
Trade and other receivables from non-exchange transactions	104 055	(7 125)	96 930	408 937	312 007	322% - 16
Prepayments	5 550	(5 550)	-	12 921	12 921	100% - 17
Cash and cash equivalents	5 087	84 999	90 086	1 472 973	1 382 887	1535% - 18
	158 354	88 340	246 694	1 978 907	1 732 213	

Non-Current Assets

Property, plant and equipment	15 771 323	(1 169 240)	14 602 083	13 843 358	(758 725)	(5%) - 19
Other financial assets	175 664	161 407	337 071	347 217	10 146	3% - 20
	15 946 987	(1 007 833)	14 939 154	14 190 575	(748 579)	
Total Assets	16 105 341	(919 493)	15 185 848	16 169 482	983 634	

Liabilities

Current Liabilities

Trade and other payables from exchange transactions	20 130	15	20 145	153 125	132 980	660% - 21
Trade and other payables non-exchange	15	(15)	-	-	-	100% - 22
Other Provisions	127 674	(127 674)	-	591 435	591 435	100% - 23
	147 819	(127 674)	20 145	744 560	724 415	
Total Liabilities	147 819	(127 674)	20 145	744 560	724 415	

Net Assets

Net Assets

Net Assets Attributable to Owners of Controlling Entity

Reserves

Accumulated surplus	15 957 522	(791 819)	15 165 703	15 424 922	259 219	
Additional text						

AGRICULTURAL LAND HOLDINGS ACCOUNT

Annual Financial Statements for the year ended 31 March 2020

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	

15. **Trade and other receivables from exchange transactions - 41%** The increased billing resulted in the variance attributed to the conclusion of lease contracts during the financial year that were long outstanding
16. **Trade and other receivables from non-exchange transactions - 322%** Variance emanates from increased Land Development Support Unspent Conditional Grant due to delay approval for implementation of new grant disbursement model towards the end of the financial year.
17. **Prepayments - 100%** - variance is as a result of prepayments that were not budgeted for
18. **Cash and cash equivalent - 1535%** variance is result of slow spending on LDS and Land Acquisition during the year. Over and above budget additional funds amounting to R277m grant income was made available by the departments to ALHA for the purpose of responding to COVID 19 pandemic.
19. **Property, plant and equipment – (5%)** The variance relates to the anticipated monthly capital additions which were not acquired as at year end.
20. **Other financial asset – 3%** the variance is due interest receivable from Blended Finance Facility Fund during the current financial year.
21. **Trade and other payables from exchange transactions – 660%** variance is as a result of rates & taxes and Land and development support invoice accrual at the end of the financial year.
22. **Trade and other payables from non exchange transactions - 100%** the variance is due to the budget that was done for the year with the assumption that there would interdepartmental payables between the Trading Entity and the Department.
23. **Other Provision - 100%** the variance relates to the other provisionon rates and taxes that was not planeed or anticipated for in the current financial.

AGRICULTURAL LAND HOLDINGS ACCOUNT

Annual Financial Statements for the year ended 31 March 2020

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 interim financial statements is amended, prior period comparative amounts are also reclassified and restated, unless such comparative reclassification is not required by a Standard of GRAP. The nature and reasons for such reclassification and restatement are also disclosed.
- Where material accounting errors, which relate to prior periods have been identified in the current year, the correction is made retrospectively as far as practicable and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly.
- Presentation and classification of items in the current year are consistent with prior periods.
- 1.4 **Budget**
- Budget information has been provided in a separate disclosure note in accordance with GRAP 1 and 24. GRAP 24 is applicable to all entities preparing their financial statements on accrual basis of accounting and is also applicable to all entities that are required or elect to make their approved budget publicly available.
- ALHA budget does not meet the scope of GRAP 24 because its budget is not approved by parliament. The Trading Entity has elected to make their approved budget available. ALHA has presented separate statement of comparison of budget annual interim financial statements are presented using accrual basis of accounting while the budget information is presented using cash basis of accounting.
- 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:

AGRICULTURAL LAND HOLDINGS ACCOUNT

Annual Financial Statements for the year ended 31 March 2020

Accounting Policies

1.5 Significant judgements and estimates (continued)

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.

Catergory	% Impairment
Debt acknowledged / Valid ID / Limited Operation	100 %
Debt acknowledged / Valid ID / Recapitalisation/Land development support	100 %
Debt acknowledged / Business Reg / No Operation / Not Categorised	100 %
Debt acknowledged / Business Reg / Recapitalisation/Land development support	100 %
Debt acknowledged / Business Reg / Limited Operation	97 %
Debt acknowledged / Valid ID / No Operation / Not Categorised	80 %
Debt acknowledged / Business Reg / Commercial	100 %
Debt not acknowledged/Business Reg/Commercial	96 %
Debt not acknowledged/Valid ID/No Operation/not categorised	98 %
Refusal to pay	100 %
Debt not acknowledged	100 %

Impairment of non financial assets

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the entity for similar financial instruments.

Value in use of non-cash generating assets

The Trading Entity reviews and tests the carrying value of the assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. If there are indicators that impairment may have occurred, the remaining service potential of the asset is determined. This estimate is based on the availability of information to determine the remaining service potential of the asset.

Remaining useful lives of property, plant and equipment

The Trading Entity's management determines the estimated remaining useful lives and related depreciated charges for property, plant and equipment. This estimate is based on management's judgement, farming activities and operational factors. These estimates are based on the pattern in which an asset's future economic benefits or service potential is expected to be consumed by the Trading Entity.

Depreciation

Depreciation is recognised on property, plant and equipment and is determined with reference to the useful lives of the underlying items. The useful lives of the assets are based on management's estimation of the assets condition at the end of the period of use, its current use and expected future use.

Replacements costs

Replacement costs is calculated using the average price asset purchased within ALHA, since a willing buyer willing seller market is used for acquisition of ALHA property, plant and equipment.

AGRICULTURAL LAND HOLDINGS ACCOUNT

Annual Financial Statements for the year ended 31 March 2020

Accounting Policies

1.5 Significant judgements and estimates (continued)

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included for rates and taxes where average of payment was made for properties owned. An average over 5 years was made.

Budget information

Variances between budget and actual amounts are regarded as material when a 5% variance exists. All material differences are explained in the notes to the annual financial statements.

Impairment of other financial asset

The impairment loss on financial asset measured at amortised cost is calculated as the difference between the asset carrying amount and the present value of the estimated future cash flow discounted at the financial asset original interest rate.

The present value of the future cash flows is determined based on the budgeted percentage performance achieved by entities that have been advanced consessionary loans.

1.6 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the estimated cost of dismantling the asset and restoring the site on which it's operated.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

AGRICULTURAL LAND HOLDINGS ACCOUNT

Annual Financial Statements for the year ended 31 March 2020

Accounting Policies

1.6 Property, plant and equipment (continued)

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 derecognises the part of the asset being replaced and capitalises the new component.

Subsequent expenditure including major spare parts and servicing equipment qualify as property, plant and equipment if the recognition criteria is met.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives. Components of assets that are significant in relation to the whole assets and that have different useful lives are depreciated separately. The Trading Entity maintains and acquires assets to provide a social service to the community, with no intention to dispose of the assets for any economic gain.

The assets residual values, useful lives and depreciation methods are reviewed at each financial year end and adjusted prospectively, if appropriate.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

The annual depreciation of items of property, plant and equipment have been assessed and based on the estimated asset useful lives as follows:

Item	Depreciation method	Average useful life
Agricultural land	Straight line	Unlimited
Infrastructure - Production facility - e.g Broilers	Straight line	40 - 50
Infrastructure - Production infrastructure - eg kraal	Straight line	30 - 50
Buildings - Farm dwellings/buildings	Straight line	5 - 10
Agricultural Equipment - No Moving parts e.g Ploughs	Straight line	20 - 30
Agricultural Equipment - High intensity moving parts e.g Chain Saws	Straight line	5 - 7
Agricultural Equipment - Mechanical e.g Tractors	Straight line	10 - 15
Agricultural Equipment - Water low intensity - non electrical	Straight line	30
Agricultural Equipment - Water low intensity - electrical	Straight line	15 - 20
Electrical	Straight line	15
Office equipment	Straight line	5 - 10
Motor vehicles	Straight line	5 - 10

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the entity. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The entity assesses at each reporting date whether there is any indication that the entity expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the entity revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in trading entity or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

AGRICULTURAL LAND HOLDINGS ACCOUNT

Annual Financial Statements for the year ended 31 March 2020

Accounting Policies

1.6 Property, plant and equipment (continued)

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in trading entity or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.7 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity; and
- the cost or fair value of the asset can be measured reliably.

The entity assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life. Where the carrying amount of an item of an intangible asset is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charge to the Statement of Financial Performance.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Share packaging rigths	Straight line	indefinite

The entity discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note).

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of an intangible assets is included in trading entity or deficit when the asset is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback) and is recognised in the Statement of Financial Performance.

AGRICULTURAL LAND HOLDINGS ACCOUNT

Annual Financial Statements for the year ended 31 March 2020

Accounting Policies

1.8 Revenue

Revenue from non-exchange transactions:

Revenue from non - exchange transactions refers to transactions where the trading entity received revenue from another Entity without directly giving approximately equal value in exchange . Revenue from non - exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Revenue from non - exchange transactions is measured at the amount of the increase in net assets recognised by the Trading Entity.

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.

1.9 Investments in controlled entities

The transfer from the Department of Rural Development and Land Reform is recognised when it is appropriated and probable that future economic benefits will flow to the Trading Entity and the amount can be measured reliably. A transfer is recognised as revenue to the extent that there is no corresponding liability arising from the receipt of the transfer payment.

Where conditions are attached to the transfer that gives rise to a corresponding liability, the corresponding amount is recognised as non - exchange revenue as and when the related liability is discharged.

1.10 Interest in joint ventures

The Trading Entity as a lessor

Classification

A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. An operating lease is a lease other than a finance lease.

The Trading Entity classifies its leases as operating leases. The classification of the leases is based on the extent that the Trading Entity does not transfer substantially all the risks and rewards incidental to ownership of the assets to the lease.

Measurement

- Lease income from operating leases is recognised in income on a straight line basis over the lease term;
- Lease income is disclosed in the Statement of Financial Performance;
- Any contingent rental income is recognised as surplus or deficit in the period in which it is receivable.

1.11 Financial instruments

A derivative is a financial instrument or other contract with all three of the following characteristics:

AGRICULTURAL LAND HOLDINGS ACCOUNT

Annual Financial Statements for the year ended 31 March 2020

Accounting Policies

1.11 Financial instruments (continued)

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- It is settled at a future date.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

A financial asset is:

- cash;
- a residual interest of another entity; or
- a contractual right to:
 - receive cash or another financial asset from another entity; or
 - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

AGRICULTURAL LAND HOLDINGS ACCOUNT

Annual Financial Statements for the year ended 31 March 2020

Accounting Policies

1.11 Financial instruments (continued)

A residual interest is any contract that manifests an interest in the assets of an entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

- equity instruments or similar forms of unissued capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an entity's net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the entity designates at fair value at initial recognition; or
- are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
 - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
 - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
 - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
 - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

Classification

The Trading Entity classifies its financial instruments at amortised cost i.e. non -derivative financial assets or non -derivative financial liabilities that have a fixed or determined payments, excluding instruments that:

- The Trading Entity designates at fair value at initial recognition; or
- Are held for Trading.

The classification depends on the purpose for which the financial instruments were obtained or incurred and takes place at initial recognition. Classification is reassessed on an annual basis.

Initial recognition

Financial instruments are recognised initially when the Trading Entity becomes a party to the contractual provisions of the instruments.

The Trading Entity classifies financial instruments, or their component parts on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and to the extent that the instrument satisfies the definition of a financial liability, a financial 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 2020

Accounting Policies

1.11 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 assess 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.

Other financial assets

Other financial assets represents financial guarantees to land bank. Cencessionary loan made to Farmers by National Empowerment Fund are classified as other financial assets at amortised cost.

1.12 Services in kind

The Trading Entity does not recognise services in kind as revenue. Services in kind are disclosed under related parties.

AGRICULTURAL LAND HOLDINGS ACCOUNT

Annual Financial Statements for the year ended 31 March 2020

Accounting Policies

1.13 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 a commitment in the notes of the annual financial statements.

1.14 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.

1.15 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 2008):

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

1.16 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).

AGRICULTURAL LAND HOLDINGS ACCOUNT

Annual Financial Statements for the year ended 31 March 2020

Accounting Policies

1.17 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.

1.18 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.

1.19 Other non - exchange receivables

1.19.1 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 agreements 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.

1.19.2 Trade and Other Receivables from other debtors

Trade and other receivables are categorised as financial assets and are initially recognised at fair value and subsequently carried at amortised cost. Amortised cost refers to initial carrying amount plus interest less repayments and impairments.

Assessment of impairment of non exchange receivable shall be done in line with policy of impairment of receivable non exchange par 1.5.

1.20 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.

AGRICULTURAL LAND HOLDINGS ACCOUNT

Annual Financial Statements for the year ended 31 March 2020

Accounting Policies

1.21 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.

1.22 Prepayments

Prepaid expenses are amounts paid for by the Trading Entity representing costs incurred from which services or benefits are expected to be derived in the future.

The future write off period of the incurred cost will normally be determined by the period of benefit covered by the prepayment. When the period arrives to which a prepaid cost relates the costs will be treated as a period cost for the period in question. Normally such prepaid costs will be written off based on the elapse of time.

Prepaid expenses should be classified as current assets unless a portion of the prepayment covers a period longer than 12 months. If there are prepayment costs with a benefit beyond 12 months, they should be classified as deferred charges in the Statement of Financial Position.

Prepaid expenses will be measured at the value of the services or goods to be received/receivable in the future.

1.23 Leasehold improvements

A leasehold improvement is an improvement made to a leased building 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.

1.24 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 2020

Notes to the Annual Financial Statements

	2020 R'000	2019 R'000
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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:

- GRAP 34: Separate Financial Statements
- GRAP 35: Consolidated Financial Statements
- GRAP 36: Investment in Associates and Joint Ventures
- GRAP 37: Joint Arrangements
- GRAP 38: Disclosure of Interest in Other Entities
- GRAP 104: Financial Instruments
- GRAP 110: Living and Non Living Resources
- GRAP 38: Disclosure of Interests in Other Entities

AGRICULTURAL LAND HOLDINGS ACCOUNT

Annual Financial Statements for the year ended 31 March 2020

Notes to the Annual Financial Statements

Figures in Rand thousand

3. Property, plant and equipment

	2020		2019	
	Cost / Valuation	Accumulated depreciation and impairment	Cost / Valuation	Accumulated Carrying value depreciation and impairment
Agricultural land	11 690 578	-	11 690 578	11 250 667
Buildings	1 445 962	(254 004)	1 191 958	1 375 431
Motor vehicles	14 161	(12 171)	1 990	15 528
Infrastructure	812 376	(175 963)	636 413	750 285
Work in progress	107 688	-	107 688	27 986
Agricultural equipment	325 165	(110 434)	214 731	242 296
Total	14 395 930	(552 572)	13 843 358	13 662 193
			(469 637)	13 192 556

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Additions through donations	Disposals	Depreciation	Impairment loss	Total
Agricultural land	11 250 667	464 681	-	(24 770)	-	-	11 690 578
Buildings	1 159 323	68 760	4 203	(1 881)	(27 792)	(10 655)	1 191 958
Motor vehicles	2 588	189	-	(52)	(735)	-	1 990
Infrastructure	604 070	55 370	7 162	(319)	(17 957)	(11 913)	636 413
Work in progress	27 986	79 702	-	-	-	-	107 688
Agricultural equipment	147 922	90 867	2 369	(5 155)	(20 607)	(665)	214 731
	13 192 556	759 569	13 734	(32 177)	(67 091)	(23 233)	13 843 358

AGRICULTURAL LAND HOLDINGS ACCOUNT

Annual Financial Statements for the year ended 31 March 2020

Notes to the Annual Financial Statements

Figures in Rand thousand

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Additions through donations	Disposals	Depreciation	Impairment loss	Total
Agricultural land	10 685 061	568 947	-	(3 341)	-	-	11 250 667
Buildings	1 108 736	79 312	3 145	(72)	(25 349)	(6 449)	1 159 323
Motor vehicles	3 145	303	-	(21)	(856)	17	2 588
Infrastructure	587 761	38 768	1 565	(2 180)	(16 233)	(5 611)	604 070
Work in progress	10 902	17 084	-	-	-	-	27 986
Agricultural equipment	112 530	51 024	282	(885)	(14 522)	(507)	147 922
	12 508 135	755 438	4 992	(6 499)	(56 960)	(12 550)	13 192 556

Additional information

3.1. Property, Plant and Equipment

The opening balance for Property, plant and equipment have been restated, refer to note 28. Property, plant and equipment is carried at cost less accumulated depreciation and impairment losses.

Net carrying value for PPE amounts to R13,843billion (2019:R13,192billion) after depreciation and impairment of R67,091million and R23,234million respectively.

3.2. Loss on disposal of assets

Total disposal for the year amount to R32,178million which relates to land donated to municipalities, farm dwellers and labour tenants at no consideration.

3.3. Repairs and Maintenance

A total amount of R558thousand and relating to repairs of infrastructure amounting R284thousand and buildings amounting toR274thousand.

AGRICULTURAL LAND HOLDINGS ACCOUNT

Annual Financial Statements for the year ended 31 March 2020

Notes to the Annual Financial Statements

	2020 R'000	2019 R'000																		
4. Intangible assets																				
	<table> <tr> <th></th><th>2020</th><th>2019</th></tr> <tr> <th>Cost / Valuation</th><th>Accumulated amortisation and accumulated impairment</th><th>Carrying value</th></tr> <tr> <th>Cost / Valuation</th><th>Accumulated amortisation and accumulated impairment</th><th>Carrying value</th></tr> </table>		2020	2019	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	<table> <tr> <th></th><th>2020</th><th>2019</th></tr> <tr> <th>Cost / Valuation</th><th>Accumulated amortisation and accumulated impairment</th><th>Carrying value</th></tr> <tr> <th>Cost / Valuation</th><th>Accumulated amortisation and accumulated impairment</th><th>Carrying value</th></tr> </table>		2020	2019	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
	2020	2019																		
Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value																		
Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value																		
	2020	2019																		
Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value																		
Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value																		
Accumulated Amortisation and Impairment	- (980) (980)	- (979) (979)																		
Intangible assets	980 - 980	980 - 980																		
Total	980 (980) -	980 (979) 1																		

Reconciliation of intangible assets - 2020

	Opening balance	Amortisation	Total
Amortisation	(979)	(1)	(980)
Share on packaging houses	980	-	980
	1	(1)	-

Reconciliation of intangible assets - 2019

	Opening balance	Amortisation	Total
Amortisation	(783)	(196)	(979)
Share on packaging houses	980	-	980
	197	(196)	1

5. Other financial assets

Residual interest at cost

347 217 324 942

AGRICULTURAL LAND HOLDINGS ACCOUNT

Annual Financial Statements for the year ended 31 March 2020

Notes to the Annual Financial Statements

	2020 R'000	2019 R'000
5. Other financial assets (continued)		
Other Financial Assets relates to funds held by Land Bank:	-	-
Other Financial Assets amounting to R347,217million relates to funds held by land bank for the following:		
5.1. Blended finance		
A total amount of R163,484million has been recognised which is made out of opening balance of R153,044million plus current addition of interest amounting to R10,440million.		
As at 31 March 2020 Land bank utilised the funds for their activities without any notification. The funds have been subsequently restored by land bank into the blended finance account, an adjusting event has been disclosed refer note 31.2		
5.2. Emerging farmer support fund		
A total amount of R183,733million has been recognised which is made out of opening balance of R171,899million plus current addition of interest amounting to R11,834million.		
No assets were held as collaterals and no portion of the financial assistance has passed the due date therefore the were no impairment indicators.		
	-	-
	347 217	324 942
6. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash at bank	1 472 973	1 269 758
Cash and deposits 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.		
The cash and cash equivalent balance for the year under review is as a result high commitments on Land Development Support.		
7. Trade and other receivables from exchange transactions		
Deferred lease assets	81 363	82 516
Operating lease rentals	1 380	25 866
Accrued interest - from bank	1 206	1 608
Operating lease receivables:servitude	127	128
	84 076	110 118

AGRICULTURAL LAND HOLDINGS ACCOUNT

Annual Financial Statements for the year ended 31 March 2020

Notes to the Annual Financial Statements

	2020 R'000	2019 R'000
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7. Trade and other receivables from exchange transactions (continued)

Credit quality of trade and other receivables

7.1. Operating lease receivable

The carrying value for operating lease receivable of R1,507million (2019: R25,994million) respectively relates to the Operating lease rentals plus Operating lease receivables - servitude after allowance of impairment for the year.

The ageing of amounts impaired is as follows:

Reconciliation of the provision for doubtful debts

Balance at the beginning of the year	353 206	329 342
Contributions to provision	83 638	23 864
	436 844	353 206

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	4	5 277
3 to 6 months	106	2 728
6 to 12 months	69	3 808
Over 12 months	1 201	14 053
	1 380	25 866

Trade and other receivables before impairment

Trade and other receivables of R438,224million (2019: R379,072million) were impaired.

The ageing of the impairment loss is as follows:

Current to 6 months	32 729	25 030
6 to 12 months	35 934	17 347
Over 12 months	369 561	336 695
	438 224	379 072

8. Trade and other receivables from non-exchange transactions

Unspent conditional grant farmers	337 525	-
Unspent conditional grant - SRR	71 312	64 474
Other debtors	100	586
	408 937	65 060

AGRICULTURAL LAND HOLDINGS ACCOUNT

Annual Financial Statements for the year ended 31 March 2020

Notes to the Annual Financial Statements

	2020 R'000	2019 R'000
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8. Trade and other receivables from non-exchange transactions (continued)

8.1. Unspent conditional grant farmers - Land development Support

Total amount of R337, 525million relates to Land Development Support Grant programme transfers in the current financial year.

8.2. Unspent conditional grant -SRR

Total amount of R71,312million (2019: R64,474million) respectively relates to Strengthening of relative rights (SRR) balance at year end.

8.3. Other debtors

Total amount of R100thousand (2019: R586thousand) relates to amount owed by ex official of the department.

9. Trade and other payables from exchange transactions

Trade payables	142 639	236 580
Rental received in advanced	10 486	8 844
Deposits received	-	427
	153 125	245 851

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.

10. Prepayments

Prepayments amounting to R12,921million(2020) and R14,421million(2019) relates to the following:

R1,542million on acquisition of Property, R9,859million for Rates and Taxes, Recapitalisation infrastructure R99thousand and Land Development Support amounting to R1,421million for assets procured and paid but not yet delivered..

11. Other Provisions

Reconciliation of other provisions - 2020

	Opening Balance	Additions	Total
Other provisions	493 178	98 257	591 435

Reconciliation of other provisions - 2019

	Opening Balance	Additions	Total
Other provisions	409 059	84 119	493 178

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 for a period of five years 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 2013/14as a result of initial government properties being failed by department of public works having been honoured and paid by Department of Public Works.

AGRICULTURAL LAND HOLDINGS ACCOUNT

Annual Financial Statements for the year ended 31 March 2020

Notes to the Annual Financial Statements

	2020 R'000	2019 R'000
12. Revenue		
Rental income on lease receivable	47 976	101 059
Rental income on servitude	64	-
Interest on lease receivable	22 687	23 172
Interest on servitude	3	1
Other income	5	56
Interest received	107 569	88 375
Grant income - non exchange	1 682 947	1 326 457
Donation received - non exchange	13 736	4 992
	1 874 987	1 544 112
13. Interest income		
Interest received	107 569	88 375
14. Other income		
Other income	5	56
Other income relates to unallocated deposits over 365 days and recovery of bad debts.		
15. General expenses		
Advertising	177	-
Bank charges	48	34
Feasibility Study	235	-
Subsistence and travelling	2 086	6 251
Valuation	2 459	1 929
Professional fees	31 058	82 170
Levies	867	1 335
License fees	316	-
Rates and taxes	155 748	168 045
Business planning	52	79
Legal fees	-	352
Management fees	3 465	14 988
	196 511	275 183

AGRICULTURAL LAND HOLDINGS ACCOUNT

Annual Financial Statements for the year ended 31 March 2020

Notes to the Annual Financial Statements

	2020 R'000	2019 R'000
16. Grant expense farmers		
Consumables	46	12
Animal feeds	-	369
Grant SRR	14 501	43 714
Security expenses	1 669	6 279
Water and electricity	693	972
Machinery and equipment	2	97
Biological assets	35 981	23 042
Land development support	10 523	1 527
Recapitalization and development expenditure	16 516	74 323
	79 931	150 335
16.1. Grant SRR		
During the current financial year there were operational cost transfers that were done on some of the SRR projects through the Business Rescue Practitioner.		
16.2. Land development support		
Increase is due to introduction of LDS programme as a new implementation in the current year. Land Development Support is a new programme developed for the purpose of commercialising farmers farming on ALHA land. The implementation started towards the end of 2018/19 financial year.		
16.3. Recapitalization and development expenditure		
The movement results Recapitalization programme expenditure for the current financial year.		
17. Impairment		
Property, plant and equipment	23 235	12 552
Lease debtors	83 638	23 864
Reversal of impairment loan	(4 704)	4 870
	102 169	41 286
18. Cash generated from operations		
Surplus	1 384 690	1 008 498
Adjustments for:		
Depreciation and amortisation	67 092	56 961
Interest - land bank	-	-
Loss on disposal of asset	32 178	6 499
Adjust for Donations received	(13 736)	(4 992)
Impairment of assets	23 235	41 286
Bad debts written off	-	4 430
Movements in provisions	98 257	-
Interest receivable	(22 275)	(17 694)
Changes in working capital:		
Trade and other receivables from exchange transactions	26 041	94 131
Surrender surplus	(197 691)	-
Trade and receivables from non-exchange transactions	(343 876)	31 642
Prepayments	1 598	-
Trade and other payables from exchange transactions	(92 727)	24 817
Trade and other payables from non-exchange	-	(24)
	962 786	1 245 554

AGRICULTURAL LAND HOLDINGS ACCOUNT

Annual Financial Statements for the year ended 31 March 2020

Notes to the Annual Financial Statements

	2020 R'000	2019 R'000
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19. Financial instruments disclosure

Categories of financial instruments

2020

Financial asset by category

	At amortised cost	Total
Other financial assets	347 217	347 217
Trade and other receivables from exchange transactions	1 507	1 507
Cash and cash equivalents	1 472 973	1 472 973
	1 821 697	1 821 697

Financial liability by category

	At amortised cost	Total
Trade and other payables from exchange transactions	142 639	142 639

2019

Financial asset by category

	At amortised cost	Total
Other financial assets	324 942	324 942
Trade and other receivables from exchange transactions	25 994	25 994
Cash and cash equivalents	1 269 758	1 269 758
	1 620 694	1 620 694

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	236 580	236 580

20. Related parties

Related party transactions

Related party transactions

Department: Rural Development and Land Reform : Grant	1 682 947	1 326 457
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No executive emoluments are paid by the Trading Entity as they are remunerated by the Department of Rural Development and Land Reform.

The Department of Rural Development and Land reform 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 22.

AGRICULTURAL LAND HOLDINGS ACCOUNT

Annual Financial Statements for the year ended 31 March 2020

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	2020 R'000	2019 R'000
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21. Risk management

Financial risk management

The Trading Entity's activities expose it to a variety of financial risks including credit risk and liquidity risk.

The Trading Entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Trading Entity's performance. Risk management is carried out by management committee of the Department under the risk management framework approved by the Audit Committee.

Liquidity risk

At 31 March 2020	Less than 3 months R'000	Between 3 to 6 months R'000	Between 6 months and 1 year R'000	Total R'000
Trade and other payables from exchange transactions	108 601	34 038	-	142 639

At 31 March 2019	Less than 3 months R'000	Between 3 to 6 months R'000	Between 6 months and 1 year R'000	Total R'000
Trade and other payables from exchange transactions	98 044	11 447	127 090	236 581

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:

Financial instrument	2020	2019
Cash and cash equivalents	1 472 973	1 269 758
Trade and other receivables from exchange transactions	1 507	25 994
Other financial assets	347 217	324 942

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.

22. Services in kind

The Trading Entity falls under the Administration of the Department of Rural Development and Land Reform (DRDLR). The Executives, Provincial, District and National officials of the DRDLR spent some of their time on the affairs of the Trading Entity. Furthermore, the DRDLR provides the services of internal audit function, information technology, staff training, salaries, accomodation, furniture and equipment. There is no cost charged by the DRDLR in this regard.

23. Fruitless and wasteful expenditure

Opening balance	98 429	85 941
Less: Condoned	(2 837)	-
Add: Fruitless and wasteful expenditure - current year	83	12 488
	95 675	98 429

AGRICULTURAL LAND HOLDINGS ACCOUNT

Notes to the Annual Financial Statements

	2020 R'000	2019 R'000
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23. Fruitless and wasteful expenditure (continued)

23.1. SRR projects

Projects where acquisition of SRR was not viable. 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 recommendations of the full audit have been finalised towards the end of financial year and therefore irregular will be disclosed accordingly.

23.2. One Hectar One Household (1H1H)

Payment of professional fees amounting to R754thousand relates to the Accountant and Site Management fees that were paid to the Farmers for services not rendered and where the quality of the services rendered that was deficient was paid that were paid to accountants before they had fulfilled the obligation of the contract.

23.3. Rates and Taxes

A total amount of R83thousand relates to Interest paid on late payment of rates and taxes and a condoned of R2,837million was done during the current year.

24. Future minimum lease receivable

Heading	
	3 671 547
	-
	3 671 547

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.

25. Commitments

• Contracted recapitalization projects - Grant Farmers	122 436	137 108
• Guarantees land acquisition	146 436	288 475
• One Hectar One Household - Grant Farmers	28 257	31 488
• Open orders	2 828	3 030
• Project management	2 187	27 422
• Land Development Support	716 990	664 849
	1 019 134	1 152 372

Opening balances for Grant Farmers and Land Development Support have been restated.

26. Irregular expenditure

Opening balance	137 572	48 798
Add: Irregular Expenditure - current year	167 266	88 774
	304 838	137 572

AGRICULTURAL LAND HOLDINGS ACCOUNT

Notes to the Annual Financial Statements

	2020 R'000	2019 R'000
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26. Irregular expenditure (continued)

26.1. Irregular expenditure has incurred as a result of contravention of Supply Chain Policy Regulations Policy

Management fee - SRR

SRR management fees amount to R41,805million, an appointment of business practitioner amounting to R1,120million and grant expenditure amounting to R37,508million.

SRR forensic investigation has been completed and further determination for facts relating to the recovery of the amount from identified people is to be done in the 2020/21 financial year.

Land development support (LDS)

Land development support program implementing agents procured goods and services amounting R212,384million without following Supply Chain Management principles.

Land Development Support a recommendation for forensic investigation in order to establish facts whether the transgression related to fraud, corrupt and other criminal conduct.

Recapitalisation and Development

Expenditure amounting to R11,000million was incurred through emergency deviation but work has not yet been completed.

An forensic investigation has been concluded and further determination for facts relating to the recovery of the amount from identified people is to be done in the 2020/21 financial year.

26.2. Other irregular

Other irregular expenditure amounting to R832thousand relates to contravention of SCM processes is under investigation by Financial Control Committee (FCC) of the department that is tasked to investigate financial losses.

AGRICULTURAL LAND HOLDINGS ACCOUNT

Notes to the Annual Financial Statements

	2020 R'000	2019 R'000
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27. Contingent asset and liabilities

27.1 Contingent Asset

27.1.1 Unlawful removal of departmental asset

During the previous financial year, the Trading Entity determined that a farmer had unlawfully removed movable assets to the value of R1,596million from the farm. As a result the Trading Entity took legal action against the farmer to recover the loss of assets. The matter is still in the court of Law.

27.1.2 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 of the agreement is terminated.

Certain lessee have breached the agreement and the process of finalising whether the breach will result in the termination of the state land and disposal policy indicates once the agreement is terminated then the farmer loses his future economic benefit and will instead flow to be state (Agricultural Land Holdings Account Trading Entity).

In the event the lease is terminated as a consequence of the actions or omissions of the lessee, the improvement shall become the property of the department and no compensation shall be paid to the lessee for such improvements. Lessees that have breached the contract have 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.

27.2 Contingent Liability

27.2.1 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 is unknown as 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.

28. Disclosure of prior period errors

The Trading Entity identified the following prior period errors during the 2019/20 financial year and all the corrections have been done from the beginning of 2018/19 financial year accordingly as follows:

AGRICULTURAL LAND HOLDINGS ACCOUNT

Notes to the Annual Financial Statements

	2020 R'000	2019 R'000
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28. Disclosure of prior period errors (continued)

1. Property, Plant and Equipment (PPE)

During the current financial year property, plant and equipment has been adjusted with recognition and derecognition of assets that were not previously recorded in the asset register which resulted in an increase on the net carrying value amounting to R110,774million. The adjustment is as a result of disposal and donation of assets, reversal and recognition of write off, adjustment due to unbundling and bundling of assets, recognition of asset infrastructure that was paid for but not yet constructed and assets that were erroneously recognised in previous financial years.

2. Operating Leases errors:

2.1. Trade and other receivable - Exchange

During the current financial lease contracts which were not billed in the previous financial year were received and a total amount of R3,596million on revenue rental was adjusted for billing that was not recognised during the previous financial year. An adjustment has been done retrospectively.

2.2. Deferred lease asset

The total amount of R63,968million on deferred lease asset relates to 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.

The impact of the operating lease error resulted to an increase in revenue rental amounting to R67,472million in the 2018/19 financial and R92thousand in the 2017/18 financial year.

2.3. Provision for doubtful debt - Lease debt

The total amount of R1,105million relates to the contracts that were not recognised in the previous financial year which now had an impact with an on impairment. An adjustment of the provision with an impact on impairment was done retrospectively.

3. Unspent Grant error (Recapitalisation and Development Program):

3.1. Trade and other receivable Non Exchange - Grant farmers

An adjustment of R565,144million relates to the recognition of farmers grant expense transferred in the previous financial years but not recorded in the financial performance. Within the adjustment to R50, 623million relates to expenditure that farmers accounted with valid invoices , whereas R514,521million was not accounted by farmers for a period of over five years. Determination of possible fruitless expenditure will be conducted. An adjustment has been retrospectively done in the correct financial period.

3.2. Provision for doubtful debt - Grant Farmers

The total amount of R500,717million relates to the provision that was reported in the previous financial year. Due to the derecognition of the unaccounted grant farmers over five year as expenditure, a reversal of the provision was done. An adjustment of the provision with an impact on impairment was done retrospectively.

4. Trade and other payable - Exchange

Total amount of R167,395million relates general expenses of previous financial invoices that were received during the current financial year relating to rates and taxes, water rights, valuation, professional fees, management fees and security costs. The recognition adjustment of the expenditure has been done in the correct financial year.

AGRICULTURAL LAND HOLDINGS ACCOUNT

Notes to the Annual Financial Statements

	2020 R'000	2019 R'000
28. Disclosure of prior period errors (continued)		
5. Other Financial Asset		
5.1 Blended Finance Fund		
During the current financial year, an omission of interest received on Blended Finance Fund facility held by Land Bank was determined. The Blended Finance Fund includes funds from the Department of Agriculture Fisheries and Forestry, a recalculation for the split interest between the two entities was done and retrospectively adjusted in the correct financial year and the ALHA's portion of the split amounts to R543thousand.		
5.1 Strengthening of Relative Rigths (5050)		
In the previous financial year a transfer of R20,500million to farmers for working capital was done in a form of a loan disbursed by National Empowerment Fund (NEF). A concessionary loan and impairment was therefore recognised. During the current financial year SRR forensic audit was concluded that the working capital portion was fruitless and wasteful expenditure/irregular expenditure. The full impact of the loan was adjusted as grant farmer expense and further disclosed as fruitless and wasteful expenditure/irregular expenditure.		
6. Prepayment		
During the current financial year reclassification from Unspent Grant farmers to Prepayment amounting to R349thousand was done.		
7. WIP		
During the current financial invoices amounting to R251thousand relating to prepayment were received and were further recognised accordingly against WIP.		
8. Other Debtors		
During the current financial year a reclassification amounting to R404thousand from Unspent Grant Farmers to Other Debtors was done as a result of a farmer having not complied with provision of the Recapitalisation and Development Programme.		
The correction of the error(s) results in adjustments as follows:		
Statement of financial position		
Property, plant and equipment	(110 774)	
Trade and other receivable exchange	(3 596)	
Trade and other receivable non exchange	565 144	
Trade and other payables exchange	167 395	
Other Financial Asset	19 956	
Deferred lease asset	(63 968)	
Provision for doubtful debt - grant farmers	(500 717)	
Provision for doubtful debt - SRR	(20 500)	
Provision for doubtful debt - lease debtors	1 105	
Accumulated surplus	(110 670)	
	<u>(56 625)</u>	
Statement of financial performance		
Depreciation and Impairment	10 375	
General expenditure	(40 206)	
Grant expense farmers	2 445	
Disposal	(3 409)	
Donation	31	
Interest received - bank	544	
Revenue - rental	67 472	
Impairment	19 373	
	<u>56 625</u>	

AGRICULTURAL LAND HOLDINGS ACCOUNT

Notes to the Annual Financial Statements

	2020 R'000	2019 R'000
28. Disclosure of prior period errors (continued)		
From the beginning of 2017/18 financial year the effect on retained earnings has been restated by R110,670million.		
29. Change in accounting estimate		
The annual review of useful life of assets resulted in a increase of R2,267million in the depreciation charge to the Statement of financial performance.		
30. Changes in accounting policy		
During the year, the entity adjusted its accounting policy for inclusion of provision for Rates and Taxes. The change in the policy was a result of municipalities claiming previous financial year rates and taxes. Estimate and timing of the expenditure was done by management on the available historical data.		
The change in accounting policy resulted into an increase of (2020) R98,257million and a increase (2019) R493, 178million in the provision for Rates and Taxes.		
31. Events after the reporting date		
31.1. Adjusting Events		
31.1.1. Bad Debt write off		
A debt write off amounting to R10,869million was approved after the balance sheet date and the effect of the approval resulted in an adjustment in the Annual Financial Statements as the condition at year end indicated that the debt is irrecoverable.		
31.1.2. Other Financial Asset		
During the current financial year Land Bank utilised a total amount of R163,484million for the own activities. Land Bank has subsequently refunded back the funds into the Blended Finance Fund Facility after year end.		
31.2. Non Adjusting Events		
31.2.1. Covid 19 Reflief programme		
The Department has approved farmers under Covid Relief Programme implemented within the Trading Entity, the program provides farmers meeting Covid Relief Program criteria with vouchers for production inputs. The event is non adjusting but it will have significant increase in grant expense in the 2020/21 financial year.		

Notes to the Annual Financial Statements

	2020 R'000	2019 R'000
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32. Accounting by Agent and Principal

The Department of Rural Development and Land Reform through the Land Reform Provision of Land and Assistance Act, 126 of 1993 has a mandate to, among other things, facilitate land acquisition and development.

With the current portfolio of the Department on land reform it has been evident that there is a need for rigorous approach on development of the producers occupying land reform farms as well as privately owned commercial farms.

During the 2018/19 financial year the Trading Entity - Department of Rural Development and Land Reform has entered/brought into existence Commodity Organisations namely National Emergent Red Meat Producers (NERPO) and Grain Farmers Development Association (GFADA) for the purpose of transforming emerging Black farmers into becoming independent commercial producers.

The agreement between the Agent and the Principal commenced during the 2018/19 financial year and will continue to exist for a period of 10 years from the date the agreement was signed by all parties.

Management fees will be paid out by the Trading Entity to the commodity organisations and the management fees is 2% of the approved farmers Business Plan milestones.

The expiration or termination of the agreement shall not affect such of the provisions of this agreement as expressly provide that they will operate after any such expiration or termination or whcih of necessity must continue to have affect after such expiration or termination.

There are no significant risks that have been identified by the agent in terms of the relationship.

Total management fees for the current financial year amounts to GFADA R781thousand and NERPO R2,453million.

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Deeds Registration Trading Entity set out on pages 370-427 to which comprise the statement of financial position as at 31 March 2020, 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 the 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 2020, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 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 this auditor's report.
4. I am independent of the trading entity in accordance with sections 290 and 291 of the *Code of ethics for professional accountants* and parts 1 and 3 of the *International code of ethics for professional accountants (including international Independence Standards)* and the International Ethics Standards Board for Accountants (IESBA codes) as well as the 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 codes.
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 25 to the financial statements, the corresponding figures for 31 March 2019 were restated as a result of an error in the financial statements of the trading entity at, and for the year ended, 31 March 2020.

Significant uncertainties

8. As disclosed in note 24 to the financial statements, litigation processes against the trading entity are under way relating to disputes around the registration of property. The total litigation before the courts is R86,957 million (2019: R525,936 million) and the remainder of the litigation could not be quantitatively measured for financial impact.

Non- adjusting event after reporting date

9. As disclosed on note 35 to the financial statements, the trading entity is a defendant in an ongoing litigation with a reported possible liability of R217,125 million.

Responsibilities of accounting officer for the financial statements

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

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

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

Report on the audit of the annual performance report

14. In terms of section 40(3)(a) of the PFMA, the trading entity is required to prepare an annual performance report. The performance information of the trading entity was reported in the annual performance report of the Department of Rural Development and Land Reform. The usefulness and reliability of the reported performance information were tested as part of the audit of Department of Rural Development and Land Reform and any audit findings are included in the management and auditor's reports of Department of Rural Development and Land Reform.

Report on the audit of compliance with legislation

Introduction and scope

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

Other information

17. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements and the auditor's report.
18. My opinion on the financial statements and findings on compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
19. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
20. The other information I obtained prior to the date of this auditor's report is the accounting officer's report, and the other information to be included in the annual report is expected to be made available to us after 30 September 2020.
21. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.
22. 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

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

Other reports

24. I draw attention to the following engagements conducted by various parties which had, or could have, an impact on the matters reported in the trading entity's financial statements, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on compliance with legislation.
25. The Special Investigation Unit's investigation into the e-cadastre project has been finalised and the trading entity was still awaiting the report as at the date of our report.

Auditor-General

Pretoria

30 September 2020



Annexure - Auditor-general's responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on the trading entity's compliance with respect to the selected subject matters.

Financial statements

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

Communication with those charged with governance

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

Deeds Registration Trading Entity

Audited Annual Financial Statements for the year ended 31 March 2020

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Registration of Deeds
Business address	219 Bosman Street Rentmeester Building Pretoria 0001
Bankers	Standard Bank
Auditors	Auditor-General of South Africa

Deeds Registration Trading Entity

Audited Annual Financial Statements for the year ended 31 March 2020

Index

The reports and statements set out below comprise the audited annual financial statements presented to the Parliament:

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The audited annual financial statements set out on pages 370 to 427, which have been prepared on the going concern basis, were approved by the accounting officer on 30 September 2020 and were signed on its behalf by:



CC Swart
Director: Financial Management and Accounting



MF Mogoba
Senior Financial Officer



CCE Knoesen
Chief Registrar of Deeds



JB Hlatshwayo
Chief Financial Officer



PM Shabane
Director General

Deeds Registration Trading Entity

Audited Annual Financial Statements for the year ended 31 March 2020

Statement of Financial Position as at 31 March 2020

	Note(s)	2020 R '000	2019 Restated* R '000
Assets			
Current Assets			
Inventories	2	3 294	3 633
Prepayments	3	2 392	2 669
Statutory receivables from exchange transactions	4	64 836	58 812
Other receivables from exchange transactions	5	2 447	2 127
Cash and cash equivalents	6	192 558	307 071
		265 527	374 312
Non-Current Assets			
Property, plant and equipment	7	75 038	91 337
Intangible assets	8	52 654	52 620
Prepayments	3	-	2
		127 692	143 959
		393 219	518 271
Liabilities			
Current Liabilities			
Finance lease obligation	9	662	1 019
Payables from exchange transactions	10	53 129	67 037
Provisions	12	2 117	1 145
OVG appropriation liability	11	109 931	127 065
		165 839	196 266
Non-Current Liabilities			
Finance lease obligation	9	514	415
Provisions	12	13 283	12 795
		13 797	13 210
		179 636	209 476
		213 583	308 795
Net Assets			
Accumulated surplus		213 583	308 795
		213 583	308 795

Deeds Registration Trading Entity

Audited Annual Financial Statements for the year ended 31 March 2020

Statement of Financial Performance

		2020	2019
	Note(s)	R '000	Restated* R '000
Revenue			
Revenue from exchange transactions			
Registration of Deeds and Sale of Information		685 502	647 020
Management fees earned		9 543	3 801
Other income		463	1 427
Interest received	15	6 997	14 300
Total revenue from exchange transactions		702 505	666 548
Expenditure			
Employee related costs	18	(595 389)	(508 303)
Depreciation and amortisation		(33 619)	(35 250)
Impairment loss/ Reversal of impairments		(679)	(2 172)
Finance costs	16	(148)	(197)
Loss on disposal of assets		(284)	(378)
General Expenses	20	(153 298)	(136 777)
Total expenditure		(783 417)	(683 077)
Deficit for the year		(80 912)	(16 529)

Deeds Registration Trading Entity

Audited Annual Financial Statements for the year ended 31 March 2020

Statement of Changes in Net Assets

	Accumulated surplus R '000	Total net assets R '000
Restated* Balance at 01 April 2018	498 722	498 722
Changes in net assets		
Surplus/(Deficit) for the year	(16 527)	(16 527)
Funds surrendered to National Treasury	(173 400)	(173 400)
Total changes	(189 927)	(189 927)
Opening balance as previously reported	309 382	309 382
Adjustments		
Correction of error	(587)	(587)
Restated* Balance at 01 April 2019 as restated*	308 795	308 795
Changes in net assets		
Funds surrendered to National Treasury	(14 300)	(14 300)
Surplus/(Deficit) for the year	(80 912)	(80 912)
Total changes	(95 212)	(95 212)
Balance at 31 March 2020	213 583	213 583

Deeds Registration Trading Entity

Audited Annual Financial Statements for the year ended 31 March 2020

Cash Flow Statement

		2020	2019
	Note(s)	R '000	Restated* R '000
Cash flows from operating activities			
Receipts			
Registration of deeds and sale of information		679 650	650 221
Grants received on behalf of OVG		142 127	141 123
Interest income		12 683	17 309
Other income		27	94
		834 487	808 747
Payments			
Employee costs		(606 424)	(524 593)
Suppliers		(182 309)	(147 003)
Funds surrendered to National Treasury - Deeds		(14 300)	(173 400)
Funds surrendrered to National Treasury - on behalf of OVG		(123 100)	(41 100)
		(926 133)	(886 096)
Net cash flows from operating activities	23	(91 646)	(77 349)
Cash flows from investing activities			
Purchase of property, plant and equipment		(20 290)	(5 483)
Proceeds from sale of property, plant and equipment		2	10
Purchase of other intangible assets	8	(709)	(685)
Net cash flows from investing activities		(20 997)	(6 158)
Cash flows from financing activities			
Finance lease payments		(1 870)	(1 828)
Net increase/(decrease) in cash and cash equivalents		(114 513)	(85 335)
Cash and cash equivalents at the beginning of the year		307 071	392 406
Cash and cash equivalents at the end of the year	6	192 558	307 071

Deeds Registration Trading Entity

Audited Annual Financial Statements for the year ended 31 March 2020

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

Registration of deeds and sale of information	777 392	(7 116)	770 276	685 502	(84 774)	1.
Management fees earned	-	-	-	9 543	9 543	2.
Other income	-	-	-	463	463	3.
Retention surplus	140 365	(39 065)	101 300	-	(101 300)	4.
Interest received - investment	20 890	(10 000)	10 890	6 997	(3 893)	5.
Total revenue from exchange transactions	938 647	(56 181)	882 466	702 505	(179 961)	

Expenditure

Personnel	(619 010)	-	(619 010)	(595 389)	23 621	6.
Depreciation and amortisation	(47 857)	-	(47 857)	(33 619)	14 238	7.
Impairment loss/ Reversal of impairments	-	-	-	(679)	(679)	8.
Finance costs	-	-	-	(148)	(148)	9.
General Expenses	(271 780)	56 181	(215 599)	(153 298)	62 301	10.
Total expenditure	(938 647)	56 181	(882 466)	(783 133)	99 333	
Operating deficit	-	-	-	(80 628)	(80 628)	
Loss on disposal of assets and liabilities	-	-	-	(284)	(284)	11.
Deficit before taxation	-	-	-	(80 912)	(80 912)	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	-	-	-	(80 912)	(80 912)	

Deeds Registration Trading Entity

Audited Annual Financial Statements for the year ended 31 March 2020

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						
Inventories	3 600	-	3 600	3 294	(306)	12.
Other receivables from exchange transactions	600	-	600	2 447	1 847	13.
Prepayments	-	-	-	2 392	2 392	14.
Statutory receivables from exchange transactions	63 500	-	63 500	64 836	1 336	
Cash and cash equivalents	250 034	-	250 034	192 558	(57 476)	15
	317 734	-	317 734	265 527	(52 207)	
Non-Current Assets						
Property, plant and equipment	81 727	-	81 727	75 038	(6 689)	16.
Intangible assets	52 596	-	52 596	52 654	58	17.
	134 323	-	134 323	127 692	(6 631)	
Total Assets	452 057	-	452 057	393 219	(58 838)	
Liabilities						
Current Liabilities						
Finance lease obligation	1 000	-	1 000	662	(338)	18.
Payables from exchange transactions	36 080	-	36 080	53 127	17 047	19.
Provisions	1 200	-	1 200	2 117	917	20.
OVG appropriation liability	-	-	-	109 931	109 931	21.
	38 280	-	38 280	165 837	127 557	
Non-Current Liabilities						
Finance lease obligation	415	-	415	514	99	22.
Provisions	13 000	-	13 000	13 283	283	23.
	13 415	-	13 415	13 797	382	
Total Liabilities	51 695	-	51 695	179 634	127 939	
Net Assets	400 362	-	400 362	213 585	(186 777)	
Net Assets						
Net Assets Attributable to Owners of Controlling Entity						
Reserves						
Accumulated surplus	400 362	-	400 362	213 585	(186 777)	24.

Deeds Registration Trading Entity

Audited Annual Financial Statements for the year ended 31 March 2020

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	

Reasons for difference between Final and Actual Amounts:

1. The variance is due to the fact that 7 out of 11 Deeds Registries are not generating revenue to sustain operations. Only 4 out of 11 offices are generating sufficient revenue to sustain the entire entity and its operations. The economy also has a direct effect on property registration therefore this budget is only an estimate.

2. The amount of R9,5 million is management fees received for rendering services to the Office of the Valuer-General (OVG) as part of a Memorandum of Agreement between Deeds and OVG. The MOA was expected to expire in the current year, however it was renewed and therefore the figure had not been budgeted for..

3. The actual amount relates to staff debts recovered and private telephone usage by officials. This amount is not budgeted for.

4. National Treasury every year based on future commitments of the trading entity determines the amount relating to the retention of surplus. Due to financial difficulty the entity anticipated that no amount will be surrendered to National Treasury for 2019/20.

5. As at year-end, the bank balance which yields interest was comprised of OVG funds appropriated by the Department of Rural Development and Land Reform (DRDLR) for OVG operations. The less than anticipated interest received is due to the R142 million OVG grant that was not transferred at the beginning of the financial year, this also included R14,3 million and R123,1 million for funds surrendered to National Treasury respectively for both Deeds and OVG. This contributed to the low bank balance resulting in lesser amount of interest earned. An amount of R137,4 million was surrendered to National Treasury resulting in a reduction of the bank balance and therefore a reduction in interest received from the bank.

6. The variance is attributed to various vacant posts under Deeds Registries that should have been filled during the financial year. The entity was unable to fill its vacant posts due to the Department restructuring and various moratorium on posts.

7. The reduced depreciation expense is due to a reduction in procurement of property, plant and equipment than anticipated.

8. Impairment expenses are not budgeted for and relates to debtors over 90 days.

9. Finance costs are related to finance leases and are not budgeted for.

10. Underspending is attributed mainly to e-DRS project and the delays it has experienced. The project is not yet at implementation stage as expected and it contributes mainly to low spending on general expenses.

11. Losses on disposal of assets are not budgeted for.

12. The expense is only recognised when store items are issued. The items are budgeted for separately under the specific expenditure items. Less is being spent on inventory due to cost containment measures.

13. The amount relates to debtors net of impairment, this amount is mainly due to leave that is unutilised by employees as a result of Covid-19 impact on the last few days of the financial year.

14. Prepayments are not budgeted for and are due to over-lap of expenditure across financial years for prepaid services to be rendered in the future.

15. A decrease in cash and cash equivalents is due to surplus funds surrendered to National Treasury. The amount of R14,3 million and R123,1 million (this figure is higher than anticipated) for Deeds and OVG respectively were surrendered into National Revenue Fund.

16. The actual amount of R75 million is the carrying value of property, plant and equipment since the inception of the Deeds Registration Trading Entity, therefore the variance is as a result of a comparison of additions and the property, plant and equipment carrying amount. It was anticipated that reclassification of Work in Progress of Biometrics system into Leasehold Improvements will take place in the current year, but due to delays in amendments required by SITA this has not been reclassified.

Deeds Registration Trading Entity

Audited Annual Financial Statements for the year ended 31 March 2020

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	

17. The actual amount of R52,6 million is the carrying value of intangible assets including additions. The variance is due to extension of financial system licenses which were renewed due to delays in the procurement of the ERP.

18. This amount is lower than expected due to ageing and maturity of finance leases.

19. The variance between actual and budget is due to sundry accruals and accrued leave not taken by employees as at 31 March 2020. Due to anticipation of lockdown as a result of Covid-19.

20. The provision related to Special Investigation Unit (SIU) invoices for investigations done, security claims and government garage rented vehicles. Payment of Government Garage vehicles was taken over from the Department in the current year.

21. The amount is attribute to the remaining balance from OVG appropriation funds allocation of R142 million received in the financial year 2019/2020. This amount was expected to be transferred to the OVG bank account before 31 March 2020 but due to delays it was only transferred in April 2020.

22. This amount relates to finance lease liabilities that are due to be settled between 2 to 5 years.

23. The actual amount on provisions relates to Capped Leave, which is attributable to either retirements or deaths. Introduction of early retirement was expected to see more employees opting for early retirement but delays in the approval for the retirement these employees affected the actual figure of the provision.

24. The amount relates to retained surpluses and is accumulated over the years and cannot be budgeted for.

Deeds Registration Trading Entity

Audited Annual Financial Statements for the year ended 31 March 2020

Accounting Policies

1. Presentation of Audited Annual Financial Statements

The audited annual financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999).

The 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.

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.

The nature and reasons for the reclassification and restatement are disclosed in note 26 (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:

Statutory and other receivables

The entity assesses its statutory and other receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in the surplus or deficit, the entity makes judgment as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for statutory and other receivables is calculated on amounts that are over due by 90 days or more. Assessment for the impairment has been made on individual debtors based on specific probability of recovery. Consideration is also given with regard to payment received from long outstanding debtors after year end, as well as information obtained from any debt collector used by the Trading Entity. The fair value includes the initial recognition of the debts. Interest is levied on dates when debt is due and payable but outstanding.

Accounting Policies

1.4 Significant judgements and sources of estimation uncertainty (continued)

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 12 - Provisions.

Management Fees Received/ Receivable

Management fees to be paid into the entity were determined by management based on the monthly balance of the funds held by the entity on behalf of the principal. The calculation of the balance involved assumptions on the distribution and expensing of services rendered by the entity to its principal.

Depreciation and amortisation

Depreciation recognised on property, plant and equipment is determined with reference to the useful lives and residual values of the underlying items. The useful lives and residual values of assets are based on management’s estimation of the asset’s condition, expected condition at the end of the period of use, its current use, expected future use and the entity’s expectations about the availability of finance to replace the asset at the end of its useful life. In evaluating how the condition and use of the asset informs the useful life and residual value, management considers the impact of technology and minimum service requirements of the assets.

Management determines fair value using available information to determine fair value of PPE acquired through non-exchange transactions.

Impairment of non-financial assets

In testing for, and determining the value-in-use of non-financial assets, management is required to rely on the use of estimates about the asset’s ability to continue to generate cash flows (in the case of cash-generating assets).

1.5 Property, plant and equipment

Property, plant and equipment are tangible non-current assets that are held for use in the supply of goods or services, or for administrative purposes and are expected to be used in more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits or service potential associated with the item will flow to the entity; and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition, which is recognised as the deemed cost thereof.

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.

Subsequent to initial recognition, items of property, plant and equipment are carried at cost less accumulated depreciation and any impairment losses.

Depreciation is calculated on the depreciable amount using the straight -line method over the estimated useful live of the asset. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The depreciable amount is determined after taking into account an asset residual value, where applicable.

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.

Accounting Policies

1.5 Property, plant and equipment (continued)

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 equipment	Straight line	5 - 13 years
Photographic and technical equipment	Straight line	13 years
Leased Capital Works	Straight line	25 years

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The entity assesses at each reporting date whether there is any indication that the entity expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the entity revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Assets which the entity holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

The entity separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 19 - Repairs and maintenance).

The entity discloses relevant information relating to assets under construction or development, in the notes to the financial statements.

1.6 Intangible assets

An intangible asset is an identifiable non-monetary assets without physically substance:

- 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.

Accounting Policies

1.6 Intangible assets (continued)

The entity assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management’s best estimate of the set of economic conditions that will exist over the useful life of the asset.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for, 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	Useful life
Licenses	1 year
Computer software- Adobe	Indefinite
Computer software- Oracle	Indefinite

1.7 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest rate 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 amounts not collectable.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm’s length transaction.

A financial asset is:

- cash;
- a residual interest of another entity; or
- a contractual right to:
 - receive cash or another financial asset from another entity; or
 - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Accounting Policies

1.7 Financial instruments (continued)

Initial recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

The entity recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

The entity measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The entity first assesses whether the substance of a concessionary loan is in fact a loan. On initial recognition, the entity analyses a concessionary loan into its component parts and accounts for each component separately. The entity accounts for that part of a concessionary loan that is:

- a social benefit in accordance with the Framework for the Preparation and Presentation of Financial Statements, where it is the issuer of the loan; or
- non-exchange revenue, in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers), where it is the recipient of the loan.

Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at amortised cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Impairment and uncollectibility 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.

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.

Accounting Policies

1.7 Financial instruments (continued)

Derecognition

Financial assets

The entity derecognises financial assets using trade date accounting.

The entity derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity :
 - derecognises the asset; and
 - recognises separately any rights and obligations created or retained in the transfer.

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

Financial liabilities

The entity removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

Presentation

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Losses and gains relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

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.

Accounting Policies

1.8 Statutory receivables (continued)

The transaction amount (for purposes of this Standard) for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

Recognition

The entity recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (Taxes and transfers); or
- if the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

Initial measurement

The entity initially measures statutory receivables at their transaction amount.

Subsequent measurement

The entity measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

Accrued interest

Where the entity levies interest on the outstanding balance of statutory receivables, it adjusts the transaction amount after initial recognition to reflect any accrued interest. Accrued interest is calculated using the nominal interest rate.

Interest on statutory receivables is recognised as revenue in accordance with the policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (Taxes and transfers), whichever is applicable.

Impairment losses

The entity assesses at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired.

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 are recognised in surplus or deficit.

In estimating the future cash flows, an entity considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the entity discounts the estimated future cash flows using a rate that reflects the current risk free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

Deeds Registration Trading Entity

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Accounting Policies

1.8 Statutory receivables (continued)

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.

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.

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 return 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.

Deeds Registration Trading Entity

Audited Annual Financial Statements for the year ended 31 March 2020

Accounting Policies

1.10 Inventories (continued)

Differences arising on the valuation of inventory are recognised in the statement of financial performance in the year in which they arose. The amount of any reversal of any write-off of inventories arising from an increase in current replacement cost is recognised as a reduction of inventories recognised as an expense in the period in which the reversal occurs.

If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs.

1.11 Impairment of cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation/ (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation/ (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher of 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.

Deeds Registration Trading Entity

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Accounting Policies

1.11 Impairment of cash-generating assets (continued)

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 increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

1.12 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for services 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 services.

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 cell phones) for current employees.
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

Post-employment benefits: Defined contribution plans

Defined contribution plans are post-employment benefit plans under which an entity pays fixed or determinable 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 services in the current and prior periods.

When an employee has rendered services 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 the 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

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Accounting Policies

1.13 Provisions and contingencies

Provisions are recognised when:

- the entity has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating surplus (deficit).

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

Contingent Liabilities:

Contingent liabilities is a possible obligation that arises from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly in the control of the entity; or a present obligation that arises from past events that is not recognised because;

- it is not probable that an outflow of resources and embodying economic benefits will be required to settle the obligation; or

- the amount of the obligation cannot be measured with sufficient reliability.

- the contingent liability is recognised awaiting the outcome of legal action or dispute between two parties.

Contingent Assets:

A contingent asset is a possible asset that arises from past events, and whose existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

An entity shall not recognise a contingent asset.

Where an inflow of economic benefits or service potential is probable, an entity shall disclose a brief description of the nature of contingent asset at the reporting date, and, where practicable, an estimate of their financial effect measured using the principles set out for provisions.

1.14 Impairment of non-cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

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1.14 Impairment of non-cash-generating assets (continued)

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Judgements made by management in applying the criteria to designate assets as non-cash-generating assets or cash generating assets, are as follows:

Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The entity assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the entity estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the entity also tests a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

1.15 Revenue from exchange transactions

Revenue consists of fees charged for property registration and for provision or sale of registration information to customers in accordance with the tariffs provided for in the Schedule of Fees prescribed by Regulation 84 of the Deeds Registries Act (Act 47 of 1937), and approved by the Minister of Rural Development and Land Reform. Revenue is recognised on registration of deeds as well as on sale of the data that has been requested.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Deeds Registration Trading Entity

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1.15 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. Revenue from deeds registration is recognised once the property has been registered.

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.

1.16 Revenue from non-exchange transactions

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the entity has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

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1.16 Revenue from non-exchange transactions (continued)

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the entity.

When, as a result of a non-exchange transaction, the entity recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Services in-kind

The disclosure of the nature and type of services in kind is disclosed by way of note to the financial statements in line with GRAP 1 in order to achieve fair presentation of financial statements. These services may include:

- Administration Services
- Accommodation Services
- Information Technology and
- Staff Training

All other services that are provided on behalf of the entity and are charged to the entity and are classified normally as expenses in terms of the approved Standard Chart of Accounts (SCOA).

1.17 Fruitless and wasteful expenditure

Fruitless and wasteful 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.

1.18 Irregular Expenditure

Definition

Irregular expenditure" as defined in section 1 of the PFMA means expenditure, other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including-

(a) this Act; or

(b) the State Tender Board Act, 1968 (Act No.86 of 1968), or any regulations made in terms of that Act; or

(c) any provincial legislation providing for procurement procedures in that provincial government;

Recognition

Irregular expenditure is incurred when the resulting transaction is recognized in the financial records of a department, constitutional institution or public entity in accordance with the relevant Accounting Framework.

Assessment

Upon detection of alleged irregular expenditure, the accounting officer must conduct an assessment to identify possible irregularities in transactions that have been processed and to confirm whether irregular expenditure has been incurred or whether the incident was the result of non-compliance with laws and regulations that did not relate to the incurrence of a financial transactions.

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1.18 Irregular Expenditure (continued)

Confirmation of Irregular Expenditure

If a transaction has been processed in contravention of the legislation or internal policies and the same transaction has a financial implication (payment was made or a liability was recognized in the books), the details of the irregular expenditure must be recorded in either the lead schedule if confirmed or in the checklist if alleged and the note to the financial statements is to be updated accordingly.

Recovery

Irregular expenditure emanating from fraudulent, corrupt or criminal acts that result in an entity incurring a loss, this prompts the Financial Compliance Committee function to inform the accounting officer in writing to institute a civil claim for the recovery of the loss.

Qualifying and raising a debt

The amount of debt recoverable from the responsible employees(s) may equate to:

(a) the value of the debt incurred as a consequence of his or her action(s) that led to incurrence of the irregular expenditure; or

(b) a lesser amount determined by the accounting officer in accordance with the debt management policy of the entity.

A debt must be identified, reported and recorded in the books of the entity where such a debt arose from losses incurred as a result of irregular expenditure.

Irrecoverable debt

If the amount of a debt is irrecoverable from a responsible employee, the accounting officer may write off the debt in terms of Treasury Regulations 11.4.

1.19 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.

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-month, they should be classified as non-current in the Statement of Financial Position.

Prepaid expenses will be measured at the value of services or goods to be received/receivable in the future.

1.20 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 subject 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

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1.21 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.

1.22 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;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the entity or an entity related to the entity. If the reporting entity is itself such a plan, the sponsoring employers are related to the entity;
- (vi) the entity is controlled or jointly controlled by a person identified in (a); and
- (vii) a person identified in (a)(i) has significant influence over that entity or is a member of the management of that entity (or its controlling entity).

An entity controls another entity when the entity is exposed, or has rights, to variable benefits from its involvement with the other entity and has the ability to affect the nature or amount of those benefits through its power over the other entity.

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies.

Management comprises those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by that person in their dealings with the entity. As a minimum, a person is considered to be a close member of the family of another person if they:

- (a) are married or live together in a relationship similar to a marriage;
- (b) are separated by no more than two degrees of natural or legal consanguinity or affinity.

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1.22 Related parties (continued)

Related party relationships where control exists are disclosed, irrespective of whether there have been transactions between the related parties. The entity discloses the name of its controlling party and if different, the ultimate controlling party.

The entity discloses the nature of the related party relationship as well as information about those transactions and outstanding balances, including commitments, necessary for users to understand the potential effect of the relationship on the financial statements. At a minimum, disclosures include:

- (a) the amount of the transactions;
- (b) the amount of outstanding balances, including commitments; and
 - (i) their terms and conditions, including whether they are secured, and the nature of the consideration to be provided in settlement; and
 - (ii) details of any guarantees given or received;
- (c) provisions for doubtful debts related to the amount of outstanding balances; and
- (d) the expense recognised during the period in respect of bad or doubtful debts due from related parties.

The reporting entity is exempt from all the disclosure requirements above in relation to related party transactions if that transaction occurs within:

- (a) normal supplier and or client/ recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the entity to have adopted if dealings with that individual entity or person in the same circumstances; and
- (b) terms and condition within the normal operating parameters established by that reporting entity's legal mandate.

1.23 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:

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Accounting Policies

1.23 Prior period errors and changes in accounting estimates (continued)

- 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.

1.24 Segment reporting

A segment is an activity of an entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

If the above criteria are all met for a specific activity, the activity is classified as a segment and is reported in the financial statements.

Aggregation Criteria

Segments are combined if the segments have similar economic characteristics and share a majority of the aggregation criteria or are individually insignificant.

Two or more segments may be aggregated into a single segment if the segments have similar economic characteristics, and the segments share a majority of the following:

- the nature of the goods and/or services delivered;
- 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 shall be the measure reported by management for the purposes of making decisions about allocating resources to the segment and assessing its performance.

1.25 Payables from exchange transactions

A liability is a present obligation of the entity arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits or service potential.

Liabilities from exchange transactions will be recognised if:

- it is probable that any future economic benefit or service potential associated with the item will flow from the entity; and
- the item has a cost or value that can be measured reliably.

As part of the process of maintaining the accounting records in conformity with GRAP, once a transaction or obligating event has taken place, the liability shall be recorded in the accounting records. This will normally occur upon the earlier of receipt of the invoice or delivery of services/goods.

1.26 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.

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1.26 Commitments (continued)

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

Additional disclosure is made for unrecognised contractual commitments for routine, steady state business of the entity. These are aggregated to the commitments above except for commitments relating to salary commitments.

1.27 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 of, 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.

1.28 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 has occurred.

The entity will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.29 Budget information

Entity are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which are 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.

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Accounting Policies

1.29 Budget information (continued)

The approved budget covers the fiscal period from 01/04/2019 to 31/03/2020.

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.

1.30 GRAP Standards approved and not yet effective

The following standards have been approved but not yet effective and have not been adopted by the entity:

GRAP 34 - Separate Financial Statements
GRAP 35 - Consolidated Financial Statements
GRAP 36 - Investment in Associates and Joint Ventures
GRAP 37 - Joint Arrangements
GRAP 38 - Disclosure of Interest in Other Entities

All the GRAP standards above have no impact on the entities' financial statements in the period of initial application.

The following GRAP standards have been approved and are effective for trading entities from 1 April 2021 in accordance with gazette number 43401 issued by the Minister of Finance and have been early adopted by the entity from 1 April 2019:

GRAP 20 - Related Party Disclosures
GRAP 108 - Statutory Receivables
GRAP 109 - Accounting by Principals and Agents

The following standards have been approved and are effective from 1 April 2021 and have not been early adopted by the entity:

GRAP 32 - Service Concession Arrangements: Grantor
GRAP 110 - Living and Non- living Resource

Deeds Registration Trading Entity

Audited Annual Financial Statements for the year ended 31 March 2020

Notes to the Audited Annual Financial Statements

	2020 R '000	2019 R '000
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2. Inventories

Stationary and Consumable material on hand	3 294	3 633
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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 R4,056 million (2019: R5,216 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.

3. Prepayments

Opening balance	2 670	2 218
Add: prepayments during current period	26 291	14 071
Less: expensed during current period	(26 567)	(13 621)
Add: non-current prepaid expenditure	-	2
Less: non-current prepaid expenditure	(2)	-
	2 392	2 670

The amount of R1 646 from (2019: R6 587) is prepaid to PBSA Batsumi Enterprise for maintenance of franking machines.

The amount of R1 020 (2019: R1 413) is prepaid to the South African Broadcasting Corporation for television licenses for some of the Deeds Registries.

The amount of R18 044 (2019: R15 108) is prepaid to the Post Office for post box renewals for some of the Deeds Registries.

An amount of R2, 355 million (2019: R2,280 million) is prepaid to Oracle Corporation (Pty) Ltd for software update license and support.

An amount of R1 961 (2019: R0) is prepaid to Hasler Business System for maintenance and support of franking machines.

The amount of R3 119 (2019: R3 333) is prepaid to South African Institute of Chartered Accountants for annual membership.

The amount of R1 374 (2019: R644) is prepaid to SASFIN Commercial Solution (Pty) Ltd for maintenance and support of franking machines.

The amount of R1 115 (2019: R0) is prepaid to FRAMA (Pty) Ltd for maintenance and support of franking machines.

The amount of R7 520 (2019: R0) is prepaid to CIPS Southern Africa (Pty) Ltd for membership.

4. Statutory receivables from exchange transactions

The statutory receivables arise from transactions outlined in the Deeds Registries Act 47 of 1937 and includes transactions relating to:

- Sale of information and copies;
- Sale of Bulk information;
- Registration of property transfers;
- Registration of Bonds and other documents;

Deeds Registration Trading Entity

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Notes to the Audited Annual Financial Statements

	2020 R '000	2019 R '000
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4. Statutory receivables from exchange transactions (continued)

- 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 of Department of Rural Development and Land Reform. The current year fees have been gazetted in terms of Gazette no. 42262, notice no. R.283.

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 Minister of Rural Development and Land Reform.

The entity assesses at each reporting date whether there is any indication of impairment on statutory receivables. This assessment is based on the ageing of statutory receivables as historical experience indicates that the more mature the receivable the more likely the occurrence of default. Other factors are also considered when known and could also be the basis of assessment for indication of impairment, such as:

- Debtors financial difficulty evidenced by application for debt counselling, business rescue or an equivalent;
- It is probable that the debtor will enter sequestration, liquidity or enter financial re-organisation;
- A breach of terms of the transactions such as default or delinquent;
- Adverse changes in economic conditions.

Due to the fact that all debts relating to statutory receivables are due be settled within 30 days from date of transaction, effect of the time value of money are often immaterial.

The gross statutory receivables of R68,959 million (2019: R62,393) is stated before a provision for impairment of statutory receivables of R4,123 million (2019: R3, 581 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.

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Notes to the Audited Annual Financial Statements

	2020 R '000	2019 R '000
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4. Statutory receivables from exchange transactions (continued)

Statutory receivables carrying amount

Statutory receivables	68 959	62 393
Impairments of statutory receivables	(4 123)	(3 581)
	64 836	58 812

Impairment of statutory receivables - age analysis

3 to 6 months	(4 123)	(3 581)
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Statutory receivables age analysis

Current	61 594	56 410
30 days	4 057	3 412
60 days	82	379
90 days	20	114
Over 90 days	3 206	2 078
	68 959	62 393

Reconciliation of impairment of statutory receivables

Opening balance	(3 581)	(2 631)
Increase in impairment	(1 344)	(1 904)
Amount written off as uncollectible	131	555
Impairment reversal	383	442
Interest accrued on impaired receivables	(217)	(155)
Subsequent payments	505	112
	(4 123)	(3 581)

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.

5. Other receivables from exchange transactions

Other receivables	3 090	2 795
Impairment of other receivables	(644)	(668)
	2 446	2 127

Other receivables age analysis

Current	2 145	1 881
30 days	22	24
60 days	-	1
90 days	1	-
Over 90 days	922	889
	3 090	2 795

Impairment of other receivables - age analysis

3 to 6 months	(644)	(668)
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Deeds Registration Trading Entity

Audited Annual Financial Statements for the year ended 31 March 2020

Notes to the Audited Annual Financial Statements

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5. Other receivables from exchange transactions (continued)

Reconciliation of impairment of other receivables

Opening balance	(668)	-
Increase in impairment	(18)	(668)
Amounts written off as uncollectible	49	-
Interest accrued on impaired receivables	(7)	-
	(644)	(668)

The current impairment of 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 other 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 other receivables recognised above. Deeds Registration Trading Entity does not hold any collateral as security.

6. Cash and cash equivalents

Cash on hand (Petty Cash)	35	35
Bank	192 523	307 036
	192 558	307 071

Cash and deposits are held with a registered banking institution. Cash on hand at reporting date is R192, 558 million (2019: R307,071 million). None of the cash and cash equivalents of the entity are subject to restricted availability as these balances are not encumbered.

Included in the cash and equivalents is the OVG balance of Grant held as a resource for execution of the MOA. This balance is disclosed in note 27 under Accounting by Agent and Principal and the amount in the current year is R109,931 million (2019: R127,065 million).

7. Property, plant and equipment

	2020			2019		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Furniture and fixtures	46 648	(25 376)	21 272	45 089	(23 539)	21 550
Office equipment	3 378	(2 308)	1 070	3 347	(2 055)	1 292
IT equipment	190 570	(170 508)	20 062	193 256	(150 511)	42 745
Leasehold improvements	22 873	(9 710)	13 163	10 852	(7 977)	2 875
Leasehold improvements - WIP	15 908	-	15 908	18 766	-	18 766
Photographic equipment	9 980	(6 417)	3 563	10 037	(5 928)	4 109
Total	289 357	(214 319)	75 038	281 347	(190 010)	91 337

Deeds Registration Trading Entity

Audited Annual Financial Statements for the year ended 31 March 2020

Notes to the Audited Annual Financial Statements

	2020 R '000	2019 R '000
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7. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Furniture and fixtures	21 551	2 507	(191)	-	(2 595)	21 272
Office equipment	1 292	909	-	-	(1 130)	1 071
IT equipment	42 745	4 364	(107)	-	(26 940)	20 062
Leasehold improvements	2 875	62	-	11 959	(1 734)	13 162
Leasehold improvements - WIP	18 766	9 101	-	(11 959)	-	15 908
Photographic equipment	4 108	9	(8)	-	(546)	3 563
	91 337	16 952	(306)	-	(32 945)	75 038

Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	22 863	1 443	(207)	(2 548)	21 551
Office equipment	1 858	617	-	(1 183)	1 292
IT equipment	67 974	3 439	(170)	(28 498)	42 745
Leasehold improvements	4 628	84	-	(1 837)	2 875
Leasehold improvements - WIP	14 147	4 619	-	-	18 766
Photographic equipment	4 692	6	-	(590)	4 108
	116 162	10 208	(377)	(34 656)	91 337

The Department of Public Works provides office accommodation for all Deeds Registries. The category of Leasehold Improvements represents costs incurred by the Deeds Registration Trading Entity to improve the buildings that are owned / leased on behalf of Deeds Registries by the Department of Public Works. The lease improvements are depreciated over the lease period or useful life, whichever is regarded as a shorter period.

Office equipment comprises of photocopy machines which are leased in term of finance lease agreements. The period of the lease agreements is between 2 - 5 years and the carrying value is R1,070 million (2019: R1,292 million). Refer to note.9 - Finance lease obligation where the finance lease obligation is disclosed.

Work-in-Progress amounting to R15,150 million (2019: R15,150 million) for the biometrics system is taking a significantly longer period of time to complete than is expected. This is as a result of delays by the service provider in implementing the required changes by SITA after which testing by SITA will be concluded. The contract started from 07 February 2017 and was anticipated to be completed by the 18th of May 2017.

Deeds Registration Trading Entity

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Notes to the Audited Annual Financial Statements

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8. Intangible assets

	2020			2019		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Licenses	709	(170)	539	664	(159)	505
Computer software	52 115	-	52 115	52 115	-	52 115
Total	52 824	(170)	52 654	52 779	(159)	52 620

Reconciliation of intangible assets - 2020

	Opening balance	Additions	Amortisation	Total
Licenses	504	709	(674)	539
Computer software	52 115	-	-	52 115
	52 619	709	(674)	52 654

Reconciliation of intangible assets - 2019

	Opening balance	Additions	Amortisation	Total
Licenses	433	664	(593)	504
Computer software	52 094	21	-	52 115
	52 527	685	(593)	52 619

The entity is required to test an intangible asset with an indefinite useful life or an intangible asset not yet available for use for impairment by comparing its recoverable amount and recoverable service amount, as appropriate, with the carrying amount annually.

The entity has tested the intangible asset disclosed in this note for impairment. The entity did not recognise any impairment in the 2019/20 financial year.

Deeds Registration Trading Entity

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9. Finance lease obligation

Minimum lease payments due		
- within one year	746	1 119
- in second to fifth year inclusive	552	437
	1 298	1 556
less: future finance charges	(122)	(122)
Present value of minimum lease payments	1 176	1 434

Present value of minimum lease payments due		
- within one year	662	1 019
- in second to fifth year inclusive	514	415
	1 176	1 434

Non-current liabilities	514	415
Current liabilities	662	1 019
	1 176	1 434

The average lease term ranges between 2 and 5 years for office equipment, with an average interest rate of 9.75% applied to the leases. The finance leases are secured by the assets leased in terms of the agreement. Refer to note 7 - 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 R479 654 (2019: R529 806). The contingent rents relates to copy charges per copy machine.

All copy machines under finance leases have an option to renew for an average of a further 2 years.

10. Payables from exchange transactions

Trade payables	865	23 888
Unallocated cash	141	69
Accrued leave pay	21 069	18 061
Accrued bonus	16 429	15 689
Sundry accruals	12 449	6 722
Other payables	2 176	2 608
	53 129	67 037

Unallocated cash represents money deposited at the bank but not yet identified and allocated to Statutory Receivables at the end of the financial year.

11. OVG appropriation liability

The Office of the Valuer General appropriation liability amount to R109,931 million (2019: R127,065 million) relates to an amount transferred from the National Department of Rural Development and Land Reform for the operations of the Office of the Valuer General. The closing balance is the balance of grants received minus all expenditure incurred by the Office of the Valuer General and funds surrendered to the National Treasury.

Deeds Registration Trading Entity

Audited Annual Financial Statements for the year ended 31 March 2020

Notes to the Audited Annual Financial Statements

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11. OVG appropriation liability (continued)

Reconciliation of unspent portion of OVG funds

Opening balance	127 065	57 743
Appropriation funds received on behalf of OVG	142 127	141 123
Expenditure incurred during the financial year	(36 161)	(30 701)
Appropriation funds surrendered to National Treasury	(123 100)	(41 100)
	109 931	127 065

12. Provisions

Reconciliation of provisions - 2020

	Opening Balance	Additions	Utilized during the year	Total
Provision - Other	1 145	2 117	(1 145)	2 117
Provision - Capped Leave	12 795	669	(181)	13 283
	13 940	2 786	(1 326)	15 400

Reconciliation of provisions - 2019

	Opening Balance	Additions	Utilised during the year	Total
Provision - Other	7 221	1 145	(7 221)	1 145
Provision - Capped Leave	13 454	768	(1 427)	12 795
	20 675	1 913	(8 648)	13 940

Non-current liabilities	13 283	12 795
Current liabilities	2 117	1 145
	15 400	13 940

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 2020

Notes to the Audited Annual Financial Statements

	2020 R '000	2019 R '000
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13. Financial instruments disclosure

Categories of financial instruments

2020

Financial assets

	At amortised cost	Total
Other receivables from exchange transactions	1 723	1 723
Cash and cash equivalents	192 558	192 558
	194 281	194 281

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	46 694	46 694

2019

Financial assets

	At amortised cost	Total
Other receivables from exchange transactions	1 414	1 414
Cash and cash equivalents	307 071	307 071
	308 485	308 485

Financial liabilities

	At amortised cost	Total
Trade and other payables from exchange transactions	61 979	61 979

Refer to note 5 for details of impairments other receivables from exchange transaction (financial assets).

14. Revenue from exchange transactions

Registration of deeds and sale of information	685 502	647 020
Management fees earned	9 543	3 801
Other income	463	1 427
Interest received	6 997	14 300
	702 505	666 548

Deeds Registration Trading Entity

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Notes to the Audited Annual Financial Statements

	2020 R '000	2019 R '000
15. Investment revenue		
Interest revenue		
Interest received - bank	6 666	14 020
Interest received - statutory receivables	289	241
Interest received - staff debtors	42	40
	6 997	14 301
The amount included in investment revenue is arising from interest received from favourable bank balance and interest from outstanding debtor balances.		
16. Finance costs		
Finance leases	148	197
17. Auditors' remuneration		
Audit fees	3 915	2 873
External audit fees (Auditor General) amounted to R3,915 million (2019: R2,873 million).		
18. Employee related costs		
Basic Salary	394 026	371 416
Service Bonuses	32 125	30 771
Performance Bonuses	6 095	6 652
Medical aid - Employer Contributions	28 225	25 809
Pension Contributions	49 046	46 561
Overtime Payments	59 019	1 949
Car Allowance	2 008	1 939
Housing Benefits and Allowances	19 780	19 279
Employer Contribution: Bargaining Council	110	102
Leave: Accumulated Short Term	4 286	3 059
Leave: Accumulated Capped	669	767
	595 389	508 304
Employee related costs include all expenses related to employee services.		
19. Repairs and maintenance		
Machinery and equipment	16 323	13 477
Telephone system	418	256
Building and other material	371	948
	17 112	14 681
Of the total repairs and maintenance disclosed above R16,694 (2019: R14,425 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 2020

Notes to the Audited Annual Financial Statements

	2020 R '000	2019 R '000
20. General expenses		
Advertising	30	172
Auditors remuneration	3 915	2 873
Bad debts written off	14	35
Bank charges	285	266
Cleaning	8 351	8 378
Consulting and professional fees	17 458	18 278
Consumables	1 288	731
Entertainment	477	336
IT expenses	41 401	40 580
Operating leases	15 933	7 816
Thefts, losses and damages	249	156
Printing and stationery	5 565	5 004
Repairs and Maintenance	17 539	14 887
Security services	9 683	9 032
Staff welfare	343	54
Subscriptions and membership fees	168	1 042
Telephone and fax	3 700	3 901
Training	3 952	3 767
Transport and freight	11 608	9 913
Travel - local	11 340	9 556
	153 299	136 777
21. Operating lease		
The following amounts are due in future financial years due to contractual obligations. Operating leases relate to service level agreements for the leasing of parking bays for officials, digital scanners, water dispensers and telephone management systems.		
Minimum lease payments due:		
Due within 1 year	18 610	8 569
Due within 2-5 years	20 519	5 031
	39 129	13 600

For operating lease payments recognised in the Statement of Financial Performance refer to note 20 - General expenses.

Deeds Registration Trading Entity

Audited Annual Financial Statements for the year ended 31 March 2020

Notes to the Audited Annual Financial Statements

	2020 R '000	2019 R '000
22. Commitments		
Authorised capital expenditure		
Already contracted for but not provided for		
• Due within 1 year	1 480	1 026
Total capital commitments		
Already contracted for but not provided for	1 480	1 026
Authorised operational expenditure		
Already contracted for but not provided for		
• Due within 1 year	14 299	10 167
• Due within 2 - 5 years	22 051	-
	36 350	10 167
Total commitments		
Already contracted for but not provided for	37 830	11 193
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.		
Operational commitments due within 1 year	44 727	50 954
Operational commitments due between 2-5 years	29 286	5 012
Capital commitments due within 1 year	16 744	1 026
	90 757	56 992

23. Cash generated from operations

Deficit	(80 912)	(16 527)
Adjustments for:		
Depreciation and amortisation	33 619	35 250
Loss on disposal of assets	284	378
Finance costs - Finance leases	148	197
Impairment loss	679	2 172
Movements in provisions	1 461	(6 736)
Interest non-cash items	(330)	(556)
Other non-cash items	4 474	(3 591)
Changes in working capital:		
Inventories	339	(68)
Other receivables from exchange transactions	(320)	60
Prepayments	279	(452)
Statutory receivables from exchange transactions	(6 024)	311
Payables from exchange transactions	(13 909)	16 291
Grant liability	(17 134)	69 322
Surrender of surplus	(14 300)	(173 400)
	(91 646)	(77 349)

Deeds Registration Trading Entity

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Notes to the Audited Annual Financial Statements

	2020 R '000	2019 R '000
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24. 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 R86, 957 million (2019: R525,936 million) and the remainder of the litigation could not be quantitatively measured for financial impact.

There are labour disputes with officials which are currently in arbitration amounting to R364 339 (2019: R211 070) which have not been settled and the outcome could result in settlement in cash.

The accumulated surplus of R0.00 (2019: R42,133 million) has been classified as a contingent liability at 31 March 2020 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 repay National Treasury any amount of the surplus for which approval is not granted for retention.

Contingent assets

Litigation is in process for the Deeds Registration Trading Entity relating to disputes. The total litigation claims before the court is R400,207 million (2019: R376, 354 million).

Parking deposit of R124 187 (2019: R124 187) is held by Advance on Point Solutions. The deposit shall be retained by Advance on Point Solutions until termination of the agreement, whereupon it will be applied to any amount owing in terms of this agreement. The balance remaining shall be returned to the entity

Theft and losses amounting to R512 201 (2019: R263 531) are under investigation for the entities 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 2020

Notes to the Audited Annual Financial Statements

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25. Prior period errors

An adjustment amounting to R107 752 was made for professional fees relating to renovation and upgrading of Bloemfontein Deeds Registry incorrectly recognised as repairs and maintenance instead of work in progress under property, plant and equipment.

Incorrect de-recognition of property, plant and equipment amounting to R55 436 was adjusted for, resulting in the reversal of profit/ loss on sale of property, plant and equipment.

Assets were omitted during re-assessment of useful lives performed in financial 2019. These assets had accumulative value of R10 151 restored to them and have been re-assessed as a prior period error.

An error amounting to R8 471 was made where 1 % VAT increase was included in the carrying amount of Office Equipment (finance lease).

Statutory receivables and revenue from exchange transactions were misstated by an amount of R768 646 as a result of transactions that occurred in the previous financial year being incorrectly recognised in the current financial period.

A classification adjustment amounting to R442 555 was made from Other income (Impairment reversal) to Impairment of statutory receivables under expenses.

A classification adjustment amounting to R15,689 million was made to correct allocations within employees costs for service bonuses.

Re-mapping was done within general expenses to correct classifications for an amount of R296 000.

Statement of financial position

Increase in Work in Progress - Lease Holding Improvements	-	108
Increase in Property, Plant and Equipment	-	55
Decrease in Accumulated Depreciation - Computer Equipment	-	2
Decrease in Accumulated Depreciation - Furniture and Equipment	-	7
Decrease in Accumulated Depreciation - Office Equipment (Finance Lease)	-	8
Decrease in Accumulated Depreciation - Photographic Equipment	-	1
Decrease in Statutory Receivables from exchange transactions	-	(769)

Deeds Registration Trading Entity

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Notes to the Audited Annual Financial Statements

	2020 R '000	2019 R '000
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25. Prior period errors (continued)

Statement of Financial Performance

Decrease in Maintenance Building	-	(108)
Decrease in Depreciation - Computer Equipment	-	(2)
Decrease in Depreciation - Furniture and Equipment	-	(7)
Decrease in Depreciation - Office Equipment (Finance Lease)	-	(8)
Decrease in Depreciation - Photographic Equipment	-	(1)
Decrease in Revenue from exchange transactions	-	769
Decrease in Other Income - Impairment reversals	-	443
Decrease in Impairment of Statutory Receivable - Expense	-	(443)
Decrease in Bonuses	-	(21 735)
Decrease in Bonus: Accumulated Short Term	-	(15 689)
Increase in Services Bonuses	-	30 771
Decrease in Performance Bonuses	-	6 652
Decrease in Leave: Accumulated Short Term and Capped	-	(3 826)
Increase in Capped Leave	-	768
Increase in Short Term Leave	-	3 058
Decrease in Losses/ Profit on sale of Assets	-	(55)
Decrease in Travel local	-	(296)
Increase in Transport and Freight	-	270
Increase in Entertainment	-	7
Increase in Consulting and Professional fees	-	19

Disclosure:

Related party transactions

Decrease in Office accommodation	-	(733)
Increase in Management fees - 5% on municipal services	-	416
	-	(317)

An omission was made on related party transactions (Office accommodation and Municipal services) by not including 5% management fee charged by the Department of Public Works on municipal services amounting to R415 874 in the prior year and overstatement of rental of office accommodation amounting to R733 127. These amounts were adjusted accordingly as prior year error.

Financial instrument (Financial assets)

Increase in Impairments of other receivables	-	(668)
Increase in Sundry debtors	-	55
	-	(613)

Impairment of other receivables amounting to R667 663 was not deducted from the financial assets disclosure in the prior year. An amount of R55 006 for Sundry debtor was not included in the financial assets calculation.

Financial instruments (Financial liabilities)

Increase in Other payables from exchange transactions	-	60
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An amount of R60 153 due to employees was omitted from the financial instruments (financial liabilities) disclosure.

Contingent assets

Increase in claims against service providers	-	373 996
Increase in Thefts, losses and damages	-	9
	-	374 005

Deeds Registration Trading Entity

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Notes to the Audited Annual Financial Statements

	2020 R '000	2019 R '000
25. Prior period errors (continued)		
A counterclaim of R27,714 million including interest against DataIntelect (Pty) Ltd was omitted in the calculation of contingent assets in the prior year. A claim of R346,282 million including interest against Gijima Holdings (Pty) Ltd was also omitted in the contingent assets calculation in the prior year. An amount of R9 405 was omitted Thefts and losses in the prior year.		
Cash flow statement		
Cash flow from investing activities		
Decrease in purchases of property, plant and equipment	-	685
Increase in purchases of intangible assets	-	(685)
	-	-
Acquisition of licenses was incorrectly grouped together with acquisition of property, plant and equipment.		
26. Related parties		
Relationships		
DRDLR		
The Deeds Registration Trading Entity is a trading entity under the Department of Rural Development and Land Reform as such certain services between the DRDLR and Deeds are rendered in kind and are not at arm's length, these have been disclosed below:		
OVG		
The Office of the Valuer General is a schedule 3A entity of the Department of Rural Development and Land Reform. A Memorandum of Agreement entered into between Deeds and the OVG for rendering of support services. The transactions that are not at arms 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.26 - Accounting by Principals Agents.		
ITB		
The Ingonyama Trust Board is a schedule 3A entity of the Department of Rural Development and Land Reform. In the current year advisory and quality assurance services were provided to the entity by Deeds officials. These services are not seperable measurable as they are integrated into the day to day activities of the Deeds officials. These services were rendered at no cost to the Ingonyama Trust Board.		
Related party balances:		
Management fees receivable from OVG	439	393

Deeds Registration Trading Entity

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Notes to the Audited Annual Financial Statements

	2020 R '000	2019 R '000
Related party transactions:		
Rendering of services to DRDLR (by Deeds)		
Information search and copies	(137 066)	(142 986)
Amounts paid on behalf of Deeds (by DRDLR)		
Office accommodation and municipal services	74 598	71 314

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Figures in Rand thousand

Management remuneration
2020
Senior Managers on level 14 and above

Names	Basic salary	Bonuses and performance related payments	Other short-term employee benefits	Post-employment benefits	Other benefits received	Total
Knoesen CCE - Chief Registrar	1 034	-	433	124	-	1 591
Gubuza P - Chief Director: Delivery Coordination	850	-	356	102	-	1 308
Hlatswayo HJ - Chief Director: ICT	876	-	265	114	-	1 255
Tsotetsi GDN - Registrar	902	-	377	108	-	1 387
Mogoba MF - SFO	809	-	434	105	-	1 348
Gwangwa AF - Registrar	809	-	367	105	-	1 281
Ntuli M - Registrar	797	-	428	104	-	1 329
Lemme MT - Registrar	889	-	372	107	-	1 368
Mukhakhlululi RO - Registrar	1 020	-	203	123	-	1 346
Mantanga NW - Registrar	972	-	290	126	-	1 388
Pillay K - Registrar	889	-	372	107	-	1 368
Frazenburg UJ - Registrar	863	-	361	104	-	1 328
Moshodi PP - Registrar	849	-	353	98	-	1 300
Mngoolwani MD - Registrar	838	-	351	101	-	1 290
	12 397	-	4 962	1 528	-	18 887

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Figures in Rand thousand

Senior Managers on level 13

Names	Basic salary	Bonuses and performance related payments	Other short-term employee benefits	Post-employment benefits	Other benefits received	Total
Reynolds A - Deputy Registrar	877	-	174	105	-	1 156
Matthys R - Deputy Registrar	740	-	310	89	-	1 139
Ratema SJ - Director: SCM	766	-	330	100	-	1 196
Swart CC - Director: Financial Management	751	-	315	90	-	1 156
Gwangwa PJH - Deputy Registrar	694	-	372	90	-	1 156
Mesefo PE - Deputy Registrar	740	-	310	89	-	1 139
Zwartland P - Deputy Registrar	838	-	167	101	-	1 106
Mothlasedi MN - Deputy Registrar	687	-	288	82	-	1 057
Maphosa ES - Deputy Registrar	838	-	167	101	-	1 106
Ndlovu F - Deputy Registrar	751	-	360	90	-	1 201
Maphomolo PJ - Deputy Registrar	797	-	238	104	-	1 139
Van Der Ross A - Deputy Registrar	751	-	346	90	-	1 187
Gabara TG - Deputy Registrar	864	-	172	104	-	1 140
Nzuza SES - Deputy Registrar	528	-	213	61	-	802
Duma SE - Deputy Registrar	864	-	172	104	-	1 140
Mdunge BR - Deputy Registrar	864	-	172	104	-	1 140
Monnanyana TD - Deputy Registrar	864	-	172	104	-	1 140
Fayela DS - Deputy Registrar	864	-	172	104	-	1 140
Mketshane M - Deputy Registrar	864	-	162	104	-	1 130
Dreyer JP - Deputy Registrar	864	-	172	104	-	1 140
Ngapo GWM - Deputy Registrar	802	-	159	104	-	1 065
Hoko ND - Deputy Registrar	802	-	159	96	-	1 057
Shawe TE - Deputy Registrar	802	-	159	96	-	1 057
Davids I - Deputy Registrar	603	-	125	75	-	803
Phali TS - Deputy Registrar	802	-	159	96	-	1 057
Swarts D - Deputy Registrar	742	-	222	96	-	1 060
Shoko T - Director: ICT	945	-	188	113	-	1 246
	21 304	-	5 955	2 596	-	29 855

Deeds Registration Trading Entity

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Notes to the Audited Annual Financial Statements

Figures in Rand thousand

Middle Managers acting on senior positions

Names	Basic salary	Bonuses and performance related payments	Other short-term employee benefits	Post-employment benefits	Other benefits received	Total
Vilakazi SB - Acting Director: Quality Assurance	358	91	186	47	81	763
Noge RRM - Acting Director: HRM and Auxiliary Services	375	83	295	49	26	828
Mereko - Acting Deputy Registrar	200	-	88	26	29	343
	933	174	569	122	136	1 934

The officials below are relatives of Senior Management at the entity which qualifies as related party in accordance with GRAP 20.

Management Officials

Management Officials	Relative	Positions of relatives	Relation
Van der Ross A	Y Mustafa	Clerk	Spouse
Mothlasedi MN Hoko ND	Mothlasedi M Hoko AS	Snr Reg Officer Chief Aux Officer	Brother Brother
Davids I Ntuli M Duma S	Brinkhuis IRC Ntuli M Duma	Jnr Examiner Snr Reg Officer Assistant Registrar	Spouse Brother Brother
Ndlovu F	Ndlovu	Assistant Registrar	Spouse
Gwangwa PJH	Gwangwa MY	Jnr Examiner	Spouse

Deeds Registration Trading Entity

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2019

Senior Managers on level 14 and above

Names	Basic salary	Bonuses and performance related payments	Other short-term employee benefits	Post-employment benefits	Other benefits received	Total
Knoesen CCE - Chief Registrar	983	-	412	118	-	1 513
Gubuza P - Chief Director: Delivery Coordination	809	116	338	97	-	1 360
Hlatwayo HJ - Chief Director: ICT	832	68	249	108	-	1 257
Tsoetsi GDN - Registrar	833	-	348	100	-	1 281
Mogoba MF - SFO	778	120	413	100	-	1 411
Gwangwa AF - Registrar	833	-	348	100	-	1 281
Ntuli M - Registrar	762	71	407	98	-	1 338
Lemme MT - Registrar	845	-	354	102	-	1 301
Mukhakhululi RO - Registrar	944	71	188	113	-	1 316
Mantanga NW - Registrar	910	73	272	118	-	1 373
Pillay K - Registrar	845	-	354	102	-	1 301
Frazenburg UJ - Registrar	821	71	343	98	-	1 333
Moshodi PP - Registrar	760	-	319	92	56	1 227
Mngcolwani MD - Registrar	796	-	333	96	-	1 225
	11 751	590	4 678	1 442	56	18 517

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Figures in Rand thousand

Senior Managers on level 13

Names	Basic salary	Bonuses and performance related payments	Other short-term employee benefits	Post-employment benefits	Other benefits received	Total
Reynolds A - Deputy Registrar	833	61	166	100	-	1 160
Matthys R - Deputy Registrar	704	60	295	84	-	1 143
Ratema SJ - Director: SCM	725	62	304	87	-	1 178
Swart CC - Director: Financial Management	714	61	299	86	-	1 160
Gwangwa PJH - Deputy Registrar	659	-	354	86	-	1 099
Mesefo PE - Deputy Registrar	704	-	295	84	-	1 083
Zwartland P - Deputy Registrar	797	-	158	96	-	1 051
Mothlasedi MN - Deputy Registrar	653	-	274	78	-	1 005
Maphosa ES - Deputy Registrar	797	-	158	96	-	1 051
Ndlovu F - Deputy Registrar	714	-	299	86	-	1 099
Maphomolo PJ - Deputy Registrar	758	-	226	99	-	1 083
Van Der Ross A - Deputy Registrar	714	-	299	86	-	1 099
Gabara TG - Deputy Registrar	821	60	163	99	-	1 143
Nzuza SES - Deputy Registrar	714	-	299	86	-	1 099
Duma SE - Deputy Registrar	821	-	163	99	-	1 083
Mdunge BR - Deputy Registrar	821	-	163	99	-	1 083
Monnanyana TD - Deputy Registrar	821	-	163	99	-	1 083
Fatyela DS - Deputy Registrar	821	-	163	99	-	1 083
Mketshane M - Deputy Registrar	821	-	163	99	72	1 155
Dreyer JP - Deputy Registrar	821	-	163	99	21	1 104
Ngapo GWM - Deputy Registrar	762	-	152	91	-	1 005
Hoko ND - Deputy Registrar	762	-	152	91	-	1 005
Shawe TE - Deputy Registrar	299	-	70	39	-	408
Phali TS - Deputy Registrar	762	-	152	91	-	1 005
Swarts D - Deputy Registrar	631	30	182	82	6	931
Shoko T - Director: ICT	627	-	134	81	-	842
	19 076	334	5 409	2 322	99	27 240

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Notes to the Audited Annual Financial Statements

Figures in Rand thousand

Middle Managers acting on senior positions

Names	Basic salary	Bonuses and performance related payments	Other short-term employee benefits	Post-employment benefits	Other benefits received	Total
Munyai DC - Acting Director: HRM and Auxiliary Services	620	-	123	74	133	950
Vilakazi SB - Acting Director: Quality Assurance	313	-	62	38	103	516
Ayres T - Acting Deputy Registrar	490	-	54	59	217	820
Mekwe S - Acting Deputy Registrar	341	-	73	44	15	473
Ramaisa MM - Acting Deputy Registrar	283	-	57	34	103	477
	2 047	-	369	249	571	3 236

*Acting employees remuneration has been included for periods in which they were acting and is done so in accordance with GRAP20.20.

Deeds Registration Trading Entity

Audited Annual Financial Statements for the year ended 31 March 2020

Notes to the Audited Annual Financial Statements

	2020 R '000	2019 R '000
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27. Accounting by Agent and Principal

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 Rural Development and Land Reform. 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 DRDLR will transfer funds due to the OVG to Deeds for rendering of services.

The following transactions will be undertaken by the Agent on behalf of the Principal:

Transactions relating to Human Resource Management will include:

- Recruitment;
- Administration of leave and
- Payment of salaries and wages.

Transactions relating to Finance includes:

- Payment of expenses and liabilities;
- Preparation of Financial Statements;
- Management of grant funds in the agent bank account;
- Management of finance lease contracts and
- Purchases of Property, Plant and Equipment

Transactions relating to Supply Chain Management:

- Contract Management and
- Procurement of Goods and Services

All transactions are performed in line with the internal policies of the Agent. The management fee paid by the Principal is based on the assumption that there is even distribution or spending of funds during any given financial period. This management fee is the interest received resulting from Principal monies held in the Agent's bank account.

The MOA between the Agent and the Principal was extended to 31 March 2020. There are no significant risks that have been identified by the agent in terms of the relationship.

Deeds Registration Trading Entity

Audited Annual Financial Statements for the year ended 31 March 2020

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27. Accounting by Agent and Principal (continued)

Cash and cash equivalents

Balance at beginning of the year	127 065	57 743
Grant/ Transfer received for OVG annual operation	142 127	141 123
Funds remitted	(159 261)	(71 801)
	109 931	127 065

The balance is expected to be remitted on opening of agent's bank account or termination of the agreement whichever is earlier. This balance is the grant received and kept as a resource in the agent's bank account to enable the agent to perform transactions on behalf of the principal.

Risks associated with the balance are detailed in note.28 to the Annual Financial Statements

Revenue

Management fees received from Principal	9 543	3 801
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28. Risk management

The Trading entity activities exposes it to currency risk, fair value interest rate risk, cash flow interest rate risk, credit risk and liquidity risk.

Liquidity risk

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments.

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 31 March 2020	Less than 1 year
Trade and other payables	46 694
At 31 March 2019	Less than 1 year
Trade and other payables	61 979

Deeds Registration Trading Entity

Audited Annual Financial Statements for the year ended 31 March 2020

Notes to the Audited Annual Financial Statements

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28. Risk management (continued)		
Credit risk		
Credit risk consists mainly of cash deposits, cash equivalents and other debtors. The entity only deposits cash with major banks that have a high quality credit standing.		
Statutory receivable comprises a widespread of customers base. Management evaluates credit risk relating to customers on an ongoing basis.		
Financial assets exposed to credit risk at year end were as follows:		
Financial instrument		
Deposits with Bank	192 523	307 036
Interest rate risk		
As the entity has no significant interest-bearing assets, the entity's income and operating cash flows are substantially independent of changes in market interest rates.		
Deposits attract interest at rates that vary with the rate of interest prime. The Trading Entity policy is to manage interest rate risk such that fluctuations in rate do not have a material impact on surplus or deficit. At year end, the financial instruments exposed to interest rate risk were balances with the bank.		
29. Irregular expenditure		
Confirmed	-	-
Opening balance	208 091	211 261
Add: Irregular Expenditure - current year	25	11
Less: Condoned or written off by relevant authority	-	(3 181)
Irregular expenditure awaiting condonement	208 116	208 091
Irregular expenditure - Unconfirmed/ Under investigation		
Opening balance	175	-
Add: Irregular expenditure under investigation	3 350	175
Irregular expenditure awaiting confirmation	3 525	175

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Notes to the Audited Annual Financial Statements

	2020 R '000	2019 R '000
29. Irregular expenditure (continued)		
Details of irregular expenditure – current year		
The irregular expenditure relates to the awarding of a tender to Gijima AST (Pty) Ltd which was recommended by SITA to DRDLR after SITA had performed all procurement processes. The contract was declared null and void by the High Court on 13 September 2016. The tender process has been investigated by the SIU and a settlement which was turned into a court order has been reached. The amount of R208,080 million is considered irregular due to non-compliance with section 217 of the Constitution, section 38(a) of the PFMA resulting from an error in pricing as said in the court order which compromised the fairness and competitiveness of the procurement process at SITA.		
The remainder of the irregular expenditure relates to contravention with SCM policies, procedures and regulations and are as follows:		
National Treasury declined a request to deviate from normal procurement processes to continue with the rental of fifteen (15) Uninterrupted Power Supply equipment from 1 June 2019 - 31 August 2019. The possible irregular expenditure amounted to R523 397.		
National Treasury declined a request to deviate from normal procurement processes to continue with the rental of fifteen (15) Uninterrupted Power Supply equipment from 1 September 2019 - 31 March 2020. The possible irregular expenditure amounts to R1, 221 million.		
Deviation from normal procurement process on appointment of service provider for installation of air conditioners. The initial supplier was unable to provide the service and withdrew from a contract. The specifications of the contract was revised and the contract was awarded to another service provider without going through tender process. The possible irregular expenditure amounted to R1, 605 million.		
Publications of Deeds Acts and other updates was rendered without a purchase order. The irregular expenditure amounted to R25 206.		
30. Fruitless and wasteful expenditure		
Reconciliation of fruitless and wasteful expenditure		
Opening balance	5 440	5 341
Add: Fruitless and wasteful expenditure incurred	9	99
Less: Amount recovered	(4)	-
	5 445	5 440
The fruitless and wasteful expenditure of R2 180 relates to a flight cancellation to an authorised official trip.		
The fruitless and wasteful expenditure of R1 410 is related to a "No Show" to an authorised official trip.		
The fruitless and wasteful expenditure of R5 875 is related to cancellation of catering service without informing the service provider on time.		

Deeds Registration Trading Entity

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Notes to the Audited Annual Financial Statements

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31. Services in kind

Administrative services in kind:

Deeds Registration Trading Entity falls under the administration of the Department of Rural Development and Land Reform. The executive of the department spend 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.

32. Alignment of Deeds Registries areas of jurisdictions to coincide with provincial boundaries

The business case for the alignment of deeds registries areas of jurisdictions to provincial boundaries was approved in the 2015/16 financial year. The purpose of the realignment of deeds registries areas of jurisdictions to provincial boundaries, (Alignment Programme) arises from the need to address the problem regarding how the Deeds Offices are currently positioned which is an impediment to Constitutional and institutional reforms.

The programme is therefore aimed at aligning the deeds registries areas of jurisdiction to provincial demarcations as articulated in Section 103 of the Constitution and to ensure that each Deeds Registry services the province in which it is located, making it accessible to clients.

The alignment programme contains four projects:

- i. Identification, separation and transfer of records (from transferring Deeds office and receiving Deeds office).
- ii. Establishment of the Limpopo Deeds Registry which was established and opened on the 3rd of April 2017.
- iii. Establishment of the North West Province Deeds Registry.
- iv. The establishment of Deeds information centres.

The anticipated benefits of this programme are two-fold: Firstly, it will serve in the interest of the promotion of accessible services and to ensure Deeds offices services their respective provinces. Secondly, there will be improved turn-around times in the registration and delivery of deeds and related documents. Both benefits will result in improved service delivery that is client-centric.

Deeds Registration Trading Entity

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Notes to the Audited Annual Financial Statements

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33. 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.

34. Changes in accounting policy - GRAP 108 - Statutory Receivables

The standard of GRAP applicable to Statutory Receivable is required to be applied from 1 April 2021 and has been early adopted requiring a change in the accounting treatment of transactions that have been identified as statutory receivables.

GRAP 108 - Statutory receivables deals with the accounting of receivables that arise from legislation, supporting legislation or similar means and require settlement by another entity in cash or another financial assets.

Although this is a voluntary change it will result in a better understanding of the Financial Statements. This change in accounting policy results in a change in how transactions that were previously recognised and accounted for as Trade Receivables are now recognised and accounted for as Statutory Receivables.

The changes are as follows:

Statement of financial position

Decrease in Trade and Other receivable from exchange transactions	(67 164)	(60 939)
Increase in Statutory receivables from exchange transactions	67 164	60 939
Increase in impairment of statutory receivables	645	668
Decrease in impairment of other receivables	(645)	(668)
	-	-

The notes to the Annual Financial Statements have been adjusted accordingly refer note 4 - Statutory receivables and note 5 - Other receivables.

Deeds Registration Trading Entity

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35. Events after the reporting date - Contingent liabilities

A counter claim has been received from Gijima Holdings (Pty) Ltd. The claim states that the Department of Rural Development and Land Refrom through the Deeds Registration Trading Entity was enriched by the Gijima services in the amount of R215 883 million in that the amounts in the invoices represented not less than the fair market value of the Gijima services which were according to Gijima to the benefit of the Department (Deeds). This claim counters that which the Department (Deeds) and the SIU issued to Gijima claiming that Gijima was unlawfully enriched in their dealing with the Department (Deeds) under the same contract.

This information is disclosed in accordance with GRAP 14 as it is material and non-disclosure of could influence the economic decisions of the users taken on the basis of the financial statements.

This counter claim has two (2) plaintiffs listed in the case number and settlement will depend on the outcome of the litigation, for the purposes of measurement of the possible liability, the maximum exposure in accordance with the claim has been detailed below:

Contingent liability as a result of litigation:		
Gijima counter claim - Principal amount	215 883	-
Gijima counter claim - Interest	1 242	-
	217 125	-

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