



land affairs

A N N U A L R E P O R T
1 APRIL 2008 - 31 MARCH 2009



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Department:
Land Affairs
REPUBLIC OF SOUTH AFRICA



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Submission of Annual Report to the Executive Authority

I have the honour of submitting the 2008/2009 Annual Report of the Department of Land Affairs in terms of the Public Finance Management Act, 1999, to the Honourable Minister of Rural Development and Land Reform.

THOZAMILE GWANYA
Accounting Officer
DATE: 9 September 2009

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contact details

Director-General

Mr Thozì Gwanya
Tel: 012 312 8503
Fax: 012 323 6072
e-mail: ttgwanya@ruraldevelopment.gov.za

Cape Town

Tel: 021 465 6320
Fax: 021 465 3282

Deputy Director-General Land and Tenure Reform

Region 1 (Acting)

Mr Moshe Swartz
Tel: 012 312 8409
Fax: 012 323 6072
e-mail: meswartz@ruraldevelopment.gov.za

Region 2

Mr Mdu Shabane
Tel: 012 312 9552
Fax: 012 312 9128
e-mail: mshabane@ruraldevelopment.gov.za

Deputy Director-General Land Planning and Information

Dr Nozizwe Makgalemele
Tel: 012 312 9834
Fax: 012 326 9524
e-mail: akgalemele@ruraldevelopment.gov.za

Chief Lands Claims Commissioner

Mr Andrew Mphela
Tel: 012 312 9244
Fax: 012 321 0428
e-mail: ammphela@ruraldevelopment.gov.za

Chief Financial Officer (Acting)

Mr Vusi Mahlangu
Tel: 012 312 8154/9310
Fax: 012 321 3279
e-mail: vsmahlangu@ruraldevelopment.gov.za

Office of the DG Chief Operations Officer (Acting)

Ms Leona Archary
Tel: 012 312 9556
Fax: 012 323 6072
e-mail: lcarchary@ruraldevelopment.gov.za

Deputy Director-General Corporate Services (Acting)

Mr Anton van Staden
Tel: 012 312 8424
Fax: 012 321 0658
e-mail: afvanstaden@ruraldevelopment.gov.za

National Office

Private Bag X833
Pretoria, 0001
184 Jacob Maré Street
Pretoria, 0001
Tel: 012 312 8911
Fax: 012 312 8066
Website: <http://www.ruraldevelopment.gov.za>

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PART 1 GENERAL INFORMATION

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Overview of the Director- General



*Mr T T Gwanya
Director-General: Department of Land Affairs*

Land & tenure reform

The Department initially had a national redistribution target of 1 500 000 hectares of land for the year under review, but this target was subsequently reduced to 608 060 hectares to bring it in line with the actual budget allocation of the land reform programme. A total of 443,600.4886 hectares of land was eventually transferred and although this was less than the revised target, the programme spent almost 100% of its allocated budget.

Factors such as escalating land prices eroded the buying power of the budget,

This is the last report for the year ended 31 March 2009, of the old Department of Land Affairs (DLA); now the new Department of Rural Development and Land Reform.

The pace of land delivery in the year under review acutely reflects the impact when a disjunction exists between the task at hand and the resources provided in executing that task. This is illustrated by the fact that the Department spent almost 100% of its land acquisition budget, but could only deliver 443,600.4886 hectares of redistributed land. The same trend was quite visible in the case of the Land Claims Commission, which had to pay an average of R12 949.00 per hectare which was a substantive increase compared to the price paid in the 2007/2008 financial year, ballooning its restitution budget to a total of R3.5 billion to address and restore land rights infringed on by the apartheid policies of the past.

The Department effectively spent 99.9% of the adjusted budget in the 2008/2009 financial year compared to 99.5% in 2007/2008. The commendable spending performance of R6,66 billion is largely attributable to the initiatives put in place to fast-track the settlement of restitution claims, as well as the acquisition of land at scale in accordance with the provisions of the Pro-active Land Acquisition Strategy (PLAS) for redistribution purposes.



making it impossible for the programme to meet the revised target. The programme nevertheless finalised 501 projects, reaching 14 457 beneficiaries.

Restitution

To date, the Restitution programme has settled 95% of the total number of claims lodged by the cut-off date of 31 December 1998. During the 2008/2009 financial year, the Commission on Restitution of Land Rights settled 653 claims, resulting in approximately 394 000 hectares of land restituted to claimants. Approximately 4 296 complex claims are outstanding.

Cumulatively, the approved hectares of land transferred in terms of restitution since 1995 is 2.47 million hectares. This represents a significant contribution towards the overall target of redistributing 30% of white-owned agricultural land by 2014.

To accelerate the pace of the settlement of claims, the Commission has concluded several agreements with stakeholders. These agreements are also intended to ensure that capacity is provided to beneficiaries once a claim has been settled and land transferred in order for such beneficiaries to actively leverage restituted land for development purposes and therefore their significant participation in the economy.

Post settlement support

Our assessment of land reform projects revealed that there are indeed some land reform projects that have not met our expectations. The assessment also revealed, amongst others, that some of the factors leading to such a lustre performance relate to the commitment of beneficiaries, the planning of projects (including the choice of land), institutional alignment, as well as access to support measures and farmer support. To ensure our redistributed and restituted land goes only to people who can make optimal use of it, the Department developed a strategy which includes the careful selection and categorisation of land reform beneficiaries into (a) landless households (inclusive of farm dwellers and labour tenants in communal areas, on farms and other land); (b) commercially-ready subsistence producers; (c) expanding commercial small-holders; (d) well-established black commercial farmers; and (e) financially capable aspirant farmers. This will help in the appropriate design of land reform products and in defining the development agenda going forward.

Given the importance of strategic partnerships in securing a significant measure of land reform success, the Department has invested much resources in refining, consolidating and deepening relationships with such partners, central to which is access to support measures and farmer support through the private sector. Consequently, the Department has rolled-out the strategic partners approach and 30 such partners have been accredited. This approach is imperative if we are to enhance the Department's delivery capability, in terms of amongst others, drawing specific private sector associates into the design, establishment and operation of agrarian-based enterprises at various scales. The Department expects that some of these partners will invest in the enterprises themselves, while others will commit to supporting initiatives through the whole development process.

Policy and legislation

Extensive research and consultation, which culminated into a draft policy framework on the ownership of land by foreigners, has been undertaken and it is envisaged that the policy and accompanying legislation will be finalised in the 2009/2010 financial year. With regards to the Willing Buyer-Willing Seller Review, considerable progress has been made and it is anticipated that this Review will also be finalised in 2009/2010. Extensive work on the collation and classification of submissions in respect of the draft Regulations under the Communal Land Rights Act, 2004 (Act No. 11 of 2004), including the interrogation and evaluation of such comments were completed in 2008/2009.

Land planning & information

The regulation of proper land use, spatial planning and spatial information management within the public and private sectors is a core responsibility of the Department. As such, the provision of legislative, institutional and relevant technical skills constitute one of the key tasks the Department undertakes for a more effective land use management system, spatially equitable and efficient settlement patterns. Some of the highlights relating to the work done by the Land Planning and Information programme include the coordination of various consultations held in respect of the Land Use Management Bill (LUMB), as well as the provision of administrative, technical and financial support to the South African Council for Planners (SACPLAN).

For effective planning and monitoring of land reform, national infrastructure and sustainable development, the Department provided accurate, up-to-date and accessible maps and other geo-spatial information and imagery, as well as an integrated spatial reference framework.

A secure land right provides a source of wealth, a negotiable asset and a platform for investment for the rights holder, thus the immense potential for contributing to poverty alleviation and socio-economic development. The approval, maintenance and archiving of cadastral survey documents submitted by land surveyors, the supplying of such cadastral information and the regulation of cadastral surveys represents a fundamental pathway to unlocking development opportunities, particularly in the rural areas.

Notwithstanding staff shortages and an increased workload as a result of the boom in the property market during the period under the review, the Department maintained a world class deeds registration turnaround performance time of less than 20 working days.

Strategic support & corporate services

To ensure good governance, the Department executed its Annual Audit Plan and several comprehensive audit projects. The Monitoring and Evaluation framework was improved to facilitate the continuous monitoring of Departmental performance, accountability and informed decision-making. After extensive engagements with the State Information Technology Agency (SITA), the Department implemented a Departmental Virtual Private Network (VPN) to ensure an improved and more cost-effective network service.



To contribute towards national efforts to fight unemployment and reduce high levels of unemployment in the country, the Department introduced several initiatives to assist the youth, particularly those from disadvantaged backgrounds. These included a bursary programme, an internship programme and a graduate programme, all of which placed priority on people with disabilities as potential beneficiaries. These initiatives were not only inward-looking, but were also extended to land reform beneficiary communities. For instance, a partnership was formed with the University of Fort Hare to provide project and farm management training for land reform beneficiaries to address constraints identified during a research project aimed at determining the reasons for the failure of some land reform projects.

Our empowerment programmes would be incomplete without the integration and mainstreaming of gender. In this regard the Department facilitated gender awareness and mainstreaming and also finalised both the Gender Responsive Budgeting Framework and the Older Persons Rights Framework.

From the communications angle, the Department initiated an ambitious Knowledge, Attitude, Perception and Practice

(KAPP) survey to ensure the availability of researched and verifiable baseline information which indicates what the different land reform stakeholders' knowledge, perceptions and attitudes are towards land reform and how, amongst others, they currently access information from the Department. This information will be used as a reliable foundation for the development of measurable interventions and, in later years, as the basis to evaluate the impact of communication interventions that have been implemented.

Conclusion

The year under review has seen a number of successes which contributed to the achievement of certain set targets as highlighted in this Annual Report. While the Department is proud of these achievements, it is also acknowledged that there are many areas where performance and delivery can be improved.

The 2008/2009 financial year may have been the last year in which the Department performed as the Department of Land Affairs, but the challenges and vision of land reform remain and will still be actively pursued by the Department of Rural Development and Land Reform.



Mr T T Gwanya
Director-General





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GENERAL INFORMATION

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Overview of Service Delivery Environment

Voted funds	Main Appropriation R'000	Adjusted Appropriation R'000	Actual Amount Spent R'000	(Over)/Under Expenditure R'000
	6,659,396	6,659,396	6,654,636	4,760
Responsible Minister	Minister for Agriculture and Land Affairs *			
Administering Department	Department of Land Affairs *			
Accounting Officer	Director-General: Department of Land Affairs *			

* These are the official names under which the Ministry and Department functioned over the period under review.

Aim of the Vote

The aim of the Department of Land Affairs during the period under review was to provide an equitable and sustainable land dispensation that result in socio-economic development for all South Africans.

Key measurable objectives & programmes

Programme	Key measurable objective
Programme 1: Administration	Good governance of the Department.
Programme 2: Surveys & Mapping	Provision of accurate, up to date and accessible maps and other geo-spatial information, imagery and an integrated spatial reference framework to enhance planning and monitoring of land reform, national infrastructure and sustainable development, nationally and regionally.
Programme 3: Cadastral Surveys	Approval, maintenance and archiving of cadastral survey documents submitted by land surveyors, supplying cadastral information and facilitating the regulation of cadastral surveys, in order to support and facilitate land development, with special emphasis on land reform.

Programme	Key measurable objective
Programme 4: Restitution	Resolve restitution claims within the target period through negotiated settlements that restore land rights or award alternative forms of equitable redress to claimants.
Programme 5: Land & Tenure Reform	Ensure that sustainable benefits of economic growth accrue to previously disadvantaged communities, groups and individuals.
Programme 6: Spatial Planning & Information	Provision of legislative, institutional and technical skills support to regulate land use management, spatial planning and spatial information management within the public and private sectors.
Programme 7: Deeds Registration (Auxiliary Services)	To provide a high quality deeds registration system whereby secure titles are registered and speedy and accurate information is provided.

Service delivery environment

The Department committed itself to the Batho Pele principles in ensuring the delivery of services to all South African citizens. In this regard the Department, through its various programmes, continuously strives to improve the way services are provided to its clients.

The Land Redistribution Programme delivered 443,600.4886 hectares of white-owned commercial agricultural land as part of its contribution to the broader Departmental core objective of redistributing 30% of commercial agricultural land by 2014. A total of 501 projects were finalised and 14 457 beneficiaries were reached through these projects. The annual target for

2008/2009 was 1 500 000 hectares however it had to be reduced to 608,060.0000 hectares in order to align it with the actual budget allocation. Although the revised target could not be met, the Branch: Land and Tenure Reform spent almost 100% of its allocated budget.

Under the Land Restitution Programme a total of 653 claims were dealt with inclusive of 108 claims which were dismissed. This resulted in approximately 394 000 hectares of land being approved for restoration, affecting approximately 30 000 households. The annual target for 2008/2009 was 1 034 000 hectares and 2 585 claims. These targets were reviewed when it became known that the tenure of the Commission was to be extended.

Departmental expenditure

GFS Classification	Budget allocated R'000	Expenditure to date R'000	Expenditure as % of budget
Compensation of employees	612,728	610,553	99.6%
Goods and services	632,978	631,882	99.8%
Interest and rent on land	7	6	85.7%
Financial transactions in assets & liabilities	-	2,361	-
Transfers to households	3,897,032	3,893,332	99.9%
Payment for capital assets	1,516,651	1,516,502	99.9%
TOTAL	6,659,396	6,654,636	99.9%

Strategic Overview & Key Policy Developments

The policy and legislation development process during 2008/2009 was critically influenced by various stakeholders such as government, non-governmental organisations, academics and the general public. Draft policies on the Willing Buyer-Willing Seller principle and the ownership of land by foreigners are available but further consultations are necessary to finalise the policy options. Significant work was also done in respect of the evaluation of comments received on the draft regulations to be issued in terms of the Communal Land Rights Act.

An important achievement in the year under review was the drafting and processing of the Land Reform: Provision of Land and Assistance Amendment Bill which was enacted and promulgated as Act No. 58 of 2008. This resulted in significant amendments to the Provision of Land and Assistance Act, 1993 (Act No. 126 of 1993).

The amendment of Act 126 provided for a sufficient legislative framework to continue implementing the Pro-active Land Acquisition Strategy (PLAS) and resolved certain interpretation problems and important shortages and challenges that bedeviled PLAS projects. The PLAS Implementation Framework was amended to ensure the procedures that are necessary to acquire, manage and dispose of assets acquired in terms of Act 126 are sufficient and has sound legal and policy standing.

The Department has been developing a new approach to land and agrarian reform which is focused on more effectively addressing the various aims of land and agrarian reform. The new approach will achieve this through targeting different identified categories of landless or land hungry people based on their land needs, their farming experience and their

access to resources and create developmental pathways appropriate to the identified categories. The approach provides for addressing household-level food security and addressing rights-based applicants at the lower levels by means of providing the very poor with the opportunity to gain access to land to engage in farming. At the same time, it addresses the transformation of agriculture by providing opportunities and enhanced support to existing black commercial farmers. The different categories that will be targeted through this new approach are:

- Category 1: Households with no individual access to land – those who have no space even for subsistence production and seek land for small-scale subsistence purposes, with or without settlement.
- Category 2: Commercial-ready subsistence producers – those who wish and are capable of having a more commercial focus, mostly on a part-time basis, but need appropriate land and support.
- Category 3: Expanding commercial smallholders – those who have already been farming commercially at a small scale and with aptitude to expand, but are constrained by land and other resources.
- Category 4: Well-established black commercial farmers – those who have been farming at a reasonable scale, but are disadvantaged by location and other circumstances, and with real potential to become large-scale commercial farmers.
- Category 5: Financially capable, aspirant black commercial farmers – established business people who wish to expand into agriculture and who by and large will be part-time farmers.



PART 2

PROGRAMMATIC
CONTEXT

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Programme 1

Purpose

To render corporate services to the Department.

Measurable objective

Good governance of the Department.

Intended impact

Improved governance of the Department and accountability for its resources.

Introduction

The components that are part of Programme 1 are mostly components that focus on specific corporate and executive support or certain specialised services. These components are strategically located within two Branches –

- the Office of the Director-General; and
- Corporate Services.

Office of the Director-General

Chief Operations Officer

The Chief Operations Officer (COO) of the Department is located within the Office of the

Administration

Director-General (ODG). The primary responsibility of the COO is to assist the Director-General with the overall management of the Department, especially from a strategic management support perspective, as well as to ensure the oversight of organisational performance.

The COO is responsible for the management of various components in the ODG. This includes the responsibility for the development and drafting of departmental policies and legislation; stakeholder and international relations; risk and compliance management; and the implementation of strategies related to transformation, vulnerable groups and gender, to name a few.

Communication Services

In line with the over-arching strategic objective of implementing needs-based, pro-active and analytical communication interventions, the Chief Directorate: Communications Services initiated the Knowledge, Attitude, Perception and Practice (KAPP) survey as a flagship project for the achievement of this objective. The intended outcome of the KAPP survey is the availability of researched and verifiable baseline information which indicates what the different land reform stakeholders' knowledge, perceptions and attitudes are towards land reform and how, amongst others, they currently access information from the

Department. This information will be used as a reliable foundation for the development of measurable interventions and, in later years, as the basis to evaluate the impact of communication interventions that have been implemented. Public surveys as well as focused group sessions have been conducted in three provinces. Similar sessions in the remaining provinces will resume in May 2009. The project is to be completed towards the end of 2009.

To create a conducive environment for the implementation of the Minister's programme of action and the Department's strategic plan, the Chief Directorate undertook several communication initiatives, including the provision of integrated marketing communication support around the Ilima/Letsema campaign. Furthermore, to improve the availability and quality of information in respect of Departmental policies, programmes, services and projects, the upgrading of the Department's website gained momentum towards the end of the financial year.

Financial constraints forced Communication Services to innovate inexpensive and creative ways to communicate, publicise and clarify the Ministry and Department's positions on various issues. Letters to the editors of various publications were used to great effect to position land reform in the public domain. Unfortunately several

communications projects such as the basket of opportunities campaign and the insightful media surveillance had to be postponed to the 2009/2010 financial year.

As part of the process to manage the corporate identity of land reform, the Department undertook an advertising campaign to position the role of the Department within the broader development context taking place in the country. The campaign was augmented with the print media advertising on various issues.

Public discourse on land reform cannot be left only to the media who, in some instances have clearly reflected insufficient understanding of land and agrarian reform. To address this challenge, Communication Services reviewed its interactions with the Media, known as the 4th Estate, and amongst others, put into place measures such as ensuring proper coordination of media interviews and responses to media inquiries. Further interventions include the issuing of weekly media diaries to alert the media of major forthcoming Ministerial and Departmental undertakings, as well as dedicated and focused outings with members of the media to strengthen relationships and to brief the media to better understand the nuances, successes and challenges related to land and agrarian reform.

Strategic objectives	Outputs	Performance indicators	Actual performance against targets	
			Targets 2008/2009	Actual
Development of a comprehensive, proactive, analytical and needs-based communication strategy	A client-approved, GCIS guidelines compliant, comprehensive 1-year communication strategy to support the Ministry and Department's strategic and operational plans to support core objectives	The development, implementation and evaluation of the comprehensive, goal-oriented, client-sanctioned communication strategy over a 1-year period to support the Department in terms of internal and external communication	Review, update, implementation and management of the comprehensive 1-year communication strategy in support of and aligned with the 5-year MTEF cycle	<ul style="list-style-type: none"> • Strategy developed and submitted to GCIS on 9 April 2008 • Operational plan developed and implemented to ensure achievement of objectives of the strategy.

Executive Services

The Directorate: Executive Services is strategically located in the Office of the Director-General to enable the provision of immediate and direct administrative, advisory and personal support to the Director-General. The Directorate comprises three specialised units, which report to the head of this component. These units are geographically organised based on the services that they provide; to this end, the Sub-directorates: Administrative Support and Secretariat Support Services are located in Pretoria, and the Sub-directorate: Parliamentary Support is located in Cape Town. The three Sub-directorates are cumulatively responsible for providing co-ordinated support within their respective areas of responsibility and channelling vital information to the Director-General thus facilitating the effective performance of his duties.

As a core function, the Sub-directorate: Administrative Support is entrusted with the responsibility of continuously ensuring that Ministerial and Director-General enquiries are processed without any delay. As a result of this rapid response, the Sub-directorate has managed to achieve a one-day turnaround time during the year under review and this resulted in 1583 Ministerial and Director-General enquiries being disposed of to other components within the

Department. Over and above that function, the component is also charged on a daily basis with tasks such as, the processing of submissions to and from the Director-General, ensuring the quality of submissions as well as decisively rendering advice to the Director-General in this regard. In respect of this remarkable service, a total of 1143 submissions were processed based on an achievable turnaround time of two days.

The Sub-directorate: Secretariat Support Services was established more than a year ago and since its inception has progressed successfully into a fully functional and cohesive unit that renders an effective and professional service insofar as high-level meetings are concerned. These range from management and inter-departmental meetings to meetings with other government departments, non-governmental organisations and foreign delegations. Such meetings are chaired by the Minister for Agriculture and Land Affairs, the Director-General of Land Affairs or are co-chaired by the Directors-General of the Departments of Land Affairs and Agriculture. The Sub-directorate is responsible for recording quality minutes and securing hospitable, user-friendly and disability accessible venues. During the year under review, the Secretariat arranged several meetings, including a Ministerial Lekgotla, a Senior Management Service (SMS) Conference, a Strategic Planning meeting, three Quarterly

Review and Assessment meetings, three Top Management meetings and seven Strategic Management Committee meetings. A total of 33 meetings were minuted (including the Director-General's 16 Ad Hoc meetings) and finalised within specific turnaround times. In addition to its core function, the component implemented an effective follow-up system for decisions and allocation of tasks emanating from meetings, developed a new meeting checklist and reviewed and revised membership to meetings. The unit culminated the year by developing an electronic Departmental year planner that is currently posted on the DLA intranet.

The Sub-directorate: Parliamentary Support is primarily responsible for processing all Cabinet-related matters at departmental level, for monitoring and reporting on parliamentary activities, and for co-ordinating both the fulfilment of Parliamentary obligations by the Department, as dictated by the various regulatory frameworks, as well as securing the attendance of the Director-General and departmental delegations at parliamentary events. In addition, this unit serves as a communication link not only between the Department, the Ministry, the Deputy Ministry and Parliament, but also between the DLA, Parliament, other state departments and Ministries as well as civil society.

As part of its monitoring role, this unit assessed 529 Cabinet Memoranda to ascertain their relevance and impact on DLA line functions and attended and reported on 44 Parliamentary portfolio and select committee meetings which covered matters such as the Land Use Management Bill, the Provision of Land and Assistance Amendment Bill, budgetary matters, annual reports and strategic plans of the Department, the Commission on Restitution of Land Rights and the Ingonyama Trust Board. In addition, 40

Parliamentary questions were processed during this period. Parliamentary legislation tabled by other Departments, such as the Prevention of Illegal Eviction from and Unlawful Occupation of Land Amendment Bill, the South African Space Agency Bill and the Cross Boundary Municipalities Laws Repeal Bill to name a few, were also monitored and reported on. A total of 204 parliamentary bills were assessed.

Gender

During this reporting year the Gender Unit focussed on two critical outputs in its continued endeavour to facilitate gender awareness, mainstreaming and the development of strategies. These outputs were the availability of operational tools to fast-track mainstreaming and the management of advocacy programmes which are to be observed within the Department as well as externally with clients.

The Unit is proud to report that these targets were achieved. In respect of the mainstreaming target, the Gender Responsive Budgeting Framework was already approved in the second quarter of 2008, while the target was March 2009. In addition, the Older Persons Rights Framework was finalised and submitted for approval.

With regard to the advocacy programmes the Unit had planned four programmes but managed to coordinate five, namely the National Women's Day, the World Rural Women's Day, the International Women's Day, the Southern African Women Innovators and Inventors Symposium and the 16 Days of Activism for No Violence Against Women and Children.

The Gender Unit is commended for exceeding its targets in the 2008-2009 financial year.

Strategic objectives	Outputs	Performance indicators	Actual performance against targets	
			Targets 2008/2009	Actual
Development of programmes for empowerment of women, children and older persons within the context of the Department's mandate	Mainstreaming facilitated	Availability of operational tools to fast-track mainstreaming	2 approved operational tools (Gender Responsive Budgeting and Older Persons Rights Framework)	2
	Advocacy programmes promoted within the Department and externally with Departmental clients	4 advocacy programmes undertaken by the Department annually	4	5

Internal Audit

Purpose

The purpose of the Directorate: Internal Audit is to provide assurance services in the form of internal audit services.

Measurable objective

Improve internal control systems through effective internal auditing.

Service delivery objectives & indicators

Improve the Department's systems of internal controls.

Service delivery achievements

During 2008/2009, the Directorate: Internal Audit executed the Annual Audit Plan and spent 23 500 hours on four comprehensive audit projects (including financial and operational audits, performance audits, legal compliance audits, fraud risk reviews and information technology audits), as well as one financial, operational and compliance audit. The approved audit plan projects were executed at the Department's national office and 17 provincially-based offices. The Directorate also completed 33 forensic investigation projects during the financial year while a further 37 projects were in progress at year-end. Due to capacity constraints within the component, seven projects were outsourced. Internal Audit also assisted with the risk management functions within the Department.

Monitoring & Evaluation

The Monitoring and Evaluation (M&E) Directorate is responsible for developing M&E systems and tools, as well as the institutionalisation of the M&E function within the Department. It is also responsible for programme performance monitoring, programme evaluation and statistical services.

In the year under review the M&E Directorate's main aim was to produce an improved M&E framework which forms the basis of the above functions. The point of departure was to facilitate the continuous improvement of Departmental performance, accountability and informed decision-making through an effective M&E. This function will continuously be improved. The Directorate achieved its target of producing an improved M&E framework, but also exceeded this target

by producing two additional documents, namely the Programme Performance Monitoring and the Statistics & Information Management Guidelines.

The Directorate managed to achieve a higher degree of reporting on Departmental performance by producing and presenting quarterly performance reports at each Quarterly Review and Assessment Meeting. It was realised that an electronic M&E system that could be used as a performance information repository will make it easier for Departmental components to submit information on a regular basis and for such information to be verified. For this reason, an appropriate system has been purchased and will be implemented in 2009/2010. It is envisaged that this system will ensure that requirements regarding performance information set by Treasury and the Auditor-General are met.

Strategic objectives	Outputs	Performance indicators	Actual performance against targets	
			Targets 2008/2009	Actual
Improvement of the Monitoring and Evaluation Framework	Comprehensive Monitoring and Evaluation Framework to provide evidence-based programme performance monitoring, human rights compliance reporting, evaluation studies of land reform; and baseline information for programme planning and evaluations	Comprehensive Monitoring and Evaluation Framework developed to produce: programme indicators, programme performance monitoring annually, human rights compliance annually, Quality of Life Survey and baseline information for programmes	Framework for implementation in financial year 2008/09 available by June 2008.	The DLA M&E Framework was developed and approved in February 2009

Policy & Legislation Development

The Policy and Legislation Development Unit is responsible for the drafting, reviewing and assessment of policy guidelines aimed at amplifying the core objectives of the Department. The Unit is further responsible for the drafting of Departmental legislation (including subordinate legislation) and the analysis of other legislation that may have an impact on Departmental functions. During 2008/2009 the Unit built on a number of lessons emerging from various internal and external reviews and the ongoing implementation of the land reform programmes.

In respect of the regulation of the ownership of land by foreigners, the Unit has done extensive research and consultation which culminated in the drafting of a policy

framework and bill. On request of the executive further consultation is taking place and it is envisaged that the policy and bill be finalised in the 2009/2010 financial year.

A third draft of the Willing Buyer-Willing Seller Review was also completed, however further work on the compensation formula linked to the expropriation model is to be finalised in 2009/2010. The Unit also assisted in the finalisation of the Provision of Land and Assistance Amendment Bill. This Bill was approved by Parliament and promulgated as the Provision of Land and Assistance Amendment Act, 2008 (Act No.58 of 2008).

Despite the capacity constraints faced by the Unit, work on the classification and collation of submissions received on the draft Regulations under the Communal Land Rights Act, 2004 (Act No. 11 of 2004), and the interrogation and evaluation of such comments were all completed during the year under review.

Strategic objectives	Outputs	Performance indicators	Actual performance against targets	
			Targets 2008/2009	Actual
Development of policy guidelines to amplify the core objectives	Implementable policies, legislative and regulatory reforms to intervene in the land market	Availability of a new policy regulating the ownership of land by foreigners in South Africa	Approved and implementable policy regulating ownership of land by foreigners in South Africa (available September 2008)	A draft policy framework and bill were finalised. Further consultation with key government departments is to be finalised in the 2009/2010 financial year.

Strategic objectives	Outputs	Performance indicators	Actual performance against targets	
			Targets 2008/2009	Actual
Development of policy guidelines to amplify the core objectives (continued)	Implementable policies, legislative and regulatory reforms to intervene in the land market (continued)	Availability of the willing buyer-willing seller principle review report and regulatory measures/approaches underpinned by a price determination formula providing for State intervention in the land market	Approved willing buyer-willing seller principle review report and implementable regulatory measures/approaches underpinned by a price determination formula providing for State intervention in the land market (available September 2008)	A gap analysis of the third draft of the policy framework has been completed. Further consultation on the compensation aspects is to be finalised in the 2009/2010 financial year.
		Availability of new policy on land ceilings	N/A (No target set for 2008/2009)	Although there is no target for this output in the 2008/2009 financial year, a draft policy has been developed. However, the finalisation of the policy has been placed on hold pending the review of the White Paper.
		Availability of the amended White Paper that addresses the recommendations of the Land Summit	N/A (No target set for 2008/2009)	The Unit developed a process map for the review and redrafting of the White Paper. The target date for the finalisation thereof is 2010/2011.
	Implementable policies, legislative and regulatory reforms to benefit people living on communal land and State land	Availability of (a) Communal Land Rights Act Regulations and (b) Deeds Registries Amendment Act Regulations (CLaRA-related) which entrenches democratic land administration system	Two sets of regulations drafted and extensive consultations undertaken in all provinces except KwaZulu-Natal (KZN).	Two sets of implementable Regulations, one under the CLaRA and one under the Deeds Registries Amendment Act (CLaRA-related), December 2008
		Availability of the amended Regulation 18 of the Deeds Registries to give effect to compulsory disclosure by nationality, race, gender and other information for the registration of titles, past, present and future along FICA requirements	N/A (No target set for 2008/2009)	The target for this output is September 2009. The project has however been aborted as the intended outcome could not be achieved through the amendment of Regulation 18. The principle is to be dealt with in the proposed Land Protection Bill which forms part of the output on the regulation of the ownership of land by foreigners.

Risk & Compliance Management

Purpose

The proactive identification and understanding of factors and events that may impact on the achievement of strategic, operational and compliance objectives, followed by the management, monitoring and reporting of these risks.

Measurable objective

Implement risk management and compliance management strategy and risk management implementation plan throughout the Department. Availability of a formal structure of risk reporting and monitoring.

Service delivery objectives & indicators

Improved risk management awareness and regulatory compliance by the Department of Land Affairs.

Service delivery achievements

During 2008/2009, the Directorate: Risk and Compliance Management re-established the reporting structure of risks within the Department. The Risk & Compliance Committee was also re-established to monitor the risk profile of the Department.

Security Management Services

As one of the support functions of the Department, the Directorate: Security Management Services is responsible for ensuring the implementation of safety and security standards and services throughout the Department. The component manages a complete security function in respect of personnel, physical, document, communication, computer and surveillance security. This is done to ensure a healthy and safe working environment.

During 2008/2009 the Directorate focussed mainly on improving physical security measures by standardising security operations for all Departmental offices. Physical security measures such as automated access control and CCTV camera systems were installed at most Departmental offices in Limpopo, as well as at the Provincial Land Reform Office in Gauteng, the Deeds Office in Vryburg and Departmental offices in Mpumalanga (with the exception of the Deeds Office, the Regional Land Claims Commission and the Witbank district office). Furthermore, the Directorate managed to finalise the technical security specifications for offices in KwaZulu-Natal, the Western Cape, Eastern Cape, Northern Cape and Free State.

A security vetting unit has been established to fast-track security vetting processes and the post of ICT Security Specialist was filled.

The Directorate continuously strives to enhance safety and security measures in the Department.

Strategic objectives	Outputs	Performance indicators	Actual performance against targets	
			Targets 2008/2009	Actual
Provision of adequate safety and security systems that ensure protection of State assets and information	Implemented Security policy in line with MISS and other National Security Directives	Standardised physical security systems	Four provinces by September 2008	By October 2008, security systems were provided in 12 offices located in the four targeted provinces.
	Implemented OHS policy and related safety regulations	Safe and secure working environment and practices	Review the Smoking Policy, March 2008	The Smoking Policy was reviewed, however it could not be finalised as it could not serve at the Departmental Bargaining Council during 2008/2009.

Branch: Corporate Services

Introduction

The business world is changing rapidly and each day new issues and problems appear that require specialised support services. It is not possible for line managers to have the time and all the skills needed for each required field and hence the need for a specialised Branch: Corporate Services, which can provide quick solutions. Corporate Services therefore provides line functions with advisory support services to ensure that the Department works more efficiently and effectively.

The nature of the activities of the Branch is both support and advisory and consists of the following functions:

- Chief Directorate: Business Information Management
 - Information and communication technologies
 - ICT procurement services

- ICT standards and solutions
- Systems availability
- Chief Directorate: Human Capital and Organisational Development
 - Human capital management services
 - Human capital training and development services
 - Organisational design services
 - Organisational transformation
 - Legal support and litigation services
- Chief Directorate: Financial Management Services
 - Financial accounting
 - Management accounting
 - Demand management
 - Acquisition management
 - Facilities and office management
 - PPP building project

The most important strategic deliverables of the Branch are reported on as follows:

Business Information Management

Implementation of a Virtual Private Network

The Department has, after extensive engagement with the State Information Technology Agency (SITA) implemented a Departmental Virtual Private Network (VPN). The VPN ensures Departmental control of its network. The VPN also ensures improved and a more cost-effective network service. It further provides the architectural foundation for the deployment of productivity improvement tools such as video conferencing and collaboration software.

Long term ICT strategic plan

A five-year ICT Strategic Plan was developed that provides a technology roadmap aimed at moving the Department to world class ICT capabilities. This strategy will be finalised during the early part of the new financial year.

Development & deployment of ICT business solutions

The Branch assisted various business units with the planning, analysis, development and deployment of business solutions aimed at improving operational efficiency and service delivery to customers. These are at various stages of development and include:

- Restitution management (Umhlaba Wethu)
- Balance of grants management
- Land reform project tracking
- Organisational transformation surveys
- Internet/Intranet revamp
- Financial administration website revamp.

Capacity building in ICT

The Chief Directorate: Business Information Management was traditionally a consultant driven component. This strategy was reviewed due to the cost involved and the external dependencies created by such an approach. An organisational structure was developed and approved. A rigorous recruitment drive was subsequently embarked upon in support of the implementation of the amended structure as well as boosting capacity to further improve ICT service delivery. The scarcity of skills in this environment is still a significant challenge which is further aggravated by the non-competitiveness of public service salaries for these skills. Notwithstanding these challenges 11 out of 17 advertised posts have been filled.

Human Capital & Organisational Development

Development of an integrated Human Resource Plan for the Department

The Human Resource Plan of the Department was reviewed and aligned to the framework issued by the Department of Public Service and Administration during the financial year.

The plan addresses the recruitment of staff in accordance with the additional capacity required in respect of all Departmental strategic objectives, including the redistribution of 30% white-owned agricultural land by the year 2014. The plan will further guide the execution of human resource management activities to support the achievement of Departmental strategic objectives. As we are operating in a dynamic environment, the plan will be maintained as a living document to be reviewed as and when it becomes necessary to ensure that the Department keeps abreast of developments affecting operational requirements. The implementation of this plan will resume at the end of this reporting year.

Recruitment and selection

The Department initiated a recruitment programme during November 2006. This is an ongoing programme aimed at reducing the number of vacancies and addressing the capacity needs of the Department. Key milestones achieved through this project include, inter alia, the reduction of vacancies from 22.6% in 2007/2008 to 16.5% in 2008/2009. In addition to the filling of existing posts, 32% of the new and prioritised posts on the amended structure of the Department were advertised. This process will be intensified through the proactive development of time-bound recruitment plans during the next financial year.

A significant number of vacancies are filled through internal promotions, resulting in internal recycling of staff. Although this is positive for the career development and retention of staff, it is the main reason why the vacancy rate was not reduced to 10% as intended. A further challenge that affects progress in reducing the vacancy rate to the desired level is the shortage of suitably qualified candidates, resulting in the costly re-advertisement of vacancies and protracted head-hunting processes.

Exit interviews

The strategy to retain staff has become a key focus area in reducing the vacancy rate. An exit management framework was developed and implemented. An external service provider was appointed to objectively interview a sample of staff leaving the Department to obtain the reasons for them leaving. The Department has now established dedicated internal capacity to focus on exit management and continue to improve retention policies and practices.

Labour relations

During the previous financial year it was determined that managers and supervisors require capacity to discipline staff and to effectively resolve grievances. The Department therefore initiated a capacity building project with the intention to empower managers and supervisors in respect of labour relations management. The project enabled managers to familiarise themselves with what is expected from them in terms of their management responsibilities towards staff and maintaining discipline in the Department. A total of 391 managers and supervisors were trained. The training focused on the management of grievances, as well as disciplinary and dispute resolution procedures. The Department intends conducting an impact analysis during the next financial year to determine the extent to which this project had contributed towards improving labour relations in the workplace.

Employee Wellness Programme

The Department has a well established Employee Wellness Programme (EWP). The strategic target of this programme was to involve 80% of the Department's staff in the activities of the programme. The majority of staff participated in health promotion sessions which included health screening, voluntary counselling and testing for HIV and related matters. Other activities of the programme include psycho-social counselling and stress relief.

Bursary programme

The bursary programme focussed on areas of scarce skills which are difficult to find through the normal recruitment process. Prospective students who wish to obtain degrees and diplomas in geomatics, surveying, town and regional planning and cartography at various tertiary institutions in the country were attracted through invitations published in the national and certain local media. Currently a total of 214 bursary holders are participating in the programme. Students are also afforded the opportunity to do their experiential learning in the Department during their holidays with allocated mentors in order to fulfil requirements for their qualification. Specific emphasis is placed on attracting women and black youth from disadvantaged and rural communities.

Career exhibitions were held in Pietermaritzburg, Soweto, Kimberley, Durban, Cape Town and Pretoria, as well as at the Youth in Agriculture and Rural Development Conference which took place in Pretoria.

The Department awarded 41 new bursaries for students to study BSc Geomatics in 2009 at the University of Cape Town and at the University of KwaZulu-Natal. Memoranda of Understanding have been signed with these two institutions. At the end of 2008, 43 students completed their studies in BSc Geomatics and Town & Regional Planning. These students were subsequently employed by the Department in the Chief Directorate: Cadastral Survey Management and the Chief Directorate: Spatial Planning and Information.

Internship programme

The Department recruited 246 interns during this reporting year. The main focus of this programme is to provide interns with work experience over a 12-month period. Interns were allocated mentors and specific learning programmes were developed which support their field of study. A total of 66 interns subsequently received permanent employment in the Department and other government Departments. The interns also attended various training programmes such as the induction programme, project management, job evaluation, supply chain management, labour relations and computer training.

Graduate programme

In addition to the internship programme, the Department also implemented a Graduate Programme. This programme is a four-year programme and differs from the internship programme in the sense that these graduates are appointed on a permanent basis and are contractually bound to the Department. The Department employed 128 graduates of whom seven are persons with disabilities. This programme intends to address the high vacancy rate and the high unemployment rate of the youth. A total of 88 graduates

were placed in the Deeds Offices, 33 in the Branch: Land and Tenure Reform and seven in Corporate Services. All graduates attended a compulsory induction programme of the public service. Mentors have been allocated to guide their learning process. The graduates in the Deeds Offices have commenced with the Examination of Deeds training.

Training of land reform beneficiaries

The Department in conjunction with the University of Fort Hare developed a dedicated training programme in project management and farm management for land reform beneficiaries. The programme was developed after a research project was conducted to determine the reasons for the failure of certain land reform projects and the skills levels of the beneficiaries. The training in isiXhosa was piloted in the Eastern Cape in the districts of Tshatshu, Chatha and Dwesa Cweba. A total of 203 beneficiaries received training and 90 beneficiaries received Certificates in Project Management and Farm Management during November 2008 from the University of Fort Hare. This project will be extended to other land reform beneficiaries in the new financial year.

Batho Pele programme

The Department continued to train employees on the Departmental Batho Pele Revitalisation Strategy (BPRS). The Department's BPRS is informed by the Service Delivery Improvement Plan, Service Excellence Awards Policy as well as the Complaints Handling Policy and Procedure Manual. In order to mainstream and institutionalise Batho Pele, 440 employees were trained on customer care and 153 on complaints handling and management. The Department established a cross functional Batho Pele forum comprising representatives from most chief directorates. The forum was involved in various projects including the "name tags project" during which 2 914 name tags were produced for employees.

The Department also participated in the Public Service Week and Africa Public Service and Fun Day celebrations.

Employment Equity programme

The Employment Equity Plan of the Department was updated quarterly to ensure that employment equity targets are carefully monitored. The Employment Equity Status Report 2007/2008 as submitted to the Department of Labour during October 2008 was posted on the intranet to ensure access to it by all staff. The report outlines successes, challenges and the degree of compliance in order to intensify efforts towards achieving employment equity targets in the Department.

Youth & disability empowerment strategies

The empowerment of youth and people with disabilities remains a top priority for the Department. A workforce analysis survey was conducted to update disability statistics. The survey confirmed that the Department employs 98 staff members with disabilities, which amounts to 2,4% of the Department's staff.

The Department celebrated the International Day of Persons with Disabilities and World AIDS Day in one celebration which was attended by 293 employees.

The Minister officially launched the Braille Atlas. During the launch, 23 Braille Atlases were handed to organisations and schools that support blind persons in Gauteng and 24 Braille Atlases were handed to organisations and schools that support blind persons in the Free State and the Northern Cape.

The Minister also launched the Youth in Agriculture and Rural Development (YARD) programme in Pretoria. This launch was attended by 902 youth.

Organisational structure & establishment

The amendment of the organisational structure has been finalised and the implementation of certain areas of priority was approved. One of the most significant changes is the split of the Land and Tenure Reform Branch into two branches to be known as Region 1 and Region 2. Region 1 will comprise of five provinces, namely Mpumalanga, Gauteng, Northern Cape, Western Cape and Eastern Cape, while Region 2 will comprise of the provinces of KwaZulu-Natal, Limpopo, North West and Free State as well as the national office land reform components.

The amended structure could only be partly funded due to financial constraints. The funding available has been prioritised in those components of the Department where service delivery is directly affected. The following number of posts at different levels has been approved:

Component	Number of posts
Office of the Director-General	31
Corporate Services	132
Deeds Registries	374
Cadastral Surveys	13
Internal Audit	34
Land Reform	620
TOTAL	1 204

An important aspect of the amendment of the organisational structure was the development of generic job profiles for all occupational classes and the job evaluation of these profiles. These job profiles represent 973 job descriptions that cover 7 219 posts which will be created over the next five years as and when additional funding becomes available.

Provision of a new national office building

The Department has for some time considered the possibility of obtaining a new building for its national and other Pretoria-based offices. The Pretoria-based operations of the Department are accommodated in six different buildings, which result in several inefficiencies. Attempts to secure a suitable existing building were not successful. The Department decided to explore the possibility of a Private Public Partnership (PPP) as contemplated in Chapter 16 of the Treasury Regulations.

This process is currently well underway. The Department received Treasury Approval II A from the National Treasury for releasing the Request for Qualification (RFQ) which was issued on 23 September 2008. Subsequently, an RFQ briefing session was held with 55 interested parties on 30 September 2008. The RFQ evaluation was finalised in January 2009 resulting in three Consortia being selected for the next stage of Request for Proposal (RFP). In December 2008, the Department of Public Works signed the purchase agreement for the Berea Park site for the new building. The Department is currently finalising documentation for submission to National Treasury for approval to proceed with the release of the RFP as part of the procurement process.

Legal matters

The Royal Bafokeng Nation and others lodged a case against the Minister for Agriculture and Land Affairs wherein they requested the court for an order declaring certain properties in the Rustenburg area to be registered in their name and further, that registration of the properties in the name of the Minister as a trustee be declared unlawful. The matter is still sub judice. The possibility of a settlement between the parties is being explored.

The court case on the Communal Land Rights Act, 2004 (Act No. 11 of 2004)(CLaRA) commenced before the current reporting year. It was instituted by four applicants from communities in Mpumalanga and North West who have brought an application in the Pretoria High Court declaring the provisions of CLaRA and the Traditional Leadership and Governance Framework Act, 2003 (Act No. 41 of 2003), to be invalid and unconstitutional. The matter was considered by the court from 14 to 17 October 2008, however judgment was reserved. The judgment is still awaited as at the end of the reporting year.

Strategic objective	Outputs	Performance indicators	Actual performance against targets	
			Targets 2008/2009	Actual
Creation of an enabling environment for improved service delivery through leadership alignment and appropriate organisational culture and architecture	Improved Service Delivery	Optimised Business Architecture (organisational structure, establishment, processes, Human Resource [HR] plan, information and technology) that achieve departmental strategic objectives	10% Non-achieved objectives	Achieved <ul style="list-style-type: none"> Organisational structure completed – only prioritised and funded posts in certain components approved Establishment was updated Business process maps were finalised and are stored electronically Existing and new posts were job evaluated The HR Plan was developed and is awaiting approval VPN was successfully implemented MSP Review was completed end of March 2009 The ICT Strategy for the next 5 years has been developed.
			Degree of compliance to Batho Pele principles	100%
			2 Progress Reports	Not achieved <ul style="list-style-type: none"> 1 Report was submitted
		Adequate HR capacity – Scarce Skills	Reduce vacancies in old structure to below 10%	Not achieved <ul style="list-style-type: none"> Vacancies were reduced to 16,5%
			15% of posts in new structure filled	Not achieved <ul style="list-style-type: none"> 32% of posts were advertised 8% of posts in the amended structure were filled.
		Implement Scarce Skills Plan	100%	Achieved <ul style="list-style-type: none"> 9 Scarce skills career exhibitions/open days were held targeting Grade 12 students 173 Bursary students are studying for diplomas and degrees in Geomatics, Town and Regional Planning, Cartography and Surveying 41 New bursaries were awarded for BSc Geomatics studies commencing in 2009 at the Universities of Cape Town and KwaZulu-Natal 27 Students completed studies in Geomatics and were employed 16 Students completed studies in town and regional planning and were employed.



Strategic objective	Outputs	Performance indicators	Actual performance against targets	
			Targets 2008/2009	Actual
Creation of an enabling environment for improved service delivery through leadership alignment and appropriate organisational culture and architecture (continued)	Improved Service Delivery (continued)	Percentage of Trained and Skilled Human Resources	20%	Achieved <ul style="list-style-type: none"> • 4 208 Officials attended various training programmes in line with personal development plans and Departmental priorities • Courses attended amongst others were:- <ul style="list-style-type: none"> - Project management - property valuation - risk assessment and management - negotiation and conflict management - deeds registration - financial management - effective media relations - free and open source software for geospatial - monitoring and evaluation reporting.
		Degree of participation in EWP	80%	Achieved <ul style="list-style-type: none"> • 90% participated.

Financial Management

The Chief Directorate: Financial Management consists of –

- the Directorate: Financial Administration;
- the Directorate: Management Accounting; and
- the Directorate: Supply Chain Management.

Directorate: Management Accounting

This Directorate performs a variety of functions including the monitoring of financial performance, especially as it relates to operational performance. This is done through regular interaction with the various Departmental Programmes. In addition, reporting on financial performance is done to structures such as the Strategic Management Committee which meets regularly to discuss strategic matters. Early warning systems were also put in place to monitor spending.

The Department has managed to spend 99.9% of the adjusted budget in the 2008/2009 financial year, compared to 99.5% in 2007/2008. The commendable spending performance of R6,66 billion is largely attributable to the initiatives put in place to fast-track the settlement of restitution claims, as well as the acquisition of land at scale in accordance with the provisions of the Pro-active Land Acquisition Strategy (PLAS) for redistribution purposes.

Directorate: Supply Chain Management

During the 2008/2009 financial year this Directorate ensured that the capital and non-capital assets that were procured during the year were properly captured on the BAUD Asset Register. The Directorate achieved compliance with all relevant minimum requirements, as well as with the Asset Management Reforms (AMR) milestones. There were no resolutions by the Standing Committee on Public Accounts in respect of the vote or the Deeds Trading Account.

A functional and effective call centre has been established. This call centre serves as a supply chain helpdesk to address all supply chain related enquiries of both internal and external clients. Furthermore, a document control system has been established to ensure that documentation are not lost.

Directorate: Financial Administration

The Directorate ensured that policies on Surveyor-General debtors and Lease Revenue Management were in place, while the reconciliation of lease debtors was performed. The Department however received audit qualifications in respect of the following:

- **Receivable for Departmental revenue:**
The reconciliation on receivables on State Land leases and land acquired in terms of PLAS was performed during the year to ensure accuracy and completeness. A similar exercise was done in respect of the interest receivable on pre-payments.
- **Balance of grants:**
With the assistance of provincial land reform officials, the register of projects was scrutinised and re-worked to ensure the correctness of information. There were however various challenges in obtaining information on projects that were captured on the Financial Management System, especially since these projects relate to financial periods prior to 2004. Nevertheless, all projects that were captured on the Basic Accounting System have been reconciled. An in-house system for the management of balance of grants was developed and the relevant financial reports will in future be generated by this system. This includes statements and age analysis.
- **Advance payment to conveyancers:**
A plan was developed to establish proper control over advance payments made to conveyancers and to audit

payments received since 2004. Schedules of all affected transactions have since been drawn and the reconciliation thereof is still in process. Through the Legal Unit of the Commission on Restitution of Land Rights, letters of demand were sent to various defaulting conveyancers. As a result, a total of R34 million was received by 31 March 2009 of which R18 million was recovered in the 2008/2009 financial year. In cases where conveyancers did not respond to the letters, the State Attorney has been requested to proceed with legal action against those conveyancers.

land affairs





part 2

PROGRAMMATIC
CONTEXT

land affairs

Programme 2

Surveys & Mapping

Purpose

Provide national mapping, earth imagery, integrated spatial reference framework and other geo-spatial information in support of the national infrastructure and sustainable development, as mandated by the Land Survey Act, 1997 (Act No. 8 of 1997). Provide professional and technical services in support of land reform and other public services.

Measurable objective

Provision of accurate, up to date and accessible maps and other geo-spatial information, imagery and an integrated spatial reference framework to enhance planning and monitoring of land reform, national infrastructure and sustainable development, nationally and regionally.

Intended impact

Effective policy-making and development planning (socio-economic sustainable development, poverty alleviation, job creation); Improved efficiencies of service delivery by organs of State; Support Government capacity to deliver (e.g. land reform, security, environmental conservation;

food security, disaster management, basic services); Effective force in global relations.

Service delivery objectives & indicators

The Surveys and Mapping programme consists of a single sub-programme of the same name, namely Surveys and Mapping, which is responsible for the following:

- Promoting and controlling all matters connected with geodetic and topographical surveying and geo-spatial information services;
- conducting geodetic, topographical and other relevant survey operations;
- acquiring aerial photography or other remotely sensed imagery;
- establishing and maintaining a national control survey system;
- preparing, compiling and amending such maps and other cartographic representations of geo-spatial information;
- taking charge of and preserving the records of all geodetic and topographical surveys, maps and aerial photography or other remotely sensed imagery; and

- providing professional and technical support and client services.

Service delivery achievements

Integrated spatial reference framework

The unique national spatial reference framework of this programme provides South Africa's national control survey network. Due to a revised beacon maintenance schedule, the National Control Survey System has been available to clients 99% of the time in the reporting year, exceeding the set target by 4%. The network of continuously operating global positioning system (GPS) base stations, TrigNet, has been improved to ensure a reliable service by installing more base stations (52 in the reporting period) and replacing ageing equipment and software. This resulted in the network being available 97.5% of the time, exceeding the target by 2.5%.

Acquisition of earth imagery

The national aerial photography and imagery archive is of national importance and is seen as a major output of this Programme, providing coverage of the whole country or 1,22 million km². In 2008/2009, aerial photography covering 163 688 km² were acquired against the initial target of 220 000 km². The target was subsequently amended to 190 000 km² as a result of delays in the tender process. An underachievement of 26 312 km² can be attributed to the delay in the contract being awarded and the seasonal weather conditions over Limpopo, KwaZulu-Natal and Mpumalanga which affected flying negatively.

Maps & other geo-spatial information

In the year under review, 159 375 km² of fundamental geo-spatial data was updated against the set target of 150 000 km². This target has been exceeded by 9 375 km². The national mapping programme was on track and 2 146 maps

were produced, which resulted in 532 more maps than the set target of 1 614 maps.

The development of the national land cover mapping was unfortunately not completed due to delays in the acquisition of technologies and the loss of key expertise. A Land Cover Field Reference Guide will be contracted out, as well as a draft report on land use methodology (user need requirement) will be made available. In an effort to empower people with disabilities, the Chief Directorate is well on track to develop maps for visually-impaired citizens. The Braille Atlas of South Africa, a first for South Africa and probably the African continent, produced by the Chief Directorate was officially launched by the Minister for Agriculture and Land Affairs in March 2009.

Geo-spatial information products & services

The turn-around time for supplying geo-spatial information to clients was well within the service delivery standard, exceeding the set target by 10%. There is a growing demand in the country for map literacy and map awareness training amongst clients and other stakeholders. This demand is clearly demonstrated by the over-achievement of 44 workshops against the target of 18 workshops in this output.

Professional & technical support & client services

In assisting other organs of State with professional and technical advisory and support services, the target of responding within 5 days was exceeded when a response time of 4 days was achieved. The Chief Directorate has overachieved in rendering professional support to land reform programmes. The contribution that the Chief Directorate made to promote the African Agenda is of high importance. This was done through development projects such as the Mapping Africa for Africa and African Geodetic Reference Frame (AFREF) projects. The overall contribution of this component and the completion of project tasks are rated at 98% against the target of 90%.

Strategic objectives	Outputs	Performance indicators	Actual performance against targets	
			Targets 2008/2009	Actual
Provide fundamental geo-spatial information services to the nation	Integrated Spatial Reference Framework	Percentage of availability at all times of permanent spatial reference points and positioning service from TrigNet stations	95% availability	Target exceeded. Permanent spatial reference points: 99% availability Average uptime (availability) 97.7% for post processing services and 97.3% for real time services.
	Earth imagery (aerial photography/satellite imagery) covering the whole country (1.22 million km ²)	Number of km ² of earth imagery acquired by 31 March	High resolution: 220 000 km ² ; (amended target: 190 000 km ²) ⁽¹⁾ Medium resolution: 0 million km ²	Target not achieved. 163 688 km ² acquired. This is due to the delay in the awarding of tenders which in turn resulted in photography to be flown outside of the window period. A further factor was poor weather conditions in Limpopo, KwaZulu-Natal and Mpumalanga.

Strategic objectives	Outputs	Performance indicators	Actual performance against targets	
			Targets 2008/2009	Actual
Provide fundamental geo-spatial information services to the nation (continued)	Maps and other geo-spatial information covering the whole country (1.22 million km ²)	Completion of the integrated database of fundamental geo-spatial information by 31 March 2012, through the capture and revision of topographical data	150 000 km ²	159 375 km ² Target exceeded.
		Number of up-to-date maps produced/ revised during the year	1614 maps	2146 maps Target exceeded.
	Professional and technical support and client services (other than land reform) to all spheres of government and other organs of State	Client satisfaction rating (out of 5)	Average rating of 3 out of 5 in client surveys	Average score received from clients that have responded, is 4. Target exceeded.
		Average number of days taken to respond to client's request	5 days	4 days Target exceeded.
Participation in related land and agrarian reform activities and programmes aimed at consolidation of the African Agenda	Development projects for NEPAD, particularly in SADC (eg. AFREE, Mapping Africa for Africa)	Successful completion (%) of project tasks allocated, in accordance with project plan for regional development	90%	98% Target exceeded.
		Participation rating of 3 (out of 5) in regional and sub-regional structures as approved (e.g. Committee on Development Information; Regional Centre for Mapping of Resources for Development (RCMRD))	3	4.9 Target exceeded.
		South Africa's membership of Regional Centre for Mapping of Resources for Development (RCMRD) maintained	March 2009	July 2008. Significant contribution made. Target exceeded.

(1) Target amended as a result of delays in the awarding of bids, which in turn resulted in aerial photography to be flown outside of the window period. The programme of work therefore had to be reduced.

Programme **3**

Purpose

The Chief Directorate: Cadastral Survey Management aims to ensure that accurate cadastral surveys are carried out and to provide cadastral information services in support of land delivery and orderly development.

Measurable objective

Approval, maintenance and archiving of cadastral survey documents submitted by land surveyors, supplying cadastral information and facilitating the regulation of cadastral surveys, in order to support and facilitate land and economic development, with special emphasis on land tenure reform.

Intended impact

Each secure land right provides a source of wealth, a negotiable asset and a platform for investment for the rights holder, thus contributing to poverty alleviation and socio-economic development.

Service delivery objectives & indicators

The Chief Directorate is mandated to perform its functions through the Land Survey Act,

Cadastral Survey Management

1997 (Act No. 8 of 1997). This programme consists of a single subprogramme of the same name, responsible for the following:

- Regulation of Surveyor-General's offices
- Examining and approving all surveys for the registration of land and real rights
- Maintaining cadastral survey records
- Archiving all cadastral surveys
- Compiling, maintaining and revising maps of property boundaries
- Providing cadastral advisory and spatial information services.

A secure system of cadastral surveys

The function of approval of cadastral surveys is carried out in the six Offices of the Surveyors-General situated in Bloemfontein, Pretoria, Cape Town, Pietermaritzburg, Polokwane and Nelspruit. Despite the continuing critical staff shortages in both the professional and technical categories, and the increased workload resulting from the boom in the property market, these Offices, with the exception of the newly created Polokwane Surveyor-General Office, managed to limit the turnaround time to less than 20 working days. This is a world class performance as the international norm is between two and three months. This was achieved through the continued improvement of internal technological systems and procedures such as enhanced cadastral information system, auto-emailer and multi-media lodgement which

was implemented at the Office of the Surveyor-General: Cape Town and later in all offices, the restructuring of offices, and overtime work by officials.

In terms of production statistics, during this financial year the six offices managed to process 328 869 property units, of which 264 963 (81%) were approved and 121 517 (19%) units returned or rejected. The monetary value of the registerable property units amounts to R208 144 million.

Cadastral Spatial Information

The Cadastral Information System aims to create a digital environment for the South African cadastre in the Offices of the Surveyor-General. It consists of three components, namely the alpha-numeric, document image and spatial components.

Key components of the Cadastral Information System were enhanced to increase efficiency in service delivery, both to the general public and other stakeholders. The software

modules are continuously evaluated and enhanced. The "Auto E-mailer" system continued to bring about a dramatic improvement in the delivery time for electronic images and eliminated the need for any human intervention. The number of requests for cadastral spatial data and digital images continued to increase tremendously. The supply of cadastral spatial data has rendered the services of the Land Reform and Restitution Programmes more efficient.

The website of the Chief Surveyor-General (<http://csg.dla.gov.za>) continues to be a fast and efficient way of obtaining spatial cadastral data.

Training Unit in the Chief Surveyor-General's Office

The Chief Directorate has established a centralised training unit which consist of four lecturers. The aim of the training unit is to train survey officers. In 2008/2009, 67 pupil survey officers received theoretical and practical training.

Strategic objectives	Outputs	Performance indicators	Actual performance against targets	
			Targets 2008/2009	Actual
Provision of efficient land use and land administration services	Registerable diagrams, general plans and sectional title plans approved, maintained and archived in terms of the Land Survey Act, 1997 and Sectional Titles Act, 1986	Number of days taken to process 95% of diagrams, general plans and sectional title plans. (Time, Quantity)	15 days 9 days for land reform	17 days 8 days
		Percentage of approved cadastral documents which are registerable. (Quality)	98%	98%
	Complete and current spatial information pertaining to all land parcels in South Africa, in both paper and digital format	Number of working days for newly created land parcels added to database.	13 days	Target achieved
		All requests for information from government departments, land surveyors and the public processed within 5 working days, without any valid complaints about the completeness or accuracy of the data.	5 days	Target achieved
Cadastral survey management services supplied in all provinces	One new Surveyor-General's office established in terms of the Land Survey Act in those provinces currently without such an office by 31 March 2011 so as to render cadastral survey management services more efficiently to the people in those provinces	North West	Target not achieved due to insufficient funding and un-approved Departmental organisational structure. The Eastern Cape Surveyor-General's office was established to exercise only one function, namely the provision of information.	

Strategic objectives	Outputs	Performance indicators	Actual performance against targets	
			Targets 2008/2009	Actual
Provision of efficient land use and land administration services (continued)	Amended surveying legislation implemented to support government's aims and objectives on economic development and poverty reduction	Implement the Surveying Profession Act promulgated by 31 October 2008 to transform the surveying profession.	June 2008 submission to Parliament	Legislation was reprioritised and the Surveying Profession Bill was not included.
		Amend regulations framed under Land Survey Act 8 of 1997 so as to improve the efficiency of cadastral surveys.	November 2008	The new Survey Regulations Board was only constituted at the beginning of 2009. Their first meeting is scheduled for August 2009.
Development of programmes for empowerment of women, youth, people with disability and those living with HIV/AIDS as well as older persons within the context of the Department's mandate	Trained Professional Land Surveyors, Professional Surveyors, Survey Technicians and Survey Officers from target groups	Number of candidates trained.	50 Pupil Survey Officers 40 Interns (PLST & ST)	<ul style="list-style-type: none"> • 67 Pupil Survey Officers received in-house training on Surveyor-General operations, as well as lectures on cadastral surveys • 11 Professional Land Surveyors were employed and received in-house training, as well as training offered by private land surveyors • 33 Survey Interns (Survey Technicians) received training in three Surveyor-General Offices.





part 2

PROGRAMMATIC
CONTEXT

land affairs

Programme 4

Restitution

Purpose

To take responsibility for the settlement of land restitution claims in accordance with the provisions of the Restitution of Land Rights Act, 1994 (Act No. 22 of 1994), and provide settlement support to beneficiaries.

Measurable objective

Resolve restitution claims within the target period through negotiated settlements that restore land rights or award alternative forms of equitable redress to claimants.

Intended impact

- Ensure land ownership by previous victims of racial land disposessions.
- Poverty alleviation through sustainable development on restored land as well as improved livelihoods.
- Foster the rights of vulnerable groups in terms of ownership and participation in economic agricultural activities.

Overview

During the year under review the Commission on Restitution of Land Rights settled a total of 653 claims inclusive of the 108 claims which were dismissed. This resulted in approximately 394 000 hectares of land being approved for restoration, affecting approximately 30 000

households. Cumulatively, the approved hectares of land for restitution purposes since 1995 is 2.47 million hectares.

A total amount of R3.5 billion was committed for the acquisition of land for restitution beneficiaries. Compared to the hectares approved for transfer to beneficiaries, the amount approved for land purchases is indicative of the high cost of acquiring land for land reform purposes.

Several agreements were concluded with stakeholders including the First National Bank, AgriSETA, the Development Bank of Southern Africa (DBSA), the Amahlathi Forestry Company, as well as the Anglo Group. Great progress has been made with regard to the implementation of the memoranda of agreements signed with Mondi as well as the Department of Water Affairs and Forestry on the settlement of forestry claims, and much of the deliverables in that regard will be reported on in the forthcoming financial year.

The lack of skills on the part of beneficiaries remains a challenge with the implementation of land reform programmes. The agreement entered into with AgriSETA will ensure that land reform beneficiaries receive the necessary training to enable them to make optimal use of the land restored to them.

The successful implementation of a sustainable land reform programme relies on effective collaborative initiatives involving role players from the public and private sectors. Notwithstanding positive engagements with

many strategic partners, the association with certain strategic partners has not yielded the desired effect for restitution beneficiaries. All such partnerships are currently being reviewed in order to ensure that the Department and the relevant land reform beneficiaries get value for money out of such relationships.

A review on all the projects where land has been transferred to restitution beneficiaries has been concluded. Approximately 200 struggling projects have been identified for recapitalization with funding from the Department of Agriculture as part of the implementation of the Land and Agrarian Reform Programme (LARP).

The Commission is left with approximately 4 296 complex rural claims that are still outstanding. Four of the regional offices should however be finalising their claims by the end of the 2009/2010 financial year. These include the Gauteng office, the Free State office, the Northern Cape office and the Western Cape office.

Budget constraints also remain a challenge for the Commission, especially in view of the ever increasing land prices. The Commission will be seeking an audience with Treasury to explore ways in which the situation can be improved.

Strategic objectives	Outputs	Performance indicators	Actual performance against targets	
			Targets 2008/2009	Actual
To fast track redistribution of 30% of white-owned agricultural land by 2014 for sustainable agricultural development	Claimed/alternative land restored to restitution claimants contributing to the LARP Programme	2 033 200 hectares of land restored to restitution claimants for sustainable development	1 034 000	394 755
Settlement of all outstanding land claims by 31 March 2012	All lodged restitution claims settled	All the remaining 5 083 ⁽¹⁾ land claims validated, gazetted, verified and settled by 2011 in terms of the Restitution of Land Rights Act, 22 of 1994	389 ⁽²⁾	653 (545 settled & 108 dismissed)
	Restitution memorials in each Province commemorating claims settled in that province	Restitution memorials erected in each Province in terms of relevant legislation in line with tourism corridors and commemorating claims settled in that province.	Strategy in place	The project is ongoing and should be completed within the next three years. Challenges were experienced with regard to the appointment of service providers and budgetary constraints.
	Settlement support processes of land claims with development aspect facilitated to ensure sustainable development	Implementation of the 10 Year Strategy with relevant stakeholders	Analysis and implementation plan by June 2008	Support is currently being rendered in respect of approximately 560 projects where land has been restored with a development aspect. Projects are being implemented and settlement support is facilitated with all the relevant stakeholders in line with the 10-year strategy. In order to ensure sustainability of projects where land has been handed over to beneficiaries, close liaison with the Provincial Departments of Agriculture is being fostered. An improved focused approach has been adopted to assist projects that are struggling.



Strategic objectives	Outputs	Performance indicators	Actual performance against targets	
			Targets 2008/2009	Actual
Settlement of all outstanding land claims by 31 March 2012 (continued)	Rights of vulnerable groups protected in the resolution of land claims	Strategy in place to ensure the rights and interests of vulnerable groups i.e. female headed households, youth, people with disability, are adequately addressed in the finalisation of the claims	July 2008	The strategy has been completed. Implementation of the strategy is ongoing.
	Effective Financial Management and risk control	Financial controls implemented to minimise all identified risks	Unqualified Audit	Qualified audit on the interest owed by conveyancers. ⁽³⁾

Explanatory notes:

- (1) Internal auditing performed on the statistics on outstanding claims revealed that the correct figure for outstanding claims was 5 083 instead of 4 891 as previously reported in the Departmental Strategic Plan. This error was the result of the incorrect calculation in respect of the Pietersburg claims.
- (2) The original target for the 2008/2009 financial year of 2 585 was revised in accordance with a management decision. The figure was initially set at 2 585 due to the envisaged closure of the Commission in December 2008. The revised target of 389 claims is in line with the Commission's extended tenure.
- (3) The Auditor General reported an audit qualification consequent to poor systems for monitoring the collection of interest on funds payable as a deposit on land acquisition and ensuring that supporting documentation is provided.



Programme **5**

Purpose

Provide sustainable land reform programmes in South Africa.

Measurable objective

Ensure that sustainable benefits of economic growth accrue to previously disadvantaged communities, groups and individuals.

Intended impact

Contribute to social and economic development through more equitable access to land by all citizens.

Introduction

As reflected in the 2008-2011 Strategic Plan of the Department, the Branch: Land and Tenure Reform initially had a national redistribution target of 1 500 000 hectares for the 2008/2009 financial year, which was to be achieved through two sub-programmes, namely redistribution and tenure reform. This target however was reduced to a target of 608,060.0000 hectares in order to align it with the actual budget allocation when it became apparent that the baseline allocation was not to be increased. Despite the adjustment of the target, which was set as part of the APEX of priorities, the Department could not meet the revised target due to

Land & Tenure Reform

among other reasons, the general escalation of land prices and the fact that certain land is very expensive due to the nature thereof. The Branch nevertheless spent almost 100% of the budget allocated to it during the period under review.

The Branch delivered a total of 443,600.4886 hectares which is 164,459.5114 hectares short of the revised target. In the redistribution of the 443,600.4886 hectares, a total of 501 projects were finalised and 14 457 beneficiaries were reached through these projects.

All land acquired through the Proactive Land Acquisition Strategy (PLAS) during the 2008/2009 financial year, have been registered in the name of the State. In certain instances the State provides potential beneficiaries with access to land by means of lease or caretakership agreements until the land is transferred permanently to suitable beneficiaries. Plans for the disposal of land to potential beneficiaries are being finalised whereafter such land will be transferred to the beneficiaries in terms of the provisions of the Land Redistribution for Agricultural Development Grant (LRAD), the Settlement and Production Land Acquisition Grant (SPLAG) and/or the Commonage Grant (COMG). These grant systems are the principal funding models that are used under the Land and Tenure Reform Programme.

Performance and delivery in terms of these funding models can be tabulated as follows:

Province	Hectares			No of projects			No of beneficiaries				
	LRAD/COM/SLAG/SPLAG	PLAS	Total	LRAD/COM/SLAG/SPLAG	PLAS	Total	Individuals	Female	Farm workers	Youth	Disabled
Eastern Cape	14,919.4292	32,603.5142	47,522.9434	26	33	59	772	195	59	153	2
Free State	8,727.3543	55,514.9262	64,242.2805	25	73	98	144	53	42	40	0
Gauteng	0.0000	2,554.5806	2,554.5806	0	16	16	44	28	0	9	0
KwaZulu-Natal	59,528.4999	6,010.7311	65,539.2310	95	20	115	9 449	2 279	258	1 755	91
Limpopo	12,208.1997	2,392.3794	14,600.5791	70	3	73	550	293	164	215	6
Mpumalanga	15,246.8130	37,025.8538	52,272.6668	17	48	65	1 177	402	0	446	0
Northern Cape	81,114.9034	44,247.6487	125,362.5521	17	8	25	364	48	232	46	1
North West	6,231.7997	46,636.5600	52,868.3597	14	16	30	238	35	1	27	0
Western Cape	18,637.2954	0.0000	18,637.2954	19	0	19	1719	578	993	0	563
Total	216,614.2946	226,986.1940	443,600.4886	283	217	501	14 457	3 911	1 749	2 691	663

As part of the amendment of the Department's organisational structure, the Branch: Land and Tenure Reform was divided into two Branches known as Region 1 and Region 2, each consisting of the following provinces:

- Region 1: Eastern Cape, Gauteng, Mpumalanga, Northern Cape and Western Cape;
- Region 2: Free State, KwaZulu-Natal, Limpopo and North West, as well as the national office-based land reform components.

Region 1

Eastern Cape Provincial Land Reform Office (ECPLRO)

The initial target for the redistribution of land by the ECPLRO was 184,107 hectares. This target was adjusted to 75,000 hectares and the actual delivery of the ECPLRO amounted to 47,522.9434 hectares comprising of 59 projects and 772 beneficiaries. However, the ECPLRO were unfortunately 27,477.0566 hectares short of meeting their revised target.

Of the 47,522.9434 hectares delivered, a total of 32,603.5142 hectares were land acquired through PLAS, while 14,919.4292 hectares comprised of land transferred to either individual beneficiaries or municipalities in accordance with the provisions of the LRAD, SPLAG, SLAG or COMG funding models.

Gauteng Provincial Land Reform Office (GPLRO)

The GPLRO had an initial redistribution target of 48,565 hectares of land, which had to be adjusted to 16,000 hectares. The GPLRO however only delivered a total of 2,554.5806 hectares and were therefore 13,445.4194 hectares short of meeting the revised target.

The 2,554.5806 hectares delivered comprised of 16 projects and 44 beneficiaries. All 2,554.5806 hectares are land acquired through PLAS.

Mpumalanga Provincial Land Reform Office (MPLRO)

The initial redistribution target of 189,237 hectares for the MPLRO was adjusted to 75,000 hectares. The MPLRO

finalised 65 projects, reaching 1 177 beneficiaries. This resulted in 52,272.6668 hectares of land being transferred. The MPLRO was 22,727.3332 hectares short of meeting their target.

Of the 52,272.6668 hectares delivered a total of 37,025.8538 hectares were acquired through PLAS, while 15,246.8130 hectares comprised of land transferred to either individual beneficiaries or municipalities in accordance with the provisions of the LRAD, SPLAG, SLAG or COMG funding models.

Northern Cape Provincial Land Reform Office (NCPLRO)

A redistribution target of 329,107 hectares was initially set for the NCPLRO, but had to be reduced to 140,000 hectares. The NCPLRO almost reached the target and delivered a total of 125,362.5521 hectares and was therefore 14,637.4479 hectares short of meeting the revised target. The Office finalised 25 projects, involving 364 beneficiaries.

Of the 125,362.5521 hectares acquired, 44,247.6487 hectares were acquired through PLAS and 81,114.9034 hectares were land transferred to either individual beneficiaries or municipalities in accordance with the provisions of the LRAD, SPLAG, SLAG or COMG funding models.

Western Cape Provincial Land Reform Office (WCPLRO)

In the case of the WCPLRO the initial redistribution target of 154,107 hectares was revised to 60,000 hectares for the 2008/2009 financial year. This Office managed to redistribute a total of 18,637.2954 hectares, consisting of 19 projects and 1 719 beneficiaries. The WCPLRO was 41,362.7046 hectares short of meeting their target.

The 18,637.2954 hectares delivered were acquired through the LRAD and comprised of land transferred to either individual beneficiaries or municipalities in accordance with the provisions of the LRAD, SPLAG, SLAG or COMG funding models.

Region 2

Free State Provincial Land Reform Office (FSPLRO):

The initial FSPLRO target was to deliver 329,107 hectares of land. This target was revised to 74,285.0000 hectares for the 2008/2009 financial year. A total of 64,242.2805 hectares were delivered consisting of 98 projects and 144 beneficiaries. The FSPLRO was 10,042.7195 hectares short of meeting the revised target.

Of the 64,242.2805 hectares acquired a total of 55,514.9262 hectares were acquired through PLAS, while 8,727.3543 hectares were land transferred to either individual beneficiaries or municipalities in accordance with the provisions of the LRAD, SPLAG, SLAG or COMG funding models.

KwaZulu-Natal Provincial Land Reform Office (KZNPLRO)

The KZNPLRO had an initial target to deliver 180,000.0000 hectares which was revised to 72,975.0000 hectares. The Office managed to deliver 65,539.2310 hectares. This involved 115 projects and 9 449 beneficiaries. The KZNPLRO was 7435.7690 hectares short of meeting the revised target.

Of the 65,539.2310 hectares acquired, 6,010.7311 hectares were acquired through PLAS and 59,528.4999 hectares were land transferred to either individual beneficiaries or municipalities in accordance with the provisions of the LRAD, SPLAG, SLAG or COMG funding models.

Limpopo Provincial Land Reform Office (LPLRO)

In the case of the LPLRO the initial redistribution target of 94,093.0000 hectares was reduced to 40,800.0000 hectares, of which only 14,600.5791 hectares were delivered, resulting in a shortfall of 26,199.4209 hectares. A total of 73 projects were finalised to the benefit of 550 beneficiaries.

Of the 14,600.5791 hectares delivered, 2,392.3794 hectares were land acquired through PLAS, while 12,208.1997 hectares were land transferred to either individual beneficiaries or municipalities in accordance with the provisions of the LRAD, SPLAG, SLAG or COMG funding models.

North West Provincial Land Reform Office (NWPLRO)

The initial redistribution target of the NWPLRO was 142,107.0000 hectares. This target was reduced to 54,000.0000 hectares and the Office managed to deliver 52,868.3597 hectares, only 1,131.6403 hectares short of the revised target. A total of 30 projects were finalised, reaching 238 beneficiaries.

Of the 52,868.3597 hectares delivered, 46,636.5600 hectares were acquired through PLAS and 6,231.7997 hectares comprised of land transferred to either individual beneficiaries or municipalities in accordance with the provisions of the LRAD, SPLAG, SLAG or COMG funding models.

Strategic objectives	Outputs	Performance indicators	Actual performance against targets	
			Targets 2008/2009	Actual
Redistribution of 30% of white-owned agricultural land by 2014 for sustainable agricultural development	Productive white-owned agricultural land provided to black South Africans for sustainable agricultural development.	24.9 million hectares of productive white-owned land provided to 60 000 individual Black South Africans by 2014 (including PLAS and Labour Tenants)	1 500 000 ⁽¹⁾ (Revised target: 608 080)	443,600.4886 ⁽¹⁾
		Individual/beneficiaries	12 334	14 457
Provision of tenure security that creates socio-economic opportunities for people living and working on farms and in communal areas	Labour tenant claims settled in a manner that promotes their socio-economic development and social justice.	Number of labour tenant claims settled (households)	4 840	405
		Roll-out of Land Rights Management facility	Within 24 hours	Within 24 hours
	TRANCRAA implemented	Number of projects submitted to Minister for approval	10	0
	CLARA implemented in a manner that promotes social and economic development	Establishment of one Land Rights Board in each affected Province	June 2008	Not achieved ⁽²⁾

Strategic objectives	Outputs	Performance indicators	Actual performance against targets	
			Targets 2008/2009	Actual
Provision of land for sustainable human settlements	Land acquired for sustainable human settlements	Number of properties transferred to municipalities for integrated settlement	34	4
Provision of efficient State land management that supports development	State land proactively vested	Number of parcels submitted for confirmation of vesting in terms of Item 28(1) certificates within 30 days	2 370	3 137
	National State Land Administration Strategy developed	Availability date	June 2008	Not achieved ⁽³⁾

- (1) The original target of 1 500 000 hectares was revised to 608 060 hectares in order to align it with the actual budget allocation when it became apparent that the baseline allocation was not to be increased. Unfortunately the revised target could not be achieved due to various reasons such as the general escalation of land prices.
- (2) The court case on the Communal Land Rights Act, 2004 (Act No. 11 of 2004)(CLaRA) where four applicants brought an application in the Pretoria High Court to declare the provisions of CLaRA invalid and unconstitutional, has not been finalised. The matter was considered by the Court in October 2008, however judgment was reserved. The implementation of CLaRA depends on the outcome of this case. In the meantime, the Department held extensive consultation workshops in 2008 with various stakeholders.
- (3) The National Land Administration Strategy would have provided for vesting and disposal strategies, which would have been developed with internal capacity. The Directorate: Public Land Support Services became overstretched as a result of a backlog in vesting requests that had to be attended to, the analysis of State land audit data and the provision of assistance to the Land Claims Commission with claims on State land. The Strategy is currently being developed together with the National and Provincial Departments of Public Works. The disposal component of the strategy also has to be reconsidered.

Programme **6**

Purpose

Provide for national Land Use Management, Spatial Planning and Spatial Information Systems

Measurable objective

Provision of legislative, institutional and technical skills support to regulate land use management, spatial planning and spatial information management within the public and private sectors

Intended impact

More effective land use management systems, spatially equitable and efficient settlement patterns

Aim

The Chief Directorate: Spatial Planning and Information is responsible for establishing an effective and efficient system of spatial planning, land use management and a spatial information framework to support national development and land reform. The Chief Directorate is made up of the following sub-programmes:

- Management and Support Services: co-ordinates overarching projects of national

Spatial Planning & Information

strategic significance and provides management and administrative support to all units of the Programme.

- Spatial Planning and Information: creates better land use systems that are supported by spatial planning and spatial information.
- South African Council for Planners (SACPLAN): established in terms of the Planning Profession Act, 2002 (Act No. 36 of 2002), whose support is within the mandate of the Department.

Sub-programme: Management & Support Services

The aim of this sub-programme is to provide a management service, administrative and financial support, as well as to ensure the establishment of provincial offices and ensure coordination and alignment of functions between them and Head Office.

Since the functions of the Chief Directorate cannot be effectively executed without some degree of decentralisation to bring services closer to the intended beneficiaries, an additional five provincial offices were created. There are now spatial planning and/or spatial information services offices in all the provinces across the country to deliver on the mandate of the Chief Directorate.

Sub-programme: Spatial Planning & Information

Spatial Planning and Information is responsible for establishing, implementing and monitoring spatial, environmental and land use planning and management systems for the country. It is also responsible for the coordination and support of a national system for the management and exchange of spatially related information with strategic and operational perspectives.

Public hearings were held for the Land Use Management Bill (LUMB), with the amended version being presented and supported by the Portfolio Committee on Agriculture and Land Affairs. Although the Bill was scheduled to be debated in the National Assembly, this has not yet materialised and the Bill is still on hold in Parliament.

As required by the Planning Profession Act, 2002 (Act No. 36 of 2002), technical and financial support to the South African Council for Planners (SACPLAN) has been provided.

Furthermore, the functions of SACPLAN were reviewed to ensure compliance with the Act and a draft report in this regard is available.

Workshops were held in all provinces to obtain inputs from the public in respect of the proposed regulations to be issued in terms of the Spatial Data Infrastructure Act, 2003 (Act No. 54 of 2003). The inputs were considered and incorporated in a draft document which is currently being reviewed by a legal team, to ensure it is aligned to and meets the required standards. The appointment of new members to the Committee for Spatial Information is at an advanced stage. The appointment of nominated members has been approved and the names of members are to be gazetted.

The Consolidated Environmental Implementation Management Plan (CEIMP) report has been finalised. It was presented to and adopted by the Committee for Environmental Coordination (CEC) set up in terms of the National Environmental Management Act, 1998 (Act No. 107 of 1998).

Strategic objectives	Outputs	Performance indicators	Actual performance against targets	
			Targets 2008/2009	Actual
Provision of efficient land use and land administration services	Develop, implement and monitor legislation, regulations and guidelines	Land Use Management Act (LUMA) regulations developed	December 2008	Not achieved. Public hearings on the Land Use Management Bill (LUMB) were held in July 2008 and these informed amendments to LUMB which were presented to the Portfolio Committee on Agriculture and Land Affairs. The Portfolio Committee supported the Bill and although it was scheduled for debate in the National Assembly, this did not materialise. The Bill is currently on hold in Parliament. The regulations can only be finalised once Parliament has adopted the Bill.
		Spatial Data Infrastructure Act (SDI) regulations developed	December 2008	Not achieved. The draft regulations in terms of the Spatial Data Infrastructure Act, 2003 (Act No. 54 of 2003), are currently being edited for legal compliance before formal publication for public comments.
		National Geographic Information Systems (GIS) Strategy developed	November 2008	Not achieved. Due to capacity constraints, it was decided to outsource the drafting of the strategy. Two briefing sessions were held but no suitable service provider could be found during the evaluation of proposals. The strategy is now being developed in-house.
		Spatial MetaData Discovery (SMD) portal established	November 2008	Achieved. The project has reached the final stage of Beta testing and is to be deployed to provinces.

Strategic objectives	Outputs	Performance indicators	Actual performance against targets	
			Targets 2008/2009	Actual
Provision of efficient land use and land administration services (continued)	Develop, implement and monitor legislation, regulations and guidelines (continued)	National land use monitoring framework developed	November 2008	Target partially achieved. The Settlement Growth Patterns (SGP) project is being reviewed. There is a need to capture the study results in GIS format. The SGP will form part of the envisaged framework, with three pilot cities chosen to update the study. Information is still being obtained and the relevant mapping is being compiled. The terms of reference for the Land Use Monitoring Framework were developed.
	Provide technical skills and services at provincial and municipal level	Establish offices in the five remaining provinces	February 2009	Additional offices were established in the Free State, Western Cape, North West, Gauteng and Mpumalanga.
		Formulation of Spatial Development Frameworks (SDFs) and Land Use Management Systems (LUMS) supported	Comply with IDP cycles	Target achieved. <ul style="list-style-type: none"> Evaluated two LUMS for Thembisile and Dr J S Moroka municipalities. Evaluated SDFs for Dipaliseng, Mkhondo, Vhembe district, Maruleng, Fetakgomo, Lepelle Nkumpi, Aganang, Sekhukhune, Elias Motsoaledi, Makhudu Thamaga, Giyani, Molemole, Greater Letaba and Lekwa municipalities. Evaluation of SDF for Albert Luthuli and Pixley ka Seme municipalities carried out. Currently providing technical support in respect of the development of the Gert Sibande district municipality, Lephalele, Mogalakwena and Blouberg municipalities. Participated in the Nkangala district municipality, Gert Sibande district municipality and Ehlanzeni district municipality's IDP assessment process. Terms of reference have been developed to assist the Ingquza Hill local municipality with its SDF.
	GIS capacity building in municipalities supported	11 months from inception	Target achieved. <ul style="list-style-type: none"> GIS implementation in Sekhukhune district municipality: user needs analysis developed. Assisting Bushbuckridge and Dipaleseng in the development of GIS as part of the SDF support. Spatial data is available via the spatial data warehouse; update ArcGIS Server software to the latest service pack. Spatial data is available as a web service over the intranet. A training manual is being developed in support of the GIS in Schools project. Participation and contribution to GIS forums. 	



Programme 7

Purpose

To provide efficient land use and land administration services.

Measurable objective

To provide a high quality deeds registration system whereby secure titles are registered and speedy and accurate information is provided.

Service delivery objectives & indicators

The Microfilm Camera Replacement Project was completed and day-to-day scanning is now being done in all Deeds Registries. This had a considerable reduction in the delivery of registered deeds from three months to 14 days. The server storage for the Deeds Registries at Kimberley, Vryburg and Umtata was upgraded to accommodate the day-to-day scanning.

The progressive introduction of e-Cadastre which is aimed at reducing deeds registration turnaround times will be implemented over the MTEF period. A phased approach will be followed which includes the implementation of an enterprise architecture which will ultimately result in the consolidation of

Deeds Registration

cadastral and deeds data stores and the back-scanning of all the paper records, for purposes of the digitisation of the archives. The project has been put on hold due to the unavailability of funds. Server storage will also be upgraded to accommodate the increase in records as a result of the back-scanning. This project will also facilitate the rationalisation of the areas of jurisdiction for the Deeds Registries of Pretoria, Limpopo, Cape Town, Umtata, Vryburg and Kimberley.

Core functions

The core functions of the Chief Directorate: Deeds Registration and the 10 Deeds Registries are as follows:

- To register real rights in land
- To maintain a public land register
- To provide registration information
- To maintain an archive of registration records

The details regarding these functions are as follows:

Registration of land & real rights in land

The Deeds Registries Act, 1937 (Act No. 47 of 1937), and the Sectional Titles Act, 1986 (Act No. 95 of 1986) require 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. In addition, examiners ensure that appropriate effect is given to Orders of Court, caveats and interdicts recorded in the Deeds Registry, where applicable. Security of title is not guaranteed by law in South Africa. Instead, the

system of examination described above, together with the checks and balances which form an integral part of the registration system, provide the holder of a title deed registered in a South African Deeds Registry with an indisputable right which is recognised and respected by the Courts, financial institutions and the public at large.

Total number of registered land parcels on the Deeds Registration System database

Deeds Registry	Township Erven	Sectional Title Units	Agricultural Holdings	Farms	Total
Pretoria	1 609 429	262 916	42 562	168 258	2 083 165
Cape Town	1 781 335	211 210	0	139 683	2 132 228
Johannesburg	982 270	149 880	0	0	1 132 150
Pietermaritzburg	919 833	153 354	0	92 543	1 165 730
Bloemfontein	556 931	29 195	7 038	60 426	653 590
Kimberley	86 144	831	1 153	5 110	93 238
King William's Town	189 497	6 934	0	11 687	208 118
Vryburg	86 551	696	4 100	10 593	101 940
Umtata #	66 893	22	0	2 137	69 052
Mpumalanga	448 910	12 895	3 757	44 926	510 488
As at 31 March 2009[§]	6 727 793	827 933	58 610	535 363	8 149 699
As at 31 March 2008	6 594 505	777 094	58 877	531 160	7 961 636

Database not complete – still under construction.

§ The increase in land parcels varies due to subdivisions, consolidations and new buildings registered in different Deeds Registries.

Provision of registration information

- Section 7 of the Deeds Registries Act obliges a Registrar of Deeds to permit any person, upon payment of the prescribed fees, to inspect the public registers in a Deeds Registry and to make copies of records of such Registry.
- The Deeds Registries' electronic information system, DeedsWeb, provides electronic access to registration information from anywhere in the world via the internet.

The demand for registration information continues to increase. During the 2008/2009 financial year, a total of 17 384 105 electronic information requests were processed by the Chief Directorate's information systems. This amounts to a 6,71% increase in requests from the previous financial year.

DeedsWeb information searches

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
2007/2008	1 166 390	1 508 408	1 295 332	1 421 897	1 436 034	1 227 071	1 499 978	1 421 741	1 179 351	1 290 082	1 496 348	1 348 735
2008/2009	1 417 205	1 388 697	1 521 577	1 482 184	1 390 761	1 428 267	1 551 975	1 344 895	862 585	1 182 907	1 382 676	2 430 376

Document Copy System (DCS) & Image Copy System (ICS) requests

		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
DCS	2007/2008	16 339	21 846	11 617	20 382	21 517	12 962	17 487	12 507	7 205	6 742	8 601	7 038
ICS	2007/2008							7 430	11 128	2 271	4 662	6 006	6 154
TOTAL	2007/2008	16 339	21 846	11 617	20 382	21 517	12 962	24 917	23 635	9 476	11 404	14 607	13 192

		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
DCS	2008/2009	7 401	6 741	7 303	9 242	9 050	8 608	9 285	7 402	4 844	5 098	8 148	8 697
ICS	2008/2009	6 045	6 300	7 856	9 581	9 555	10 336	11 644	10 146	6 715	9 374	11 090	11 542
TOTAL	2008/2009	13 446	13 041	15 159	18 823	18 605	18 944	20 929	17 548	11 559	14 472	19 238	20 239

Strategic objectives	Outputs	Performance indicators	Actual performance against targets	
			Targets 2008/2009	Actual
Provision of efficient land administration services	Secure title to real rights In land	No of days after lodgement when registerable deeds and documents are available for registration	Not more than 10 days	Pretoria - 76% available in 10 days Cape Town - 87% available in 10 days Johannesburg - 93% available in 10 days Pietermaritzburg - 97% available in 10 days Bloemfontein - 98% available in 10 days King William's Town - 99% available in 10 days Kimberley - 97% available in 10 days Vryburg - 96% available in 10 days Umthatha - 94% available in 10 days Mpumalanga - 90% available in 10 days
		No of days after registration when registered deeds/ documents are delivered	Not more than 15 days	Pretoria - 79% available in 15 days Cape Town - 39% available in 15 days Johannesburg - 94% available in 15 days Pietermaritzburg - 78% available in 15 days Bloemfontein - 97% available in 15 days King William's Town - 97% available in 15 days Kimberley - 99% available in 15 days Vryburg - 100% available in 15 days Umthatha - 100% available in 15 days Mpumalanga - 84% available in 15 days
		Number of deeds and documents challenged in court	Nil	No deeds have been challenged in court.
	Expedited registration for land reform and housing beneficiaries	No of days after lodgement when registerable deeds and documents are available for registration	Not more than 5 days	4 days
	A transformed cadastre	% Implementation of Cadastral Reform Plan	50%	A tender for the design of an enterprise architecture, the consolidation of cadastral and deeds data stores, and the back-scan of all the paper records in order to digitise all records was advertised. The project has been put on hold due to the unavailability of funds.
		Consolidate data and digitise in preparation for e-Cadastre	25%	
		% Implementation of PLOF policy	50%	
	Deeds services provided to the people at point of need	Operational deeds registry per province	Limpopo	Accommodation secured in the current Surveyor-General Offices. Awaiting approval of structure.

Strategic objectives	Outputs	Performance indicators	Actual performance against targets	
			Targets 2008/2009	Actual
Provision of efficient land administration services (continued)	Deeds services provided to the people at point of need (continued)	Deeds Registration areas of jurisdiction well aligned with provincial boundaries	North West – 100% Eastern Cape – 25% Northern Cape – 25%	A tender for the design of an enterprise architecture, the consolidation of cadastral and deeds data stores, and the back-scan of all the paper records in order to digitise all records was advertised. The project has been put on hold due to the unavailability of funds.
Participation in land and agrarian reform activities and programmes aimed at consolidating the African Agenda	Providing support to SADC countries with their land registration systems	Number of countries supported	2	Training course presented to delegates from Botswana Deeds Registry. Course on SA Registration System presented to delegates from Malawi.
Development of programmes for empowerment of women, children, people with disability and those living with HIV/Aids as well as older persons within the context of the Department's mandate	Empowered members of vulnerable groups	% Implementation of empowerment strategies	100%	19 interns empowered 41 appointees empowered in terms of Project Vhatsutsumi.
Development of proactive strategies for risk and compliance management	Viability and management of the Deeds Trading Account	% of billing amount paid	90% of the billing amount paid	93% of the current year billing amount paid.
		Audit findings	No significant matter on the audit report	The Directorate: Internal Audit commenced with the audit. However, the outcome of the Auditor-General report will also have to be taken into account.





land affairs

PART 3 REPORT OF THE AUDIT COMMITTEE

3



land affairs

Department:
Land Affairs
REPUBLIC OF SOUTH AFRICA





We are pleased to present our report for the financial year ended 31 March 2009.

Audit Committee members & attendance

The previous and current Audit Committees for the year under review ("the Committees") was constituted in terms of section 38 of the PFMA and Treasury Regulation 3.1.2, and consisted of three and four external members respectively. In accordance with its approved charter, the Audit Committee has to meet at least four times per annum. A total of five meetings were held during the year under review.

The following persons were members of the previous Committee:

Name of member	Number of meetings attended
Ms R Van Wyk (Chairperson)	3
Ms D Ndaba	3
Mr G Witthöft	3

The following persons are members of the current Committee:

Name of member	Number of meetings attended
Mr K Buthelezi (Chairperson)	2
Ms B Kunene	2
Mr L Mangquku	2
Ms R Mlonzi	0

The term of office of all the members of the previous Committee expired on 31 August

2008, and the current Audit Committee has been appointed as from 1 September 2008.

Audit Committee responsibility

The Committee has adopted appropriate formal terms of reference as contained in its Audit Committee Charter in line with the requirements of section 38(1)(a) of the Public Finance Management Act, 1999 (Act No.1 of 1999) and Treasury Regulations 3.1. The Committee has regulated its affairs in compliance with this charter and has discharged its responsibilities as contained therein.

The effectiveness of internal control

In line with the PFMA requirements, the Directorate: Internal Audit provides the Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, comprehensive internal audits, as well as the identification of corrective actions and suggested enhancements to the controls and processes.

The system of internal control was not entirely effective for the year under review. Deficiencies in the system of internal control and/or deviations therefrom were reported by the internal auditors and the Auditor-General



South Africa. In certain instances, the matters reported previously have not been fully and satisfactorily addressed.

The Audit Committee has noted with concern the issues raised in the report of the Auditor-General. The Audit Committee has tasked management to prepare a comprehensive plan to indicate how the Department will address the issues and report progress regularly to the Committee. Management has embarked on the process of addressing these issues with immediate effect, these include *inter alia*:

- Verification of performance information against the Department's business plan and Branch business plans.
- Physical verification of assets against the asset register.

The delays in receiving management comments on internal and external audit reports have been noted by the Audit Committee and management has made a commitment to address these shortcomings.

The Committee has noted the improvement of the overall reporting of the Department which has enabled the Audit Committee to fulfill its oversight role on audit, risk and overall governance processes.

Evaluation of financial statements

The Committee has

- Reviewed and discussed the Department of Land Affairs and Deeds Registration Trading Account's annual financial statements to be included in the annual report, with the Auditor-General South Africa, the Accounting Officer and management;

- Reviewed the Auditor-General's management letters and management's response thereto;
- Reviewed and discussed the reports and audit opinions of the Auditor-General with the Auditor-General and management;
- Reviewed possible changes in accounting policies and practices; and
- Reviewed significant adjustments resulting from the audit.

We concur with and accept the Auditor-General of South Africa's reports on the Department of Land Affairs and Deeds Registration Trading Account's annual financial statements, and are of the opinion that the audited annual financial statements should be accepted read together with the reports of the Auditor-General South Africa.

Internal Audit

We are satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the Department in its audits. Internal Audit has made significant progress with audits conducted in terms of its three-year rolling plan, as well as with the forensic and special investigations that were performed in addition to the plan. Capacity building is still posing a challenge to the internal audit function and therefore co-sourcing has been used as an interim measure.

Auditor-General South Africa

We have met with the Auditor-General South Africa to ensure that there are no unresolved issues.



Mr K Buthelezi
Chairperson of the Audit Committee
Date: 31 July 2009



PART 4

ANNUAL FINANCIAL
STATEMENTS

4

land affairs



land affairs

Department:
Land Affairs
REPUBLIC OF SOUTH AFRICA



Report of the Accounting Officer

FOR THE YEAR ENDED 31 MARCH 2009

1. General review of the state of financial affairs

1.1 Important policy decisions and strategic issues facing the Department

The Proactive Land Acquisition Strategy [PLAS]

The Department introduced the Proactive Land Acquisition Strategy (PLAS) during the 2006/2007 financial year. The PLAS provides for the acquisition of strategic land in terms of location and quality and is held by the State whilst the prospective beneficiaries are either being screened or still being identified. As the land temporarily becomes a State asset, the Department becomes obliged to manage it in a manner consistent with the provisions of the Public Finance Management Act, 1999 (Act No. 1 of 1999).

A number of accounting challenges arose during the 2006/2007 and 2007/2008 financial years, which resulted in the Department receiving a qualified audit on PLAS assets during the 2007/2008 financial year. This resulted, in the main, from the

absence of proper financial and accounting systems and also from the lack of clarity in the legislation regarding the powers of the Minister. The Department consequently initiated legislative amendments which resulted in the amendment of the Provision of Land and Assistance Act, 1993 (Act No. 126 of 1993), through the promulgation of the Provision of Land and Assistance Amendment Act, 2008 (Act No. 58 of 2008) which came into operation on 9 January 2009.

The significance of the amendments is that they clearly empower the Minister to acquire property, maintain and improve such property. This makes it possible for the Minister to transfer economically viable enterprises to land reform beneficiaries in order to afford them a reasonable chance to succeed. The amendments also provide for the establishment of a Trading Entity which shall maintain separate and itemised financial accounts and accounting records in respect of each agricultural enterprise or separately administered portion of immovable property which it acquires, manages, disposes of, or leases.

The Trading Entity is in the process of being established and will consist of the relevant financial management systems related to accounting for the assets. This will assist the Director-General in dealing with the accounting weaknesses that led to the qualification.

Finalisation of the restitution claims

Although the Commission on Restitution of Land Rights (the Commission) has managed to settle almost all urban claims, the challenge of finalising the remaining predominantly rural claims remains. The remaining claims are costly and complex in nature, and to this end, the Commission has realised that it will not be in a position to wind down operations during the current Medium Term Expenditure Framework. Proposals have already been submitted for an increased baseline in order to meet the remaining financial obligations.

Non Compliance with applicable legislation: Public Finance Management Act [PFMA] and Treasury Regulations [TR]: Section 76(4)(b) of the PFMA and Chapter 8.2.3 of TR

Accruals

The Deeds Registration Trading Account reported a foreseeable deficit as a result of a drastic drop in revenue. The Department took appropriate steps to address the deficit by transferring an amount of R54,8 million to augment the deficit. This has resulted in non-payment of the accrual as disclosed in note number 22 of the Annual Financial Statements amounting to R19,9 million. The transfer of funds was approved by National Treasury.

Fruitless and wasteful expenditure

Fruitless expenditure of R4.8 million which was incurred in the 2007/2008 financial year was discovered after the reporting date through internal investigations. This amount has been disclosed in the financial statements as fruitless and wasteful expenditure. The matter is in the process of finalisation and will thereafter be referred to the human resource management and legal services components for the implementation of disciplinary procedures against the relevant officials.

Irregular expenditure

As disclosed in note number 26 of the Annual Financial Statements, irregular expenditure amounting to R74.96 million was incurred as a result of Parliament not retrospectively approving the amendments to the Provision of Land and Assistance Act, 1993 (Act No. 126 of 1993). The former section 10(1)(a) of the Provision of Land and Assistance Act, 1993, empowered the Minister to acquire land only. The Department had acquired assets other than land through the Pro-Active Land Acquisition Strategy. As these purchases did not constitute subsidies or advances to beneficiaries, it fell outside the mandate provided by the said Act.

1.2 Significant events that have taken place during the year

1.2.1 Vacant Posts

The Department has not had a permanent Chief Financial Officer (CFO) since 1 October 2007. There is currently an acting CFO while the posts of Chief Director: Financial Management and Director: Financial Administration are also vacant. The process of filling these posts is under way.

1.2.2 VPN Implementation

The Department has successfully migrated its Wide Area Network (WAN) services from the SITA shared GCCN network to a much more secured Telkom Virtual Private Network (VPN) in January 2009.

The main objective of this WAN services migration was to enable the Department to control and manage its own WAN services to enable pro-active WAN monitoring as well as bandwidth management through quality of services which the Department could not previously implement on the SITA network as it is shared with other government departments.

1.3 Major projects undertaken or completed during the year

Amended Structure of the Department

As reported in the previous financial year, the Department has successfully finalised the development of an amended organisational structure. The structure was approved by the previous Minister for Agriculture and Land Affairs and was supported by the Department of Public Service and Administration. It is foreseen that the amended structure, once implemented, will contribute to the acceleration of land reform.

1.4 Budget Allocation

The Department's approved budget for the 2008/2009 financial year, including adjustment estimates, amounted to R6,659 billion (compared to R5,928 billion in 2007/2008), representing an increase of 12% from the previous year's adjusted budget. Approximately 89% of the total budget is allocated to the Land & Tenure Reform and Restitution branches as capital budget for land acquisition and related matters.

1.5 Spending Trends

The Department has managed to spend 99.9% of the adjusted budget (2007/2008: 99.5%).

The following table indicates a synopsis of the overall Departmental performance:

	2008/09 R'000	2007/08 R'000
Final appropriation	6,66 billion	5,93 billion
Expenditure	6,66 billion	5,90 billion
Spending as a percentage of appropriation	99,9%	99,5%
Unspent funds	4,7 million	30,8 million
Unspent funds as a percentage of appropriation	0,1%	0,5%

The commendable spending performance of R6,66 billion is largely attributable to the initiatives put in place to fast-track the settlement of restitution claims, as well as the acquisition of land at large scale through PLAS for redistribution purposes.

Throughout the year the financial performance of the Department was closely monitored by the Strategic Management Committee of the Department. Early warning systems were also put in place to monitor spending.

Spending per Programme

	2007/08 Financial year			2008/09 Financial year			
	Final appropriation R'000	Spending 31/03/2008 R'000	Spent %	Final appropriation R'000	Spending 31/03/2009 R'000	Variance R'000	Spent %
Programme 1	426,554	424,994	99,6%	453,442	453,316	126	99,9%
Programme 2	98,085	97,257	99,1%	72,044	71,875	169	99,8%
Programme 3	137,937	137,616	99,7%	116,384	116,306	78	99,9%
Programme 4	3,638,611	3,638,465	100%	3,124,781	3,122,148	2,633	99,9%
Programme 5	1,593,471	1,571,073	98,6%	2,800,713	2,799,539	1,174	99,9%
Programme 6	22,018	21,836	99,1%	34,834	34,256	578	98,3%
Programme 7	11,593	6,256	53,9%	57,198	57,196	2	100%
Total	5,928,269	5,897,497	99,5%	6,659,396	6,654,636	4,760	99,9%

Virement:

The virement within the Department are as follows in R'000

Shift from	Shift to	Amount R'000
1. Administration	7. Auxiliary and Associated Services	15,161
2. Surveys and Mapping	1. Administration	658
2. Surveys and Mapping	3. Cadastral Surveys	1,063
2. Surveys and Mapping	7. Auxiliary and Associated Services	8,579
3. Cadastral Surveys	7. Auxiliary and Associated Services	3,322
4. Restitution	1. Administration	4,266
4. Restitution	5. Land Reform	8,000
4. Restitution	7. Auxiliary and Associated Services	17,859
5. Land Reform	4. Restitution	4,752
5. Land Reform	7. Auxiliary and Associated Services	8,141
6. Spatial Planning and Information	7. Auxiliary and Associated Services	1,752
7. Auxiliary and Associated Services	1. Administration	7,780

The shifting of funds is mainly attributable to the augmentation of the budget in Auxiliary and Associated Services for the Deeds Registration Trading Account and the reclassification of expenditure for PLAS under Programme 5: Land Reform. Funds were also shifted to Programme 4: Restitution to settle outstanding claims, to address over-expenditure under Programme 1: Property Management and Programme 3 to address a shortfall under compensation. The virement was approved by the delegated authority in accordance with Treasury Regulations and Public Finance Management Act, 1999.

Services rendered by the Department

In line with its Service Delivery Commitment Charter and mandate, the Department provides the following services:

- Provision of access to land
- Provision of rights in land
- Settlement of land claims
- Provision of settlement support
- Production and supply of maps
- Maintenance of the national control survey network
- Registration of deeds
- Supply of deeds registration information
- Provision of spatial planning services
- Approval of diagrams, general plans and sectional plans for registration in a deeds registry

- Tariff policy
- Tariffs for deeds registration, sale of maps and related services are reviewed annually with the aim of recovering supplier costs.

Free services

The Department provides Map Trix Kits, Map Work Teaching Aids and Map Packs to the Department of Education for distribution to disadvantaged schools that teach Geography.

Inventories

- The consumable inventory of the Department consists mainly of stationary and printing material. The total value of the closing balance as at 31 March 2009 was R1,5 million (2007/2008 R2,5 million).
- The other main inventory consists of maps produced by the Surveys and Mapping Programme which are sold to the public and other government departments. The total value of the balance of maps on hand as at 31 March 2009 was R2,3 million (2007/2008: R2,7 million).

2. Capacity constraints

The attrition rate for employees as at March 2009 was 10.09% per annum. The reasons most often cited for leaving the Department are:

- Better career opportunities;

- a lack of career mobility (often resulting in job-hopping); and
- a lack of employment flexibility.

As it is a challenge to source certain critical skills from the external market, the Department improved its recruitment strategy to ensure that the best skills are recruited and retained. This contributed towards reducing the staff turnover rate.

The Department still faces challenges in addressing issues of representivity in areas that require specialised occupational categories such as surveying, mapping, statistical analysis and land planning. The biggest challenge in this regard is to offer competitive salaries that will attract these individuals. Several initiatives have been put in place to address this challenge, including:

- A bursary programme for the recruitment of prospective employees;
- entering into Memoranda of Understanding with tertiary institutions i.e. Faculties of Engineering and the Built Environment;
- training and development programmes through continued specialisation and diversity within the sub-disciplines of the surveying profession;
- the provision of opportunities for experimental learning; and
- a retention strategy.

The Department will design a succession plan aimed at addressing the shortage of critical skills to ensure the appropriate replacement of key staff.

3. Utilisation of donor funds

The balance of R1,85 million of the funds received from the Belgium Technical Assistance for Land Restitution for post settlement and development support purposes was spent. Under the Aid Assistance Fund, R3,11 million was spent during the year leaving a debit balance of R1,2 million.

4. Trading entities & public entities

4.1 Trading entities – Registration of Deeds Trading Account

The main purpose of the Deeds Registration Trading Account is to finance the operating costs of the various Deeds Registries responsible for the registration of conventional bonds, sectional titles and leaseholds.

The main source of funding is fees charged on the registration of deeds and on the sale of deeds information. Any deficit is accounted for by the Department as a sub-programme under Programme 7: Auxiliary and Associated Services.

The total audited revenue generated for the year under review is R309,7 million which is 26% less than the audited R418,9 million in 2007/2008. The decrease in revenue is mainly attributable to the decrease in bond registration and transfer of property. The actual expenditure for the year under review is R367,6 million which is only 3% higher than the previous year. This increase is mainly attributable to the credit note received as disclosed on note 20 of the Annual Financial Statements and the increase in legal expenses. During the year under review an amount of R54,8 million

was received from the Department to augment the projected deficit. The actual deficit was R53.0 million. The balance of R1,8 million was disclosed in the statement of financial position as Deferred Revenue and will be used to fund projected deficit for the financial year 2009/2010.

4.2 Public entities

Inala Farms

Inala Farms (Pty) Ltd is a property company founded by the Department to provide financial assistance in the form of a loan to certain land reform beneficiaries. To this end, the Department acquired land measuring 1 483 hectares in extent for R16,11 million on behalf of the beneficiaries with the view that the latter would buy the property once the operations company is self sustaining. The operations of this project were conducted through Inala Farming Company (Pty) Ltd (Opco). The workers, who are beneficiaries, formed a trust and acquired 25% of the shares in Opco financed through land acquisition grants. The acquired land was held in Propco, with the Department being the sole shareholder. However, the Department's shareholding was subsequently reduced to 75% when the former Managing Director exercised his share option acquiring 25% shareholding. Operations are continuing satisfactorily with the beneficiaries still on the farm.

The Regional Land Claims Commission: Mpumalanga is in the process of purchasing certain claimed properties from Inala Farms for the purpose of settling restitution claims lodged by the Matsamo Community. Deeds of sale have been signed.

Ingonyama Trust

The Ingonyama Trust Board was established in terms of the KwaZulu-Natal Ingonyama Trust Act, 1994 (Act No. 3 of 1994). The primary objective of the Trust is to manage the administration of approximately 2.7 million hectares of land spread throughout the KwaZulu-Natal Province. The core business of the Trust is to manage the land for the material benefit and social well-being of the individual members of the relevant tribes.

The Board is supported in its day-to-day activities by a full time Secretariat. The Secretariat's work consists of the following categories:

- Real estate management;
- financial management; and
- general administration.

The Board meets every six weeks to formulate and review policy related matters and to consider the approval of land rights for new development. The Board's Annual Report for the 2008/2009 financial year was drafted and submitted for approval.

During the year under review an amount of R2 492 000 was transferred by the Department as a transfer payment to the Board for the management of the Trust. The full amount was used during the year.

5. Transfer payments

Transfer payments are made in the form of advances to municipalities who are appointed as implementing agents by the Department. This cooperative arrangement serves to facilitate the implementation of land reform and restitution

projects through the conclusion of agency agreements. These advances are only recognised as expenditure by the Department once the benefit has accrued to the relevant beneficiaries.

A firm of attorneys, Cheadle Thompson and Haysom Incorporated (CTH), was appointed to coordinate legal representation for farm dwellers that are either evicted or threatened with eviction. This is done across the country through the management of a panel of attorneys. To limit the risk of not paying the attorneys' accounts in time, it was necessary to make advance payments to CTH. These advances are invested in an interest bearing account and interest earned is disclosed and paid to the Department.

6. Public private partnerships (PPP)

The National Office PPP gained new momentum during the period under review. The Berea site has been purchased by the Department of Public Works and the site handover is in process. The feasibility study was approved by National Treasury in September 2008 and the Request for Qualification (RFQ) was issued later that month. The RFQ was evaluated and three bidders have been shortlisted to receive the Request for Proposal (RFP) document. The world financial crisis led to National Treasury issuing amendments to be included in the RFP and this process is under way.

7. Corporate governance arrangements

7.1 Risk management

Risk management in the Department is incorporated in the strategic planning process and quarterly review and assessment meetings of the Department. Due to the fact that the post of risk manager was vacant for some time, the Directorate: Internal Audit assisted in providing the risk management service to the Department. During the year under review, process risk registers were prepared. The risk manager was appointed in July 2008 however risk registers could not be prepared for the entire Department due to capacity constraints.

The Risk and Compliance Committee has been established to review and consider all the relevant policies and the risk profile of the Department. The Committee consists of the Director-General as chairperson, all Deputy Directors-General and certain other senior managers. Delegations are appropriately cascaded to relevant managers, while non-compliance issues are duly reported and addressed by the Chief Financial Officer and the Accounting Officer.

7.2 Fraud prevention policies

As part of the fraud prevention initiatives, the Department continuously conduct awareness workshops involving all the employees. The Department has an active fraud and anti-corruption hotline that is hosted independently from the Department. Cases reported to this hotline are monitored and investigated.

The authenticity of service providers is carefully verified following all the supply chain management processes before a contract is awarded. Other fraud prevention initiatives include the use of Departmental committees such as the Bid

Adjudication and Evaluation Committees, the Information Technology Committees and the Transport Committees for decision making. It is however realised that due to the nature of decentralised services, particularly around supply chain management, the fraud prevention strategies need regular improvement. This includes the continuous training of supply chain management practitioners, the signing of a supply chain management code of conduct by such practitioners and all managers, fraud awareness workshops and updated fraud risk registers.

7.3 Effectiveness of Internal Audit Function & Audit Committee

Internal Audit provided assurance services and improved the Department's systems of internal controls through effective internal auditing. The three-year strategic rolling and annual internal audit plans were adopted by the Audit Committee in the first quarter of the financial year. Internal Audit executed the projects of the annual audit plan as well as forensic investigations. A total of 31 forensic investigation cases were reported to the Department. Of these, 12 investigations were finalised by the end of the financial year.

Internal Audit experienced challenges with capacity building and outsourced certain projects. They also assisted in the risk management function of the Department during the first quarter of the financial year.

The Audit Committee is in place and functions effectively as required by the Public Finance Management Act, 1999 and Treasury Regulations. The current Audit Committee assumed its duties in September 2008. There were five Committee meetings during the 2008/2009 financial year (including meetings of the previous Audit Committee).

7.4 Management process for minimising conflict of interest

All senior managers of the Department are compelled to annually declare their financial interests to the Minister. It is furthermore a requirement for members of the Bid Evaluation and Bid Adjudication Committees to declare their possible interests before they are allowed to participate in bid processes. Supply chain management practitioners are continuously reminded about their code of conduct and are provided with the relevant training in this regard.

7.5 Safety, health & environmental issues

The Directorate: Security Management Services is responsible for ensuring the implementation of safety and security standards and services throughout the Department. This includes physical, document, communication, computer and surveillance security. This is done to ensure a healthy and safe working environment.

During 2008/2009 the Directorate focussed mainly on improving physical security measures by standardising security operations for all Departmental offices. Physical security measures such as automated access control and CCTV camera systems were installed at certain Departmental offices.

The Department also maintains an effective fumigation and cleaning plan throughout the year and all buildings are fumigated on a quarterly basis.

8. Discontinued activities

The Department did not have any discontinued activities during the year under review.

9. New proposed activities

Due to the amendment of the Land Reform: Provision of Land and Assistance Act, 1993 (Act No. 126 of 1993), the Department is in the process of creating a trading entity to manage all activities relating to PLAS.

10. Asset management

10.1 Departmental & PLAS assets

The capital and non-capital assets that were procured during the 2008/2009 financial year were captured on the BAUD Asset Register. Compliance with the minimum requirements of PLAS has been achieved, while compliance with the Asset Management Reforms (AMR) milestones was also achieved.

10.2 Immovable assets

In 1994 the Department of Land Affairs inherited immovable properties which were formerly vested in the South African Development Trust (SADT), Self-governing Territories (Qwaqwa, Lebowa, KaNgwane, GaZankulu and KwaNdebele) and the independent States (Transkei, Bophuthatswana, Venda and Ciskei).

The said immovable properties currently comprises of 8 479 land parcels which translates into 1 428 535.2198 hectares of land that previously belonged to the mentioned independent States. It further comprises of 12 009 land parcels which translates to 7 335 935.3090 hectares of land that previously belonged to the Self-governing Territories and the SADT.

A further 15 237 parcels of land have been surveyed but not yet registered in the Deeds Registries. These land parcels collectively account for 5 436 128.0477 hectares. The Department's total immovable property portfolio therefore remains at 35 725 land parcels which translates into a total of 14 200 598.5765 hectares. This total figure will fluctuate as properties under the custody of the Department get vested and transferred to other spheres of government or are disposed to private parties, as well as when unsurveyed land is surveyed and registered in the name of the National Government and placed under the custody of the Department.

As the immovable property concerned was acquired prior to 1999, it has been disclosed at a value of R1.00 per land parcel. This in turn means a total value of R35 725.

The extent and value of the immovable property referred to above is accounted for in an Immovable Asset Register. The said register is however incomplete since there remains a lot of unsurveyed land in the former Self-governing Territories and Independent States. This land has recently been identified and maps have been produced to help facilitate the surveying process. This is however a complicated process since all State domestic facilities located on such land need to be identified and surveyed to ensure vesting in the correct sphere of government in compliance with section 239 of the Constitution of the Republic of South Africa, 1993 (Act No. 200 of 1993) and item 28(1) of Schedule 6 to the Constitution of the Republic of South

Africa, 1996 (Act No. 108 of 1996). This is a real challenge since custodian departments are experiencing resource related challenges. Unless this situation changes, auditors will continuously express a qualified opinion on the completeness of the Immovable Asset Register of the Department as these properties cannot be vested until they are surveyed.

The Department has also noticed that the Immovable Asset Register is not completely accurate since certain properties which have been vested in and transferred to provincial departments, municipalities and private persons have not yet been removed from the register as a result of certain internal control weaknesses. This will be addressed before the end of the 2009/2010 financial year.

11. Events after the reporting date

The name of the Department has changed from Land Affairs to Rural Development and Land Reform.

Appointment of a new Minister & Deputy Minister

Mr G Nkwinti was appointed as the Minister of Rural Development and Land Reform, and Dr J Phaahla was appointed as the Deputy Minister.

Forensic investigation

There was a forensic audit investigation on PLAS projects after the year-end which is still to be finalised. As recommended by the investigators, fruitless and wasteful expenditure was disclosed on the Annual Financial Statements as a post balance sheet event on the disclosure note.

12. Performance information

The operational and financial performance of the Department is monitored through various structures such as the Strategic Management Committee which meets every third week, Top Management meetings which are held every second month and the Quarterly Review and Assessment meetings.

The Directorate: Monitoring and Evaluation plays a pivotal role in synthesising all the performance reports of the Department's Branches and provides comprehensive overviews of the Department's performance to the Director-General and senior management structures. These performance reports are kept as authentic reports for inclusion in the Annual Financial Statements and for the assessment of individual managers.

Performance agreements and work plans are monitored by the Directorate: Human Resource Management while performance assessments are conducted quarterly for junior staff and annually for senior managers.

13. Standing Committee on Public Accounts (SCOPA) Resolutions

There were no SCOPA resolutions in respect of the Vote and the Deeds Trading Account.

14. Prior modifications to audit reports

Qualification

Rental Revenue Receivable – Leased Land

The Department has approved policies on Surveyor-General debtors and Lease Revenue Management. A reconciliation of lease debtors was performed.

The Department is still experiencing certain challenges in respect of the Powers of Attorney. The Department has liaised with all the Provincial Departments of Agriculture during the year under review and has undertaken an intensive process of manually compiling a register of all land managed through the Powers of Attorney.

The collection of revenue remains a challenge. There are still certain fundamental principle issues regarding the funding and maintenance of leased land that have to be resolved between the Department and the Provincial Departments of Agriculture.

15. Exemptions & deviations received from National Treasury

The Department has applied for exemption in the 2008/2009 financial year in respect of the Powers of Attorney, balance of grants and advances paid to conveyancers. The requested exemption was not granted. The Department was requested to prepare relevant policies in this regard.

16. Other

16.1 Audit report on Pro-active Land Acquisition Strategy (PLAS)

Due to the audit qualification on PLAS in 2007/2008, the Department appointed service providers to verify all assets that were acquired through PLAS. This was done to ensure that accurate and complete information is available when the trading entity is established.

16.2 Advance payments to conveyancers

The Restitution of Land Rights Act, 1994 (Act No. 22 of 1994), creates the means for the right to restitution or equitable redress as referred to in section 25(7) of the Constitution of the Republic of South Africa, 1996, to be realised.

The Restitution Act empowers the Minister of Land Affairs to purchase, acquire in any other manner, or expropriate land for a claim that meets the requirements of the Act, or to provide relief to a claimant who does not qualify for such restitution. Once acquired the land vests in the State and must be transferred to a claimant once an agreement that disposes of the claim against the State has been reached. Reference is made to sections 42A, 42D and 42E of the Restitution Act. When land is acquired for restitution

purposes, a sale agreement is entered into. The purchase price of the land is payable as follows:

- 50% of the purchase price is paid into a conveyancer's trust account within 30 days of the signature date of the last party signing. These funds are deposited by the conveyancer into an interest bearing account for the benefit of the Department in terms of section 78(2A) of the Attorneys Act, 1979 (Act No. 53 of 1979).
- When the registration of transfer takes place, the first 50% of the purchase price that was deposited by the conveyancer is recalled from the investment account and the capital amount is payable to the seller.
- The second 50% of the purchase price is paid by the Department to the conveyancer, once registration of transfer has taken place. These funds are payable immediately by the conveyancer to the seller, subject to bond cancellation costs, if any. Interest reverts to the Department.

Control units are in the process of being established within the Commission on Restitution of Land Rights and the Department, to audit the payments received from conveyancers and to recover the interest outstanding from 2004. Schedules of all affected transactions have since been drawn and the reconciliation process is ongoing. The Legal Unit of the Commission sent letters of demand to various defaulting conveyancers which resulted in the recovery of a total of R34 million by 31 March 2009, of which R18 million was received in the 2008/2009 financial year.

After numerous meetings with the Auditor-General and National Treasury, it was agreed to use an average interest rate based on the rates used by various financial institutions, as a basis for the outstanding interest on the first 50%.

In the case of conveyancers who have not responded positively to the letters of demand, the State Attorney has been approached to institute legal action.

16.3 Balance of grants

The Department has through the land reform redistribution programme a prime responsibility to provide the poor with land for settlement and productive use in order to improve their livelihoods and to contribute to the social and economic development of the country. In pursuit hereof the Department provides certain grants and services and different land reform products such as land redistribution, land tenure reform and land development.

The provision of financial assistance for land reform purposes is made possible by the Land Reform: Provision of Land and Assistance Act, 1993 (Act No. 126 of 1993), the Land Reform (Labour Tenants) Act, 1996 (Act No. 3 of 1996), and the Extension of Security of Tenure Act, 1997 (Act No. 62 of 1997).

A balance of grant occurs where any part of the total grants was not used for the acquisition of land, planning costs and/or goods and services. Although legally such balances belong to the beneficiaries, the Department does not transfer the funds to the beneficiaries due to reasons such as inefficient control and management.

The Department realised that currently there is no effective system for producing a statement or record of transactions including an age analysis to show the status of such balances per project at any given point in time, and

that in terms of good accounting principles such amounts should be disclosed as commitments. An in-house balance of grants financial system was therefore developed and is now in use. All relevant financial reports will in future be generated by this system, including statements and age analysis. The policy on Balance of Grants was approved.

17. Approval

The Annual Financial Statements set out on pages 66 to 96 of this Annual Report have been approved by the Accounting Officer.



MR T T GWANYA
DIRECTOR-GENERAL
31 May 2009



R Report of the Auditor-General to Parliament on the financial statements and performance information of Vote No. 27: Department of Land Affairs for the year ended 31 March 2009

Report on the financial statements

Introduction

1. I have audited the accompanying financial statements of the Department of Land Affairs (DLA) which comprise the appropriation statement, the statement of financial position as at 31 March 2009, the statement of financial performance, the statement of changes in net assets and the cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes, and the accounting officer's report, as set out on pages 48 to 55.

The accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy

Report by the Auditor-General

FOR THE YEAR ENDED 31 MARCH 2009

note 1.1 and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (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.

The Auditor-General's responsibility

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA) my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing read with General Notice 616 of 2008, issued in Government Gazette No. 31057 of 15 May 2008. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of

material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis for qualified opinion

Receivables for departmental revenue

7. The department embarked on an extensive process to implement and maintain a database to manage and monitor the lease revenue. However, the audit still revealed significant shortcomings in the management and control of lease revenue. I was therefore unable to obtain sufficient and appropriate audit evidence for the receivable for departmental revenue, as disclosed in note 25 to the financial statements, due to the following:

- The department's database for lease debtors to the amount of R56,07 million was not up to date and not all lease contracts were available for audit.
- The lease receivable balance for the prior year was restated to the amount of R31,72 million; however, sufficient supporting documentation was not available to verify the restated amount.
- The breakdown and ageing of the operating lease revenue receivable were not disclosed in the disclosure notes to the financial statements.

As a result of a lack of supporting documentation, I was unable to verify valuation, existence and completeness of the receivable for departmental revenue. Consequently, I could not perform any alternative procedures to determine whether any adjustments to the amounts disclosed in the financial statements for receivables for departmental revenue might be necessary.

Tangible capital assets

8. I was unable to obtain sufficient and appropriate audit evidence to determine the completeness and rights regarding immovable properties disclosed at R1 in note 32.3 to the financial statements. The department still did not have a complete asset register of all immovable properties belonging to the national government under the custodianship of the Department of Land Affairs.
 - Immovable property registered in the name of other entities and departments was recorded in the immovable asset register of the department.
 - Immovable property that should have been registered in the name of the national government was still not registered and was therefore not included in the asset register of the department.
9. I was not able to perform alternative procedures to confirm the completeness and valuation of, and rights

and obligations regarding tangible capital assets disclosed in the financial statements

Qualified opinion

10. In my opinion, except for the possible effects of the matters described in the Basis for qualified opinion paragraphs, the financial statements present fairly, in all material respects, the financial position of the Department of Land Affairs as at 31 March 2009 and its cash flows for the year then ended, in accordance with the basis of accounting and in the manner required by the PFMA.

Emphasis of matters

11. I draw attention to the following matters on which I do not express a qualified opinion:

Basis of accounting

12. The department's policy is to prepare financial statements on the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy note 1.1.

Fruitless and wasteful expenditure

13. As disclosed in note 27 to the financial statements, fruitless and wasteful expenditure amounting to R4,86 million was incurred as a result of irregularities in the acquisition of land reform projects.

Irregular expenditure

14. As disclosed in note 26 to the financial statements, irregular expenditure amounting to R74,96 million was incurred as a result of Parliament not retrospectively approving expenditure incurred in contravention of section 10(1)(a) and (b) of the Provision of Land and Assistance Act, 1993 (Act No. 126 of 1993), which states that the Minister of Agriculture and Land Affairs can only acquire land as per section 10(1)(b). The Department of Land Affairs, however, acquired assets other than land through the Pro-Active Land Acquisition Strategy process. As these purchases did not constitute subsidies or advances to beneficiaries, they fell outside the mandate provided by the Provision of Land and Assistance Act of 1993.

Other matters

15. I draw attention to the following matters that relate to my responsibilities in the audit of the financial statements:

Non-compliance with applicable legislation

Public Finance Management Act and Treasury Regulations

16. Accruals which exceeded the payment terms of 30 days as detailed in Treasury Regulation 8.2.3 amounted to R19,98 million. This amount, in turn, exceeded the voted funds to be surrendered of R4,76 million, as per the statement of financial performance, by R15,22 million. The amount of R15,22 million would therefore have constituted unauthorised expenditure had the invoices been paid in time.

17. The accounting officer did not take effective and appropriate steps to timeously collect all section 78(2A) monies held in trust on behalf of the Department of Land Affairs, as required in terms of Treasury Regulation 11.2.1.

Governance framework

18. The governance principles that impact on the auditor's opinion on the financial statements are related to the responsibilities and practices exercised by the accounting officer and executive management and are reflected in the internal control deficiencies and key governance responsibilities addressed below:

Internal control deficiencies

19. Section 38(1)(a)(i) of the PFMA states that the accounting officer must ensure that the department has and maintains effective, efficient and transparent systems of financial and risk management and internal control. The table below depicts the root causes that gave rise to the deficiencies in the system of internal control, which led to the qualified opinion. The root causes are categorised according to the five components of an effective system of internal control. (The number listed per component can be followed with the legend below the table.) In some instances deficiencies exist in more than one internal control component.

Par. no.	Basis for qualified opinion	CE	RA	CA	IC	M
7	Receivables for departmental revenue	1, 2 and 3	2, 3 and 4	2, 3, 4, 5 and 6		1
8	Tangible capital assets	1, 2 and 3	2, 3 and 4	2, 3, 4, 5 and 6		1

Overall conclusion on financial management based on the root causes

20. The findings that resulted in the qualifications are mainly due to an inadequate organisational structure resulting in inadequate monitoring and supervision to enable an assessment of the effectiveness of internal control over financial reporting.

Legend	
CE = Control environment	
The organisational structure does not address areas of responsibility and lines of reporting to support effective control over financial reporting.	1
Management and staff are not assigned appropriate levels of authority and responsibility to facilitate control over financial reporting.	2
Human resource policies do not facilitate effective recruitment and training, disciplining and supervision of personnel.	3
Integrity and ethical values have not been developed and are not understood to set the standard for financial reporting.	4
The accounting officer does not exercise oversight responsibility over financial reporting and internal control.	5
Management's philosophy and operating style do not promote effective control over financial reporting.	6
The entity does not have individuals competent in financial reporting and related matters.	7
RA = Risk assessment	
Management has not specified financial reporting objectives to enable the identification of risks to reliable financial reporting.	1
The entity does not identify risks to the achievement of financial reporting objectives.	2
The entity does not analyse the likelihood and impact of the risks identified.	3
The entity does not determine a risk strategy/action plan to manage identified risks.	4
The potential for material misstatement due to fraud is not considered.	5
CA = Control activities	
There is inadequate segregation of duties to prevent fraudulent data and asset misappropriation.	1
General information technology controls have not been designed to maintain the integrity of the information system and the security of the data.	2
Manual or automated controls are not designed to ensure that the transactions have occurred, are authorised, and are completely and accurately processed.	3
Actions are not taken to address risks to the achievement of financial reporting objectives.	4
Control activities are not selected and developed to mitigate risks to financial reporting.	5
Policies and procedures related to financial reporting are not established and communicated.	6
Realistic targets are not set for financial performance measures, which in turn are not linked to an effective reward system.	7
IC = Information and communication	
Pertinent information is not identified and captured in a form and time frame to support financial reporting.	1
Information required to implement internal control is not available to personnel to enable internal control responsibilities.	2
Communications do not enable and support the understanding and execution of internal control processes and responsibilities by personnel.	3
M = Monitoring	
Ongoing monitoring and supervision are not undertaken to enable an assessment of the effectiveness of internal control over financial reporting.	1
Neither reviews by internal audit or the audit committee nor self-assessments are evident.	2
Internal control deficiencies are not identified and communicated in a timely manner to allow for corrective action to be taken.	3

Key governance responsibilities

21. The PFMA tasks the accounting officer with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of key governance responsibilities, which I have assessed as follows:

No.	Matter	Y	N
Clear trail of supporting documentation that is easily available and provided in a timely manner			
1.	No significant difficulties were experienced during the audit concerning delays or the availability of requested information.	✓	
Quality of financial statements and related management information			
2.	The financial statements were not subject to any material amendments resulting from the audit.		✓
3.	The annual report was submitted for consideration prior to the tabling of the auditor's report.	✓	
Timeliness of financial statements and management information			
4.	The annual financial statements were submitted for auditing as per the legislated deadlines in section 40 of the PFMA.	✓	
Availability of key officials during audit			
5.	Key officials were available throughout the audit process.	✓	
Development of and compliance with risk management, effective internal control and governance practices			
6.	Audit committee		
	• The department had an audit committee in operation throughout the financial year.	✓	
	• The audit committee operates in accordance with approved, written terms of reference.	✓	
	• The audit committee substantially fulfilled its responsibilities for the year, as set out in section 77 of the PFMA and Treasury Regulation 3.1.10.	✓	
7.	Internal audit		
	• The department had an internal audit function in operation throughout the financial year.	✓	
	• The internal audit function operates in terms of an approved internal audit plan.	✓	
	• The internal audit function substantially fulfilled its responsibilities for the year, as set out in Treasury Regulation 3.2.	✓	
8.	There are no significant deficiencies in the design and implementation of internal control in respect of financial and risk management.		✓
9.	There are no significant deficiencies in the design and implementation of internal control in respect of compliance with applicable laws and regulations.		✓
10.	The information systems were appropriate to facilitate the preparation of the financial statements.	✓	
11.	A risk assessment was conducted on a regular basis and a risk management strategy, which includes a fraud prevention plan, is documented and used as set out in Treasury Regulation 3.2.		✓
12.	Delegations of responsibility are in place, as set out in section 44 of the PFMA.	✓	
Follow-up of audit findings			
13.	The prior year audit findings have been substantially addressed.	✓	
14.	SCOPA resolutions have been substantially implemented.	✓	
Issues relating to the reporting of performance information			
15.	The information systems were appropriate to facilitate the preparation of a performance report that is accurate and complete.		✓
16.	Adequate control processes and procedures are designed and implemented to ensure the accuracy and completeness of reported performance information.	✓	
17.	A strategic plan was prepared and approved for the financial year under review for purposes of monitoring the performance in relation to the budget and delivery by the Department of Land Affairs against its mandate, predetermined objectives, outputs, indicators and targets (Treasury Regulations 5.1, 5.2 and 6.1).	✓	
18.	There is a functioning performance management system and performance bonuses are only paid after proper assessment and approval by those charged with governance.	✓	

Overall conclusion on the governance framework

22. To address the findings identified in the key governance responsibilities the department must address the inadequate organisational structure and the monitoring and supervision undertaken to enable an assessment of the effectiveness of internal control over financial reporting.

Investigations

23. The Department of Land Affairs engaged both internal staff appointed and independent consulting firms to conduct investigations on its behalf. The investigations were initiated based on allegations of corruption and irregularities in the department. The investigations were still ongoing at the reporting date.

Report on other legal & regulatory requirements

Report on performance information

24. I have reviewed the performance information as set out on pages 16 to 47.

The accounting officer's responsibility for the performance information

25. The accounting officer has additional responsibilities as required by section 40(3)(a) of the PFMA to ensure that the annual report and audited financial statements fairly present the performance against predetermined objectives of the department.

The Auditor-General's responsibility

26. I conducted my engagement in accordance with section 13 of the PAA read with General Notice 616 of 2008, issued in Government Gazette No. 31057 of 15 May 2008.

27. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.
28. I believe that the evidence I have obtained is sufficient and appropriate to report that significant no findings have been identified as a result of my review.

Usefulness & reliability of reported performance information

29. The following criteria were used to assess the usefulness and reliability of the information on the department's performance with respect to the objectives in its strategic plan:

- Consistency: Has the department reported on its performance with regard to its objectives, indicators and targets in its approved strategic plan?
- Relevance: Is the performance information as reflected in the indicators and targets clearly linked to the predetermined objectives and mandate? Is this specific and measurable, and is the period or deadline for delivery specified?
- Reliability: Can the reported performance information be traced back to the source data or documentation and is the reported performance information accurate and complete in relation to the source data or documentation?

The following audit findings relate to the above criteria:

Reported performance information not reliable

Lack of source documentation

30. Sufficient appropriate audit evidence in relation to the reported performance information of programme 5: Land Reform could not be obtained, as the relevant source documentation could not be provided for audit purposes on time.

Appreciation

31. The assistance rendered by the staff of the Department of Land Affairs during the audit is sincerely appreciated.

Auditor General

Pretoria
2 August 2009





Statement of Accounting Policies & Related Matters

FOR THE YEAR ENDED 31 MARCH 2009

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, 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, Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 2 of 2006.

1. Presentation of the Financial Statements

1.1 Basis of preparation

The Financial Statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The modified cash basis constitutes the cash basis of accounting supplemented with additional disclosure items. Under the cash basis of accounting, transactions and other events are recognised when cash is received or paid.

1.2 Presentation currency

All amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.

1.3 Rounding

Unless otherwise stated all financial figures have been rounded to the nearest one thousand Rand (R'000).

1.4 Comparative figures

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.

1.5 Comparative figures - Appropriation Statement

A comparison between actual amounts and final appropriation per major classification of expenditure is included in the appropriation statement.

2. Revenue

2.1 Appropriated funds

Appropriated funds are recognised in the financial records on the date the appropriation becomes effective. Adjustments to the appropriated funds made in terms of the



adjustments budget process are recognised in the financial records on the date the adjustments become effective.

Total appropriated funds are presented in the statement of financial performance.

Unexpended appropriated funds are surrendered to the National Revenue Fund. Amounts owing to the National Revenue Fund at the end of the financial year are recognised in the statement of financial position.

2.2 Statutory Appropriation

Statutory appropriations are recognised in the financial records on the date the appropriation becomes effective.

Adjustments to the statutory appropriations made in terms of the adjustments budget process are recognised in the financial records on the date the adjustments become effective.

Total statutory appropriations are presented in the statement of financial performance.

Unexpended statutory appropriations are surrendered to the National Revenue Fund. Amounts owing to the National Revenue Fund at the end of the financial year are recognised in the statement of financial position.

2.3 Departmental revenue

All departmental revenue is paid into the National Revenue Fund when received, unless otherwise stated. Amounts owing to the National Revenue Fund at the end of the financial year are recognised in the statement of financial position.

Amounts receivable at the reporting date are disclosed in the disclosure notes to the annual financial statements.

2.3.1 Tax revenue

Tax revenue consists of all compulsory unrequited amounts collected by the department in accordance with laws and or regulations (excluding fines, penalties & forfeits).

Tax receipts are recognised in the Statement of Financial Performance when received.

2.3.2 Sales of goods & services other than capital assets

The proceeds received from the sale of goods and/or the provision of services is recognised in the Statement of Financial Performance when the cash is received.

2.3.3 Fines, penalties & forfeits

Fines, penalties & forfeits are compulsory unrequited amounts which were imposed by a court or quasi-judicial body and collected by the department. Revenue arising from fines, penalties and forfeits is recognised in the Statement of Financial Performance when the cash is received.

2.3.4 Interest, dividends & rent on land

Interest, dividends and rent on land is recognised in the Statement of Financial Performance when the cash is received.

2.3.5 Sale of capital assets

The proceeds received on sale of capital assets are recognised in the Statement of Financial Performance when the cash is received.

2.3.6 Financial transactions in assets & liabilities

Repayments of loans and advances previously extended to employees and public corporations for policy purposes are recognised as revenue in the Statement of Financial Performance on receipt of the funds.

Cheques issued in previous accounting periods that expire before being banked are recognised as revenue in the Statement of Financial Performance when the cheque becomes stale. When the cheque is reissued the payment is made from Revenue.

Forex gains are recognised on payment of funds.

2.3.7 Transfers received (including gifts, donations & sponsorships)

All cash gifts, donations and sponsorships are paid into the National/Provincial Revenue Fund and recorded as revenue in the Statement of Financial Performance when received.

Amounts receivable at the reporting date are disclosed in the disclosure notes to the financial statements.

All in-kind gifts, donations and sponsorships are disclosed at fair value in an annexure to the financial statements.

2.4 Direct Exchequer receipts

All direct exchequer fund receipts are recognised in the Statement of Financial Performance when the cash is received.

2.5 Local & foreign aid assistance

Local and foreign aid assistance is recognised as revenue when notification of the assistance is received from the National Treasury or when the department directly receives the cash from the donor(s).

All in-kind local and foreign aid assistance are disclosed at fair value in the annexure to the annual financial statements.

The cash payments made during the year relating to local and foreign aid assistance projects are recognised as expenditure in the Statement of Financial Performance. The value of the assistance expensed prior to the receipt of the funds is recognized as a receivable in the statement of financial position.

Inappropriately expensed amounts using local and foreign aid assistance and any unutilised amounts are recognised as payables in the statement of financial position.

3. Expenditure

3.1 Compensation of employees

3.1.1 Short-term employee benefits

Salaries and wages comprise payments to employees (including leave entitlements, thirteenth cheques and performance bonuses). Salaries and wages are recognised as an expense in the Statement of Financial Performance when final authorisation for payment is effected on the system (by no later than 31 March of each year). Capitalised

compensation forms part of the expenditure for capital assets in the Statement of Financial Performance⁽¹⁾.

All other payments are classified as current expense.

Short-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements. These amounts are not recognised in the Statement of Financial Performance or Position.

3.1.2 Post retirement benefits

The department provides retirement benefits (pension benefits) for certain of its employees through a defined benefit plan for government employees. These benefits are funded by both employer and employee contributions.

Employer contributions (i.e. social contributions) to the fund are expensed when the final authorisation for payment to the fund is effected on the system (by no later than 31 March of each year). No provision is made for retirement benefits in the financial statements of the department. Any potential liabilities are disclosed in the financial statements of the National/Provincial Revenue Fund and not in the financial statements of the employer department.

The department provides medical benefits for certain of its employees. Employer contributions to the medical funds are expensed when final authorisation for payment to the fund is effected on the system (by no later than 31 March of each year).

3.1.3 Termination benefits

Termination benefits such as severance packages are recognised as an expense in the Statement of Financial Performance as a transfer (to households) when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

3.1.4 Other long-term employee benefits

Other long-term employee benefits (such as capped leave) are recognised as an expense in the Statement of Financial Performance as a transfer (to households) when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

Long-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements. These amounts are not recognised in the Statement of Financial Performance or Position.

3.2 Goods and services

Payments made for goods and/or services are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). The expense is classified as capital if the goods and services were used for a capital project or an asset of R5000 or more is purchased. All assets costing less than R5000 will also be reflected under goods and services.

3.3 Interest and rent on land

Interest and rental payments are recognised as an expense in the Statement of Financial Performance when the final

authorisation for payment is effected on the system (by no later than 31 March of each year). This item excludes rental for the use of buildings or other fixed structures. If it is not possible to distinguish between payment for the use of land and the fixed structures on it, the whole amount should be recorded under goods and services.

3.4 Financial transactions in assets & liabilities

Debts are written-off when identified as irrecoverable. Debts written-off are limited to the amount of savings and/or underspending of appropriated funds. The write-off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts but amounts are disclosed as a disclosure note.

Forex losses are recognised on payment of funds.

All other losses are recognised when authorisation has been granted for the recognition thereof.

3.5 Unauthorised expenditure

When discovered unauthorised expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is either approved by the relevant authority, recovered from the responsible person or written-off as irrecoverable in the Statement of Financial Performance.

Unauthorised expenditure approved with funding is recognised in the Statement of Financial Performance when the unauthorised expenditure is approved and the related funds are received. Where the amount is approved without funding it is recognised as expenditure, subject to availability of savings, in the Statement of Financial Performance on the date of approval.

3.6 Fruitless & wasteful expenditure

Fruitless and wasteful expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is recovered from the responsible person or written-off as irrecoverable in the Statement of Financial Performance.

3.7 Irregular expenditure

Irregular expenditure is recognised as expenditure in the Statement of Financial Performance. If the expenditure is not condoned by the relevant authority it is treated as an asset until it is recovered or written-off as irrecoverable.

3.8 Transfers & subsidies

Transfers and subsidies are recognised as an expense when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

3.9 Expenditure for capital assets

Payments made for capital assets are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

(1) This accounting policy is only relevant where the department elects to capitalise the compensation paid to employees involved on capital projects

4. Assets

4.1 Cash & cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost.

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.

4.2 Other financial assets

Other financial assets are carried in the statement of financial position at cost.

4.3 Prepayments & advances

Amounts prepaid or advanced are recognised in the statement of financial position when the payments are made.

Pre-payments and advances outstanding at the end of the year are carried in the statement of financial position at cost.

4.4 Receivables

Receivables included in the statement of financial position arise from cash payments made that are recoverable from another party.

Receivables outstanding at year-end are carried in the statement of financial position at cost plus any accrued interest.

4.5 Investments

Capitalised investments are shown at cost in the statement of financial position. Any cash flows such as dividends received or proceeds from the sale of the investment are recognised in the statement of financial performance when the cash is received.

Investments are tested for an impairment loss whenever events or changes in circumstances indicate that the investment may be impaired. Any loss is included in the disclosure notes.

4.6 Loans

Loans are recognised in the statement of financial position at the nominal amount when cash is paid to the beneficiary.

Loan lances are reduced when cash repayments are received from the beneficiary. Amounts that are potentially irrecoverable are included in the disclosure notes.

Loans that are outstanding at year-end are carried in the statement of financial position at cost.

4.7 Inventory

Inventories purchased during the financial year are disclosed at cost in the notes.

4.8 Capital assets

A capital asset is recorded on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the capital asset should be stated at fair value. Where fair value cannot be determined, the capital asset is included in the asset register at R1.

Projects (of construction/development) running over more than one financial year relating to assets, are only capitalised

as assets on completion of the project and at the total cost incurred over the duration of the project.

Disclosure Notes 30 to 32 reflect the total movement in the asset register for the current financial year.

5. Liabilities

5.1 Voted funds to be surrendered to the Revenue Fund

Unexpended appropriated funds are surrendered to the National/Provincial Revenue Fund. Amounts owing to the National/Provincial Revenue Fund at the end of the financial year are recognised in the statement of financial position

5.2 Departmental revenue to be surrendered to the Revenue Fund

Amounts owing to the National/Provincial Revenue Fund at the end of the financial year are recognised in the statement of financial position at cost.

5.3 Bank overdraft

The bank overdraft is carried in the statement of financial position at cost.

5.4 Payables

Recognised payables mainly comprise of amounts owing to other governmental entities. These payables are recognised at historical cost in the statement of financial position.

5.5 Contingent liabilities

Contingent liabilities are included in the disclosure notes.

5.6 Commitments

Commitments are not recognised in the statement of financial position as a liability or as expenditure in the Statement of Financial Performance but are included in the disclosure notes.

5.7 Accruals

Accruals are not recognised in the statement of financial position as a liability or as expenditure in the Statement of Financial Performance but are included in the disclosure notes.

5.8 Employee benefits

Short-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements. These amounts are not recognised in the Statement of Financial Performance or the statement of financial position.

5.9 Lease commitments

Finance leases

Finance leases are not recognised as assets and liabilities in the statement of financial position. Financial lease payments are recognised as an expense in the Statements of Financial Performance and are apportioned between the capital and

the interest portions. The finance lease liability is disclosed in the disclosure notes to the financial statements.

Operating leases

Operating lease payments are recognised as an expense in the Statement of Financial Performance. The operating lease commitments are disclosed in the disclosure notes to the financial statements.

6. Receivables for departmental revenue

Receivables for departmental revenue are disclosed in the disclosure notes to the annual financial statements.

7. Net Assets

7.1 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 transferred to the National/Provincial Revenue Fund on disposal, repayment or recovery of such amounts.

7.2 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.

8. Related party transactions

Specific information with regards to related party transactions is included in the disclosure notes.

9. Key management personnel

Compensation paid to key management personnel including their family members where relevant, is included in the disclosure notes.

10. Public private partnerships

A description of the PPP arrangement, the contract fees and current and capital expenditure relating to the PPP arrangement is included in the disclosure notes.



Appropriation Statement

for the year ended 31 March 2009

Appropriation per programme									
	2008/09							2007/08	
	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
1. Administration									
Current payment	406,568	18,836	(3,638)	421,766	421,656	110	100.0%	401,356	401,198
Transfers and subsidies	116	8,269	4,602	12,987	12,983	4	100.0%	7,461	7,304
Payment for capital assets	17,198	4,912	(3,421)	18,689	18,677	12	99.9%	17,737	16,492
2. Surveys and Mapping									
Current payment	81,931	(12,546)	(6,235)	63,150	62,985	165	99.7%	70,136	70,074
Transfers and subsidies	2,146	772	(336)	2,582	2580	2	99.9%	4,867	4,654
Payment for capital assets	7,338	2,703	(3,729)	6,312	6,310	2	100.0%	23,082	22,529
3. Cadastral Services									
Current payment	112,197	2,745	(2,107)	112,835	112,763	72	99.9%	130,952	130,921
Transfers and subsidies	25	81	-	106	104	2	98.1%	1,202	1,178
Payment for capital assets	2,653	942	(152)	3,443	3,439	4	99.9%	5,783	5,517
4. Restitution									
Current payment	362,464	(24,218)	(20,157)	318,089	318,066	23	100.0%	288,512	288,443
Transfers and subsidies	2,721,944	72,457	(8,238)	2,786,163	2,783,672	2,491	99.9%	3,333,594	3,333,594
Payment for capital assets	13,897	3,610	3,022	20,529	20,410	119	99.4%	16,505	16,428
5. Land Reform									
Current payment	311,226	(8,743)	(7,241)	295,242	294,743	499	99.8%	233,748	233,440
Transfers and subsidies	1,244,073	(213,775)	8,000	1,038,298	1,037,634	664	99.9%	507,810	486,119
Payment for capital assets	1,333,170	139,655	(5,652)	1,467,173	1,467,162	11	100.0%	851,913	851,514
6. Spatial Planning & information									
Current payment	29,619	3,950	(1,320)	32,249	32,208	41	99.9%	20,999	20,962
Transfers and subsidies	2,080	-	-	2,080	1,544	536	74.2%	-	-
Payment for capital assets	587	350	(432)	505	504	1	98.8%	1,019	874
7. Auxiliary & Associated Services									
Current payment	10,162	-	(7,780)	2,382	2,382	-	100.0%	8,524	3,274
Transfers and subsidies	2	-	54,814	54,816	54,814	2	100.0%	2	-
Payment for capital assets	-	-	-	-	-	-	-	3,067	2,982
TOTAL	6,659,396	-	-	6,659,396	6,654,636	4,760	99.9%	5,928,269	5,897,497
TOTAL (brought forward)									
Reconciliation with statement of financial performance									
ADD									
Departmental receipts				64,170				176,380	
Aid assistance				-				1,885	
Actual amounts per statement of financial performance (total revenue)				6,723,566				6,106,534	
ADD									
Aid assistance					3,112				35
Actual amounts per statement of financial performance (total expenditure)					6,657,748				5,897,532

Appropriation per economic classification									
	2008/09							2007/08	
	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
Current payments									
Compensation of employees	731,936	(90,556)	(28,652)	612,728	610,553	2,175	99.6%	479,263	476,092
Goods and services	582,231	70,573	(19,826)	632,978	631,882	1,096	99.8%	674,964	668,388
Interest and rent on land	-	7	-	7	6	1	85.7%	-	-
Financial transactions in assets and liabilities	-	-	-	-	2,361	(2,361)	-	-	3,832
Transfers and subsidies									
Provinces and municipalities	4	44	-	48	26	22	54.2%	139	77
Departmental agencies and accounts	2,494	-	54,814	57,308	57,306	2	100.0%	2,353	2,351
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	1,200	(75)	-	1,125	1,124	1	99.9%	1,100	1,026
Public corporations and private enterprises	1	-	-	1	-	1	-	51	50
Non-profit institutions	2,080	2	-	2,082	1,546	536	74.3%	-	-
Households	3,964,607	(132,167)	4,028	3,836,468	3,833,330	3,138	99.9%	3,851,293	3,829,345
Payments for capital assets									
Buildings and other fixed structures	144	(144)	-	-	-	-	-	2,442	2,442
Machinery and equipment	40,036	11,173	(9,452)	41,757	41,624	133	99.7%	64,163	63,137
Biological or cultivated assets	-	-	-	-	-	-	-	9,493	9,491
Software and other intangible assets	1,358	(208)	(1,150)	-	-	-	-	9,913	8,433
Land and subsoil assets	1,333,305	141,351	238	1,474,894	1,474,878	16	100.0%	833,095	832,833
Total	6,659,396	-	-	6,659,396	6,654,636	4,760	99.9%	5,928,269	5,897,497

Detail per Programme

for the year ended 31 March 2009

Programme 1: Administration

Details per Sub-Programme	2008/09							2007/08	
	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
1.1 Management									
Current payment	102,191	(29,249)	(3,965)	68,977	68,941	36	99.9%	81,746	81,638
Transfers and subsidies	4	346	(2)	348	348	-	100.0%	56	51
Payment for capital assets	970	7,612	(2,276)	6,306	6,302	4	99.9%	2,089	1,455
1.2 Corporate Services									
Current payment	264,326	48,085	(4,186)	308,225	308,151	74	100.0%	267,655	267,655
Transfers and subsidies	112	7,923	4,604	12,639	12,635	4	100.0%	7,405	7,253
Payment for capital assets	16,228	(2,700)	(1,145)	12,383	12,375	8	99.9%	15,648	15,037
1.3 Property Management									
Current payment	40,051	-	4,513	44,564	44,564	-	100.0%	51,955	51,905
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
Total	423,882	32,017	(2,457)	453,442	453,316	126	100.0%	426,554	424,994

Programme 1 per economic classification	2008/09							2007/08	
	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
Current payment									
Compensation of employees	190,847	(44,681)	(11,740)	134,426	134,281	145	99.9%	109,121	106,098
Goods & services	215,721	63,517	8,102	287,340	287,325	15	100.0%	292,235	291,268
Interest & rent on land	-	-	-	-	-	-	-	-	-
Financial transactions in assets & liabilities	-	-	-	-	49	(49)	-	-	3,832
Transfers & subsidies to:									
Provinces & municipalities	1	9	-	10	8	2	80.0%	52	18
Departmental agencies & accounts	-	-	-	-	-	-	-	-	-
Universities & technikons	-	-	-	-	-	-	-	-	-
Foreign governments & international organisations	-	-	-	-	-	-	-	-	-
Public corporations & private enterprises	-	-	-	-	-	-	-	50	50
Non-profit institutions	-	2	-	2	2	-	100.0%	-	-
Households	115	8,258	4,602	12,975	12,974	1	100.0%	7,359	7,236
Payment for capital assets									
Buildings & other fixed structures	-	-	-	-	-	-	-	-	-
Machinery & equipment	17,096	5,014	(3,421)	18,689	18,677	12	99.9%	8,872	8,309
Biological or cultivated assets	-	-	-	-	-	-	-	-	-
Software & other intangible assets	102	(102)	-	-	-	-	-	8,865	8,183
Land & subsoil assets	-	-	-	-	-	-	-	-	-
Total	423,882	32,017	(2,457)	453,442	453,316	126	100.0%	426,554	424,994

Programme 2: Surveys & Mapping

Details per Sub-Programme	2008/09							2007/08	
	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
2.1 Surveys and Mapping									
Current payment	81,931	(12,546)	(6,235)	63,150	62,985	165	99.7%	70,136	70,074
Transfers and subsidies	2,146	772	(336)	2,582	2,580	2	99.9%	4,867	4,654
Payment for capital assets	7,338	2,703	(3,729)	6,312	6,310	2	100.0%	23,082	22,529
Total	91,415	(9,071)	(10,300)	72,044	71,875	169	99.8%	98,085	97,257

Programme 2 per economic classification	2008/09							2007/08	
	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
Current payment									
Compensation of employees	44,843	(8,007)	(1,990)	34,836	34,698	148	99.6%	34,614	34,552
Goods & services	37,088	(4,546)	(4,245)	28,297	28,280	17	99.9%	35,522	35,522
Interest & rent on land	-	7	-	7	6	1	85.7%	-	-
Financial transactions in assets & liabilities	-	-	-	-	2	(2)	-	-	-
Transfers & subsidies to:									
Provinces & municipalities	3	1	-	4	2	2	50.0%	6	2
Departmental agencies & accounts	-	-	-	-	-	-	-	-	-
Universities & technikons	-	-	-	-	-	-	-	-	-
Foreign governments & international organisations	1,200	(75)	-	1,125	1,124	1	99.9%	1,100	1,026
Public corporations & private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	943	846	(336)	1,453	1,453	-	100.0%	3,761	3,626
Payment for capital assets									
Buildings & other fixed structures	129	(129)	-	-	-	-	-	-	-
Machinery & equipment	6,313	2,578	(2,579)	6,312	6,310	2	100.0%	22,600	22,529
Biological or cultivated assets	-	-	-	-	-	-	-	-	-
Software & other intangible assets	896	254	(1,150)	-	-	-	-	482	-
Land & subsoil assets	-	-	-	-	-	-	-	-	-
Total	91,415	(9,071)	(10,300)	72,044	71,875	169	99.8%	98,085	97,257

Programme 3: Cadastral Surveys

Details per Sub-Programme	2008/09							2007/08	
	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
3.1 Cadastral Surveys									
Current payment	112,197	2,745	(2,107)	112,835	112,763	72	99.9%	130,952	130,921
Transfers and subsidies	25	81	-	106	104	2	98.1%	1,202	1,178
Payment for capital assets	2,653	942	(152)	3,443	3,439	4	99.9%	5,783	5,517
Total	114,875	3,768	(2,259)	116,384	116,306	78	99.9%	137,937	137,616

Programme 3 per economic classification	2008/09							2007/08	
	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
Current payment									
Compensation of employees	88,934	2,879	(3,170)	88,643	88,427	216	99.8%	83,320	83,289
Goods & services	23,263	(134)	1,063	24,192	24,187	5	100.0%	47,632	47,632
Interest & rent on land	-	-	-	-	-	-	-	-	-
Financial transactions in assets & liabilities	-	-	-	-	149	(149)	-	-	-
Transfers & subsidies to:									
Provinces & municipalities	-	1	-	1	-	1	-	26	2
Departmental agencies & accounts	-	-	-	-	-	-	-	-	-
Universities & technikons	-	-	-	-	-	-	-	-	-
Foreign governments & international organisations	-	-	-	-	-	-	-	-	-
Public corporations & private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	25	80	-	105	104	1	99.0%	1,176	1,176
Payment for capital assets									
Buildings & other fixed structures	15	(15)	-	-	-	-	-	-	-
Machinery & equipment	2,278	1,317	(152)	3,443	3,439	4	99.9%	5,637	5,517
Biological or cultivated assets	-	-	-	-	-	-	-	-	-
Software & other intangible assets	360	(360)	-	-	-	-	-	146	-
Land & subsoil assets	-	-	-	-	-	-	-	-	-
Total	114,875	3,768	(2,259)	116,384	116,306	78	99.9%	137,937	137,616

Programme 4: Restitution

Details per Sub-Programme	2008/09							2007/08	
	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
4.1 National Office									
Current payment	44,013	(7,160)	(6,728)	30,125	30,107	18	99.9%	27,493	27,474
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	2,129	10	(1,055)	1,084	1,077	7	99.4%	600	525
4.2 Regional Office									
Current payment	318,451	(17,058)	(13,429)	287,964	287,959	5	100.0%	261,019	260,969
Transfers and subsidies	-	8	-	8	7	1	87.5%	63	63
Payment for capital assets	11,768	3,600	(9,913)	5,455	5,359	96	98.2%	15,905	15,903
4.3 Restitution Grants									
Current payment	-	-	-	-	-	-	-	-	-
Transfers and subsidies	2,721,944	72,449	(8,238)	2,786,155	2,783,665	2,490	99.9%	3,333,531	3,333,531
Payment for capital assets	-	-	13,990	13,990	13,974	16	99.9%	-	-
Total	3,098,305	51,849	(25,373)	3,124,781	3,122,148	2,633	99.9%	3,638,611	3,638,465

Programme 4 per economic classification	2008/09							2007/08	
	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
Current payment									
Compensation of employees	207,334	(13,008)	(8,661)	185,665	185,532	133	99.9%	127,520	127,501
Goods & services	155,130	(11,210)	(11,496)	132,424	131,676	748	99.4%	160,992	160,942
Interest & rent on land	-	-	-	-	-	-	-	-	-
Financial transactions in assets & liabilities	-	-	-	-	858	(858)	-	-	-
Transfers & subsidies to:									
Provinces & municipalities	-	8	-	8	7	1	87.5%	16	16
Departmental agencies & accounts	-	-	-	-	-	-	-	-	-
Universities & technikons	-	-	-	-	-	-	-	-	-
Foreign governments & international organisations	-	-	-	-	-	-	-	-	-
Public corporations & private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	2,721,944	72,449	(8,238)	2,786,155	2,783,665	2,490	99.9%	3,333,578	3,333,578
Payment for capital assets									
Buildings & other fixed structures	-	-	-	-	-	-	-	-	-
Machinery & equipment	10,897	(2,390)	(1,968)	6,539	6,435	104	98.4%	5,422	5,345
Biological or cultivated assets	-	-	-	-	-	-	-	-	-
Software & other intangible assets	-	-	-	-	-	-	-	-	-
Land & subsoil assets	3,000	6,000	4,990	13,990	13,975	15	99.9%	11,083	11,083
Total	3,098,305	51,849	(25,373)	3,124,781	3,122,148	2,633	99.9%	3,638,611	3,638,465

Programme 5: Land Reform

Details per Sub-Programme	2008/09							2007/08	
	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
5.1 National Office									
Current payment	59,716	(6,556)	(2,116)	51,044	50,589	455	99.1%	54,589	54,580
Transfers and subsidies	-	-	-	-	-	-	-	645	643
Payment for capital assets	530	79	141	750	740	10	98.7%	1,468	1,126
5.2 Provincial Office									
Current payment	227,820	(2,187)	(872)	224,761	224,718	43	100.0%	174,619	174,609
Transfers and subsidies	-	25	-	25	8	17	32.0%	39	39
Payment for capital assets	1,332,640	139,576	(5,793)	1,466,423	1,466,422	1	100.0%	850,445	850,388
5.3 Land Reform Grants									
Current payment	-	-	-	-	-	-	-	-	-
Transfers and subsidies	1,241,580	(213,800)	8,000	1,035,780	1,035,134	646	99.9%	504,774	483,086
Payment for capital assets	-	-	-	-	-	-	-	-	-
5.4 KwaZulu-Natal Ingonyama Trust Board									
Current payment	-	-	-	-	-	-	-	-	-
Transfers and subsidies	2,492	-	-	2,492	2,492	-	100.0%	2,351	2,351
Payment for capital assets	-	-	-	-	-	-	-	-	-
5.5 The Land Reform Empowerment Facility									
Current payment	-	-	-	-	-	-	-	-	-
Transfers and subsidies	1	-	-	1	-	1	-	1	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
5.6 Communal Land Rights Programme									
Current payment	23,690	-	(4,253)	19,437	19,436	1	100.0%	4,540	4,251
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
Total	2,888,469	(82,863)	(4,893)	2,800,713	2,799,539	1,174	100.0%	1,593,471	1,571,073

Programme 5 per economic classification	2008/09							2007/08	
	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
Current payment									
Compensation of employees	181,209	(27,038)	(2,391)	151,780	150,323	1,457	99.0%	114,335	114,335
Goods & services	130,017	18,295	(4,850)	143,462	143,165	297	99.8%	119,413	119,105
Interest & rent on land	-	-	-	-	-	-	-	-	-
Financial transactions in assets & liabilities	-	-	-	-	1,254	(1,254)	-	-	-
Transfers & subsidies to:									
Provinces & municipalities	-	25	-	25	9	16	36.0%	39	39
Departmental agencies & accounts	2,492	-	-	2,492	2,492	-	100.0%	2,351	2,351
Universities & technikons	-	-	-	-	-	-	-	-	-
Foreign governments & international organisations	-	-	-	-	-	-	-	-	-
Public corporations & private enterprises	1	-	-	1	-	1	-	1	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1,241,580	(213,800)	8,000	1,035,780	1,035,134	646	99.9%	505,419	483,729
Payment for capital assets									
Buildings & other fixed structures	-	-	-	-	-	-	-	2,442	2,442
Machinery & equipment	2,865	4,304	(900)	6,269	6,259	10	99.8%	17,636	17,581
Biological or cultivated assets	-	-	-	-	-	-	-	9,493	9,491
Software & other intangible assets	-	-	-	-	-	-	-	330	250
Land & subsoil assets	1,330,305	135,351	(4,752)	1,460,904	1,460,903	1	100.0%	822,012	821,750
Total	2,888,469	(82,863)	(4,893)	2,800,713	2,799,530	1,174	100.0%	1,593,471	1,571,073

Programme 6: Spatial Planning & Information

Details per Sub-Programme	2008/09							2007/08	
	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
6.1 Management & Support Services									
Current payment	11,145	4,400	(113)	15,432	15,427	5	100.0%	11,971	11,943
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	511	80	(391)	200	200	-	100.0%	760	640
6.2 Spatial Planning & Information									
Current payment	18,474	(450)	(1,207)	16,817	16,781	36	99.8%	9,028	9,019
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	76	270	(41)	305	304	1	99.7%	259	234
6.3 South African Council for Planners									
Current payment	-	-	-	-	-	-	-	-	-
Transfers and subsidies	2,080	-	-	2,080	1,544	536	74.2%	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
Total	32,286	4,300	(1,752)	34,834	34,256	578	98.3%	22,018	21,836

Programme 6 per economic classification	2008/09							2007/08	
	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
Current payment									
Compensation of employees	18,769	(701)	(700)	17,368	17,292	76	99.6%	10,353	10,317
Goods & services	10,850	4,651	(620)	14,881	14,867	14	99.9%	10,646	10,645
Interest & rent on land	-	-	-	-	-	-	-	-	-
Financial transactions in assets & liabilities	-	-	-	-	49	(49)	-	-	-
Transfers & subsidies to:									
Provinces & municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies & accounts	-	-	-	-	-	-	-	-	-
Universities & technikons	-	-	-	-	-	-	-	-	-
Foreign governments & international organisations	-	-	-	-	-	-	-	-	-
Public corporations & private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	2,080	-	-	2,080	1,544	536	74.2%	-	-
Households	-	-	-	-	-	-	-	-	-
Payment for capital assets									
Buildings & other fixed structures	-	-	-	-	-	-	-	-	-
Machinery & equipment	587	350	(432)	505	504	1	99.8%	929	874
Biological or cultivated assets	-	-	-	-	-	-	-	-	-
Software & other intangible assets	-	-	-	-	-	-	-	90	-
Land & subsoil assets	-	-	-	-	-	-	-	-	-
Total	32,286	4,300	(1,752)	34,834	34,256	578	98.3%	22,018	21,836

Programme 7: Auxiliary & Associated Services

Details per Sub-Programme	2008/09							2007/08	
	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
7.1 Government Motor Transport									
Current payment	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	3,067	2,982
7.2 Registration of Deeds Trading Account									
Current payment	-	-	-	-	-	-	-	-	-
Transfers and subsidies	1	-	54,814	54,815	54,814	1	100.0%	1	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
7.3 Sector Education & Training Authority									
Current payment	-	-	-	-	-	-	-	-	-
Transfers and subsidies	1	-	-	1	-	1	-	1	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
7.4 Capital Works									
Current payment	10,162	-	(7,780)	2,382	2,382	-	100.0%	8,524	3,274
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
Total	10,164	-	47,034	57,198	57,196	2	100.0%	11,593	6,256

Programme 7 per economic classification	2008/09							2007/08	
	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
Current payment									
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods & services	10,162	-	(7,780)	2,382	2,382	-	100.0%	8,524	3,274
Interest & rent on land	-	-	-	-	-	-	-	-	-
Financial transactions in assets & liabilities	-	-	-	-	-	-	-	-	-
Transfers & subsidies to:									
Provinces & municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies & accounts	-	-	-	-	-	-	-	-	-
Universities & technikons	2	-	54,814	54,816	54,814	2	100.0%	2	-
Foreign governments & international organisations	-	-	-	-	-	-	-	-	-
Public corporations & private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Payment for capital assets									
Buildings & other fixed structures	-	-	-	-	-	-	-	-	-
Machinery & equipment	-	-	-	-	-	-	-	3,067	2,982
Biological or cultivated assets	-	-	-	-	-	-	-	-	-
Software & other intangible assets	-	-	-	-	-	-	-	-	-
Land & subsoil assets	-	-	-	-	-	-	-	-	-
Total	10,164	-	47,034	57,198	57,196	2	100.0%	11,593	6,256

Notes to the Appropriation Statement

for the year ended 31 March 2009

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

Detail of these transactions can be viewed in note 8 (Transfers and subsidies) and Annexure 1 (A-F) 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 financial transactions in assets and liabilities

Detail of these transactions per programme can be viewed in note 7 and 2 (Financial transactions in assets and liabilities) to the Annual Financial Statements.

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

4.1 Per Programme	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation %
Administration	453,442	453,316	126	-
Survey and Mapping	72,044	71,875	169	0,2%
Cadastral Surveys	116,384	116,306	78	0,1%
Restitution	3,124,781	3,122,148	2,633	0,1%
Land Reform	2,800,713	2,799,539	1,174	-
Spatial Planning and Information	34,834	34,256	578	2%
Auxiliary and Associated Services	57,198	57,196	2	-

4.2 Per Economic classification	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation %
Current payment				
Compensation of employees	612,728	610,553	2,175	0,4%
Goods & services	632,978	631,882	1,096	0,2%
Interest & rent on land	7	6	1	14,3%
Financial transactions in assets & liabilities	-	2,361	(2,361)	-
Transfers & subsidies to:				
Provinces & municipalities	48	26	22	45,8%
Departmental agencies & accounts	57,308	57,306	2	-
Universities & technikons	-	-	-	-
Foreign governments & international organisations	1	-	1	100%
Public corporations & private enterprises	1,125	1,124	1	0,1%
Non-profit institutions	2,082	1,546	536	25,7%
Households	3,836,468	3,833,330	3,138	0,1%
Payment for capital assets				
Buildings & other fixed structures	-	-	-	-
Machinery & equipment	41,757	41,624	133	0,3%
Biological or cultivated assets	-	-	-	-
Software & other intangible assets	-	-	-	-
Land & subsoil assets	1,474,894	1,474,878	16	-

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Statement of Financial Performance

for the year ended 31 March 2009

REVENUE

Annual appropriation
Departmental revenue
Aid assistance

TOTAL REVENUE

EXPENDITURE

Current expenditure

Compensation of employees
Goods and services
Interest and rent on land
Financial transactions in assets and liabilities
Aid assistance

Total current expenditure

Transfers and subsidies

Expenditure for capital assets

Tangible capital assets
Software and other intangible assets
Unauthorised expenditure approved without funding

Total expenditure for capital assets

TOTAL EXPENDITURE

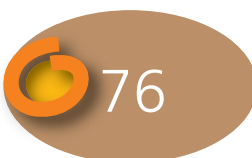
SURPLUS/(DEFICIT) FOR THE YEAR

Reconciliation of Net Surplus/(Deficit) for the year

Voted Funds
Departmental Revenue
Aid assistance

SURPLUS/(DEFICIT) FOR THE YEAR

Note	2008/09 R'000	2007/08 R'000
1	6,659,396	5,928,269
2	64,170	176,380
3	-	1,885
	6,723,566	6,106,534
4	610,553	476,092
5	631,883	668,388
6	6	-
7	2,361	3,832
3	2,635	35
	1,247,438	1,148,347
8	3,938,704	3,832,849
9	1,471,606	907,903
9	-	8,433
12	-	-
	1,471,606	916,336
	6,657,748	5,897,532
	65,818	209,002
15	4,760	30,772
16	64,170	176,380
3	(3,112)	1,850
	65,818	209,002



Statement of Financial Position

for the year ended 31 March 2009

ASSETS

Current assets

Fruitless and wasteful expenditure
Cash and cash equivalents
Prepayments and advances
Receivables
Aid assistance receivable

Non-current assets

Investments

TOTAL ASSETS

LIABILITIES

Current liabilities

Voted funds to be surrendered to the Revenue Fund
Departmental revenue to be surrendered to the Revenue Fund
Payables
Aid assistance unutilised

TOTAL LIABILITIES

NET ASSETS

Represented by:

Capitalisation reserve
Recoverable revenue

TOTAL

<i>Note</i>	2008/09 R'000	2007/08 R'000
	86,589	105,859
10	596	596
11	59,890	87,368
12	5,298	2,134
13	19,543	15,761
3	1,262	-
	16,112	16,112
14	16,112	16,112
	102,701	121,971
	83,207	104,267
15	4,760	30,772
16	2,623	1,949
17	75,824	69,696
3	-	1,850
	83,207	104,267
	19,494	17,704
	16,112	16,112
	3,382	1,592
	19,494	17,704

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• **Statement of Changes in Net Assets**

• for the year ended 31 March 2009

• **Capitalisation Reserves**

Opening balance	16,112	16,112
Closing balance	<u>16,112</u>	<u>16,112</u>

• **Recoverable revenue**

Opening balance	1,592	1,264
Transfers:	1,790	328
Irrecoverable amounts written off	(23)	(3,832)
Debts revised	(515)	3,233
Debts recovered (included in departmental revenue)	(1,461)	(1,666)
Debts raised	3,789	2,593
Closing balance	<u>3,382</u>	<u>1,592</u>

• **TOTAL**

<u>19,494</u>	<u>17,704</u>
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Cash Flow Statement

for the year ended 31 March 2009

	<i>Note</i>	2008/09 R'000	2007/08 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Annual appropriated funds received	1	6,722,603	5,984,852
Departmental revenue received	2	63,207	54,698
Local and foreign aid assistance received	3	-	1,885
Net increase/(decrease) in working capital		(818)	(3,894)
Surrendered to Revenue Fund		(94,268)	(181,303)
Current payments		(1,247,438)	(1,148,347)
Transfers and subsidies paid		(3,938,704)	(3,832,849)
Net cash flow available from operating activities	18	1,441,375	818,459
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	11	(1,471,606)	(916,336)
Proceeds from sale of capital assets	2.3	963	2,468
Net cash flows from investing activities		(1,470,643)	(913,868)
CASH FLOWS FROM FINANCING ACTIVITIES			
Distribution/dividend received		-	119,214
Increase/(decrease) in net assets		1,790	328
Increase/(decrease) in non-current payables		-	-
Net cash flows from financing activities		1,790	119,542
Net increase/(decrease) in cash and cash equivalents		(27,478)	24,133
Cash and cash equivalents at the beginning of the period		87,368	63,235
Cash and cash equivalents at end of period	19	59,890	87,368

Notes to the Annual Financial Statements

for the year ended 31 March 2009

1. Annual Appropriation

1.1 Annual Appropriation

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

	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Appropriation Received 2007/08
	R'000	R'000	R'000	R'000
Programme 1	453,442	455,899	(2,457)	426,554
Programme 2	72,044	82,344	(10,300)	98,085
Programme 3	116,384	118,643	(2,259)	137,937
Programme 4	3,124,781	3,071,705	53,076	3,638,611
Programme 5	2,800,713	2,884,055	(83,342)	1,593,471
Programme 6	34,834	36,586	(1,752)	22,018
Programme 7	57,198	10,164	47,034	11,593
Total	6,659,396	6,659,396	-	5,928,269

2. Departmental revenue

	Note	2008/09 R'000	2007/08 R'000
Sales of goods and services other than capital assets	2.1	20,970	23,200
Interest, dividends and rent on land	2.2	33,438	145,461
Sales of capital assets	2.3	963	2,468
Financial transactions in assets and liabilities	2.4	8,750	5,210
Transfer received	2.5	49	41
Total revenue collected		64,170	176,380
Departmental revenue collected		64,170	176,380

2.1 Sales of goods and services other than capital assets

	Note	2008/09 R'000	2007/08 R'000
Sales of goods and services produced by the department	2	20,941	23,147
Sales by market establishment		1,211	-
Administrative fees		17,115	17,755
Other sales		2,615	5,392
Sales of scrap, waste and other used current goods		29	53
Total		20,970	23,200

2.2 Interest, dividends and rent on land

	Note	2008/09 R'000	2007/08 R'000
Interest received	2	20,407	14,849
Dividend received		-	119,214
Rent on land and buildings		13,031	11,398
Total		33,438	145,461

2.3 Sale of capital assets

	Note	2008/09 R'000	2007/08 R'000
Land and subsoil assets	2	963	2,468
Total		963	2,468

2.4 Financial transactions in assets and liabilities

	Note	2008/09 R'000	2007/08 R'000
Receivables	2	577	346
Stale cheques written back		5	-
Other Receipts including Recoverable Revenue		8,168	4,864
Total		8,750	5,210

2.5 Transfers received

	Note	2008/09 R'000	2007/08 R'000
Foreign governments	2	49	41
Total		49	41

Revenue in transit during the previous year was R1,949 million and in the current year is R2,623 million.

3. Aid assistance

3.1 Aid Assistance received in cash from RDP

	2008/09 R'000	2007/08 R'000
Opening Balance	1,850	-
Revenue	-	1,885
Expenditure	(3,112)	(35)
Current	(2,635)	(35)
Capital	(477)	-
Closing Balance	(1,262)	1,850

3.2 Total Assistance

	2008/09 R'000	2007/08 R'000
Opening Balance	1,850	-
Revenue	-	1,885
Expenditure	(3,112)	(35)
Current	(2,635)	(35)
Capital	(477)	-
Closing Balance	(1,262)	1,850

<i>Note</i>	2008/09 R'000	2007/08 R'000
3	-	1,850
	1,262	-
	1,262	1,850

Analysis of balance

Aid assistance unutilised	-	1,850
Aid assistance receivable	1,262	-
Closing balance	1,262	1,850

4. Compensation of employees

4.1 Salaries and Wages

	2008/09 R'000	2007/08 R'000
Basic salary	426,288	318,621
Performance award	4,770	6,028
Service Based	2,325	1,644
Compensative/circumstantial	13,747	12,850
Periodic payments	2,280	11,063
Other non-pensionable allowances	81,207	71,436
Total	530,617	421,642

4.2 Social contributions

4.2.1 Employer contributions

	2008/09 R'000	2007/08 R'000
Pension	53,884	36,382
Medical	25,963	17,994
Bargaining council	89	74
Total	79,936	54,450

Total compensation of employees

Average number of employees	3,253	2,805
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5. Goods and services

	2008/09 R'000	2007/08 R'000
Administrative fees	38,024	28,834
Advertising	15,304	13,684
Assets less than R5,000	8,321	9,747
Bursaries (employees)	1,466	2,071
Catering	4,519	3,204
Communication	35,877	33,377
Computer services	65,960	69,085
Consultants, contractors and agency/outsourced services	172,312	179,059
Entertainment	27	16
Audit cost – external	7,736	6,559
Inventory	21,819	16,423
Maintenance, repairs and running costs	-	13,536
Operating leases	46,984	44,095
Owned and leasehold property expenditure	31,189	12,673
Transport provided as part of the departmental activities	2,034	2,383
Travel and subsistence	133,685	132,798
Venues and facilities	28,066	26,428
Training and staff development	10,183	7,780
Other operating expenditure	8,377	66,636
Total	631,883	668,388

5.1 Assets less than R5,000

Tangible assets
Biological/cultivated assets
Machinery and equipment
Intangible assets
Total

<i>Note</i>	2008/09	2007/08
	R'000	R'000
5	8,321	9,654
	543	3,347
	7,778	6,307
	-	93
	8,321	9,747

5.2 Computer services

SITA computer services
External computer service providers
Total

<i>Note</i>	2008/09	2007/08
	R'000	R'000
5	22,706	19,994
	43,254	49,091
	65,960	69,085

5.3 Consultants, contractors and agency/outsourced services

Business and advisory services
Infrastructure and planning
Legal costs
Contractor
Agency and support/outsourced services
Total

<i>Note</i>	2008/09	2007/08
	R'000	R'000
5	74,763	81,394
	15,927	18,629
	20,211	21,441
	13,253	26,368
	48,158	31,227
	172,312	179,059

5.4 Audit cost - external

Regulatory audits
Other audits
Total

<i>Note</i>	2008/09	2007/08
	R'000	R'000
5	7,736	4,849
	-	1,710
	7,736	6,559

5.5 Inventory

Learning and teaching support material
Food and food supplies
Fuel, oil and gas
Other consumable materials
Maintenance material
Stationery and printing
Medical supplies
Total

<i>Note</i>	2008/09	2007/08
	R'000	R'000
5	353	135
	498	529
	30	26
	1,340	713
	416	200
	18,910	14,732
	272	88
	21,819	16,423

5.6 Owned and leasehold property expenditure

Municipal services
Other
Total

<i>Note</i>	2008/09	2007/08
	R'000	R'000
5	7,376	12,673
	28,813	-
	31,189	12,673

5.7 Travel and subsistence

Local
Foreign
Total

<i>Note</i>	2008/09	2007/08
	R'000	R'000
5	132,178	132,259
	1,507	539
	133,685	132,798

5.8 Other operating expenditure

Professional bodies, membership and subscription fees
Resettlement costs
Other
Total

<i>Note</i>	2008/09	2007/08
	R'000	R'000
5	199	772
	5,068	2,923
	3,110	62,941
	8,377	66,636

6. Interest and rent on land

Interest paid
Total

2008/09	2007/08
R'000	R'000
6	-
6	-

7. Financial transactions in assets and liabilities

	<i>Note</i>	2008/09 R'000	2007/08 R'000
Other material losses written off	7.1	2,338	3,723
Debts written off	7.2	23	109
Total		2,361	3,832

7.1 Other material losses written off

	<i>Note</i>	2008/09 R'000	2007/08 R'000
Nature of losses	7		
Other Material		2,338	3,723
Total		2,338	3,723

7.2 Debts written off

	<i>Note</i>	2008/09 R'000	2007/08 R'000
Nature of debts written off	7		
State Guarantee		-	36
Study Debt		2	22
Supplier Dept		-	30
Salary Debt		21	21
Total		23	109

8. Transfers and subsidies

	<i>Note</i>	2008/09 R'000	2007/08 R'000
Provinces and municipalities	Annex 1A	26	77
Departmental agencies and accounts	Annex 1B	57,306	2,351
Universities and technikons		-	-
Foreign governments and international organisations	Annex 1D	1,124	1,026
Public corporations and private enterprises	Annex 1C	-	50
Non-profit institutions	Annex 1E	1,546	-
Households	Annex 1F	3,878,702	3,829,345
Total		3,938,704	3,832,849

9. Expenditure for capital assets

	<i>Note</i>	2008/09 R'000	2007/08 R'000
Tangible assets		1,471,606	907,903
Buildings and other fixed structures		-	2,442
Machinery and equipment	29.1	51,417	63,137
Land and subsoil assets	31.1	1,420,189	832,833
Biological or cultivated assets		-	9,491
Software and other intangible assets		-	8,433
Other intangibles	30.1	-	8,433
Total		1,471,606	916,336

9.1 Analysis of funds utilised to acquire capital assets – 2008/09

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	1,471,129	477	1,471,606
Machinery and equipment	50,940	477	51,417
Land and subsoil assets	1,420,189	-	1,420,189
Total	1,471,129	477	1,471,606

9.2 Analysis of funds utilised to acquire capital assets – 2007/08

	Voted funds R'000	Aid assistance R'000	Total R'000
Total assets acquired	916 336	-	916 336

10. Fruitless and wasteful expenditure

10.1 Reconciliation of fruitless and wasteful expenditure

	2008/09 R'000	2007/08 R'000
Opening balance	596	473
Fruitless and wasteful expenditure – current year	-	123
Transfers and subsidies	-	123
Amounts condoned	-	-
Current	-	-
Capital	-	-
Transfers and subsidies	-	-
Transfer to receivables for recovery	-	-
Fruitless and wasteful expenditure awaiting condonement	-	596
Analysis of awaiting condonement per economic classification		
Current	-	596
Total	596	596

11. Cash and cash equivalents

	2008/09 R'000	2007/08 R'000
Consolidated Paymaster General Account	59,714	84,654
Cash receipts	-	2,583
Disbursements	43	22
Cash on hand	133	109
Total	59,890	87,368

12. Prepayments and advances

	2008/09 R'000	2007/08 R'000
Travel and subsistence	27	43
Advances paid to other entities	5,271	2,091
Total	5,298	2,134

13. Receivables

	2008/09 R'000	2007/08 R'000
Claims recoverable	993	253
Recoverable expenditure	11,910	12,282
Staff debt	975	631
Other debtors	5,665	2,595
Total	19,543	15,761

Claims recoverable

	2008/09 R'000	2007/08 R'000
National departments	270	253
Provincial departments	723	-
Public entities	-	-
Total	993	253

13.2 Recoverable expenditure (disallowance accounts)

	2008/09 R'000	2007/08 R'000
Descriptions		
Disallowances dishonoured cheque	21	1
Sal: Disallowances account AC	185	316
Disallowances: Miscellaneous	7,745	9,770
Disallowances: Damaged GG Vehicle	3,959	2,195
Total	11,910	12,282

13.3 Staff debt

	2008/09 R'000	2007/08 R'000
Salary Debt	41	21
Bursary Debt	288	187
Subsidised Motor Scheme	183	81
Telephone Debt	187	69
Cell Phone Debt	-	5
Misconduct	171	164
GG Accident	103	101
Other Debt	2	3
Total	975	631

13.4 Other debtors

	<i>Note</i>	2008/09	2007/08
	<i>13</i>	R'000	R'000
SG Debtors		230	292
Supplier Debt		9	9
E – Staff Salary debt		1,102	615
E – Staff Bursary		2,193	732
Ex – Staff state Guarantees – Housing		39	49
Ex – Staff Telephone Debt		78	38
Ex – Staff Tax Debt		19	6
Ex – Staff Subsidised Motor Vehicle Debt		17	26
Ex – Staff Cell Phone Debt		53	52
Ex – Staff GG accidents		77	68
Ex – Staff Misconduct		28	25
Other Debtors		219	32
Clearing Accounts		-	419
Criminal debt		-	131
Sal Tax Debt : CA		-	101
Transport suspense		1,141	-
Sal Tax Debt : CL		460	-
Total		5,665	2,595

14. Investments

		2008/09	2007/08
		R'000	R'000
Non-Current			
Shares and other equity			
Inala Farms (Pty) Ltd		16,112	16,112
Total		16,112	16,112
Total non-current		16,112	16,112
Analysis of non current investments			
Opening balance		16,112	16,112
Closing balance		16,112	16,112

15. Voted funds to be surrendered to the Revenue Fund

		2008/09	2007/08
		R'000	R'000
Opening balance		30,772	4,645
Transfer from statement of financial performance		4,760	30,772
Paid during the year		(30,772)	(4,645)
Closing balance		4,760	30,772

16. Departmental revenue to be surrendered to the Revenue Fund

	<i>Note</i>	2008/09	2007/08
		R'000	R'000
Opening balance		1,949	2,227
Transfer from Statement of Financial Performance		64,170	176,380
Paid during the year		(63,496)	(176,658)
Closing balance		2,623	1,949

17. Payables – current

	<i>Note</i>	2008/09	2007/08
		R'000	R'000
Description			
Clearing accounts	17.1	75,146	69,379
Other payables	17.2	678	317
Total		75,824	69,696

17.1 Clearing accounts

	<i>Note</i>	2008/09	2007/08
		R'000	R'000
Description			
Restitution awards not claimed	17	75,146	69,379
Total		75,146	69,379

17.2 Other payables

	<i>Note</i>	2008/09	2007/08
		R'000	R'000
Description			
Salaries : Pension Fund : CL		62	1
Salaries : Medical : CL		5	8
Salaries : Housing : CL		9	29
Salaries : Overpayment		-	1
Transport Suspense Accounts		602	207
Salaries : Tax Debt		-	71
Total		678	317

18. Net cash flow available from operating activities

	2008/09	2007/08
	R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance	65,818	209,002
Add back non cash/cash movements not deemed operating activities	1,420,930	609,457
(Increase)/decrease in receivables – current	(3,782)	28
(Increase)/decrease in prepayments and advances	(3,164)	1,373
(Increase)/decrease in other current assets	-	(123)
Increase/(decrease) in payables – current	6,128	(5,172)
Proceeds from sale of capital assets	(963)	(2,468)
Expenditure on capital assets	1,471,606	916,336
Surrenders to Revenue Fund	(94,268)	(181,303)
Other non-cash items	-	(119,214)
Net cash flow generated by operating activities	1,441,748	818,459

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

	2008/09	2007/08
	R'000	R'000
Consolidated Paymaster General account	59,714	84,654
Cash receipts	-	2,583
Disbursements	43	22
Cash on hand	133	109
Total	59,890	87,368

Disclosure Notes to the Annual Financial Statements

for the year ended 31 March 2009

These amounts are not recognised in the Annual Financial Statements and are disclosed to enhance the usefulness of the Annual Financial Statements.

20. Contingent liabilities

	<i>Note</i>	2008/09 R'000	2007/08 R'000	
Liable to				
Nature				
Motor vehicle guarantees	Employees	Annex 3A	133	204
Housing loan guarantees	Employees	Annex 3A	291	641
Claims against the department		Annex 3B	394,481	311,044
Other departments (interdepartmental unconfirmed balances)		Annex 5	147	626
Total		395,502	312,515	

21. Commitments

	2008/09 R'000	2007/08 R'000
Current expenditure		
Approved and contracted	188,694	116,516
Approved but not yet contracted	663,941	394,873
	852,635	511,389
Capital expenditure		
Approved and contracted	1,167	4,530
Approved but not yet contracted	7,955,981	5,674,322
	7,957,148	5,678,852
Total Commitments	8,809,783	6,190,241

The closing balance as at 31 March 2008 for the Balance of Grant (BOG) commitments have been restated, by R61,6 million from R443,9 million to R382,4 million as a result of a reconciliation during 2008/09 financial year.

22. Accruals

			2008/09 R'000	2007/08 R'000
Listed by economic classification				
	30 Days	30 Days +	Total	Total
Compensation of employees	-	-	-	5
Goods and services	12,025	17,399	29,424	31,993
Transfers and subsidies	-	-	-	-
Machinery and equipment	193	2,585	2,778	815
Land and subsoil assets	-	-	-	136,561
Other	-	-	-	188
Total	12,218	19,984	32,202	169,562
			2008/09 R'000	2007/08 R'000
Listed by programme level				
Administration			10,736	19,466
Surveys & Mapping			649	54
Cadastral Services			1,092	412
Restitution			4,289	7,240
Land Reform			12,228	142,297
Spatial Planning & information			3,208	93
Total			32,202	169,562
	<i>Note</i>		2008/09 R'000	2007/08 R'000
Confirmed balances with other departments	Annex 5		16,166	1,247
Total			16,166	1,247

The R19,9 million paid after 30 days results in a non compliance; this is due to the augmentation of R54,8 million transferred to the Deeds Trading Account. Refer to the Accounting officers report and Treasury Regulation 19

23. Employee benefits

	2008/09 R'000	2007/08 R'000
Leave entitlement	20,697	17,296
Thirteenth cheque	18,066	12,378
Performance awards	7,248	7,141
Capped leave commitments	24,200	21,618
Total	70,211	58,433

24. Lease commitments
Operating leases expenditure
2008/09

	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	14,019	-	14,019
Later than 1 year and not later than 5 years	-	115,280	-	115,280
Later than five years	-	2,776	-	2,776
Total lease commitments	-	132,075	-	132,075

2007/08

	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	23,370	91	23,461
Later than 1 year and not later than 5 years	-	46,740	13	46,753
Total lease commitments	-	70,110	104	70,214

Finance leases expenditure**
2008/09

	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	11,250	11,250
Later than 1 year and not later than 5 years	-	-	6,377	6,377
Later than five years	-	-	-	-
Total lease commitments	-	-	17,627	17,627
Less: Finance Cost	-	-	(1,247)	(1,247)

Total present value of lease liabilities

2007/08

	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	2,721	2,721
Later than 1 year and not later than 5 years	-	-	2,772	2,772
Total lease commitments	-	-	5,493	5,493
Total present value of lease liabilities	-	-	5,493	5,493

25. Receivables for departmental revenue

	2008/09 R'000	2007/08 R'000
Interest, dividends and rent on land	92,524	64,777
Total	92,524	64,777

25.1 Analysis of receivables for departmental revenue

	2008/09 R'000
Opening balance	64,777
Less: Amounts received	32,544
Add: Amounts recognised	60,291
Less: Amounts written-off/reversed as irrecoverable	-
Closing balance	92,524

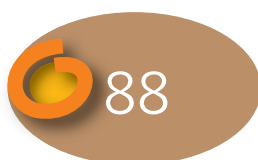
Opening balance has been restated for interest receivable from conveyancers, state land leases both DLA and PLAS, and SITA credit note. Receivable on rent on land as at 31 March 2009 is R50,878 million, POA is R5,193 million, Interest receivable from conveyancers under Restitution is R30,638 million and SITA credit note is R1,211 million as well as R4,604 million owed to the department for fraud case W Ruiters

26. Irregular expenditure

26.1 Reconciliation of irregular expenditure

	2008/09 R'000	2007/08 R'000
Opening balance	10,048	34,103
Add irregular expenditure-relating to prior year	64,573	-
Add irregular expenditure-relating to current year	10,384	-
Less: Amounts condoned	(10,048)	(24,055)
Current expenditure	(10,048)	21,803
Expenditure for capital assets	-	2,252
Irregular expenditure awaiting condonation	74,957	10,048
Analysis of awaiting condonation per age classification		
Current year	10,384	-
Prior years	64,573	10,048
Total	74,957	10,048

R64,573 million relates to all assets acquired through Pro-active Land Acquisition Strategy from 2006 to mid 2008, the R10,384 million is for 2008/09 before the amendment of Act 126 of 1993 was approved .



26.2 Details of irregular expenditure condoned

Incident	Condoned by (condoning authority)	2008/09 R'000
Tender process not followed	National Treasury	6,048
Mismanagement of transferred funds	National Treasury	4,000
		<u>10,048</u>

27. Fruitless and wasteful expenditure

27.1 Reconciliation of fruitless and wasteful expenditure

	2008/09 R'000	2007/08 R'000
Opening balance	596	473
Add fruitless and wasteful expenditure-relating to prior year	596	123
Add fruitless and wasteful expenditure-relating to current year	4,864	-
Less amount condoned	-	-
Less: Amounts transferred to receivables for recovery	-	-
Fruitless and wasteful expenditure awaiting condonement	<u>5,460</u>	<u>596</u>
Analysis of awaiting condonement per economic		
Current Expenditure	473	473
Capital Expenditure	4,864	-
Transfers and subsidies	123	123
Total	<u>5,460</u>	<u>596</u>

Analysis of Current Years Fruitless and Wasteful expenditure

Incident	Disciplinary steps taken/criminal proceedings	2008/09 R'000
Purchase of the Gorah Farm market value	Responsible officials have already been suspended	3,650
Payments made were not in accordance with the intended purpose - Cornucopia project	Responsible officials have already been suspended	1,214
Total		<u>4,864</u>

The Department envisage that an amount of R4,863,851.49 will be Fruitless and Wasteful Expenditure. An independent auditing firm was requested by the Department to launch an investigation regarding two projects (Gorah Farm and Cornucopia) that were purchased through PLAS. The investigation is still ongoing but a recommendation was done by the independent audit firm that an amount of R3,650,000 for Gorah Farm and R1,213,851.49 for Cornucopia should be declared in the financial statements as Fruitless and Wasteful Expenditure.

28. Related party transactions

Ministerial Portfolio	Department	Schedule	Public Entity
Agriculture & Land Affairs	Land Affairs	3A	Ingonyama Trust Board
		3B	Inala Farms (Pty) Ltd.
	Agriculture	2	Land & Agricultural Bank of South Africa
		3A	Agricultural Research Council
		3A	National Agricultural Marketing Council
		3A	Perishable Products Export Control Board (PTY)
		3B	Ncera Farms Biological Products
		3B	Onderstepoort

29. Key management personnel

	No. of Individuals	2008/09 R'000	2007/08 R'000
Political office bearers (provide detail below)			
Officials:			
Level 15 to 16	13	8,199	4,826
Level 14 (incl CFO if at a lower level)	21	11,959	11,947
Total		<u>20,158</u>	<u>16,773</u>

30. Provisions

	2008/09 R'000	2007/08 R'000
Provisions		
Impairment of investments	16,112	16,112
Irrecoverable other	42,367	16,994
Advance to Municipalities	1,119	2,091
Total	<u>59,598</u>	<u>35,197</u>

30. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2009

	Opening balance	Curr Year Adjustments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	220,509	14,283	51,417	5,387	280,822
Transport assets	16,824	(170)	838	602	16,890
Computer equipment	147,326	(5)	28,209	2,849	172,681
Furniture and office equipment	17,462	(23)	12,065	422	29,082
Other machinery and equipment	38,897	14,481	10,305	1,514	62,169
BIOLOGY ASSETS	12,554	7,923	-	2,266	18,211
Biology assets	12,554	7,923	-	2,266	18,211
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	233,063	22,206	51,417	7,653	299,033

30.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2009

	Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	51,417	-	-	-	51,417
Transport assets	838	-	-	-	838
Computer equipment	28,209	-	-	-	28,209
Furniture and office equipment	12,065	-	-	-	12,065
Other machinery and equipment	10,305	-	-	-	10,305
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	51,417	-	-	-	51,417

30.2 Movement for 2007/08

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2008

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	160,939	63,137	3,567	220,509
Transport assets	12,416	4,408	-	16,824
Computer equipment	121,504	28,762	2,940	147,326
Furniture and office equipment	14,794	3,295	627	17,462
Other machinery and equipment	12,225	26,672	-	38,897
BIOLOGY ASSETS	3,063	9,491	-	12,554
Biology assets	3,063	9,491	-	12,554
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	164,002	72,628	3,567	233,063

30.3 Minor assets

MINOR ASSETS OF THE DEPARTMENT FOR THE YEAR ENDED 31 MARCH 2009

	Intangible assets	Heritage assets	Machinery & equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000
Minor assets	6	-	28,842	-	28,842
	6	-	28,842	-	28,842
	4	-	53 279	-	53 279
Number of minor assets	4	-	53 279	-	53 279

31. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2009

	Opening balance	Current Year Adjustments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	47,746	1,975	-	-	49,721
TOTAL INTANGIBLE ASSETS	47,746	1,975	-	-	49,721

31.1 Movement for 2007/2008

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2008

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	39,313	8,433	-	47,746
TOTAL	39,313	8,433	-	47,746

32. Immovable Tangible Capital Assets

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2009

	Opening balance	Current Year Adjustments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES					
Other fixed structures	2,442	(2,442)	-	-	-
LAND AND SUBSOIL ASSETS					
Land	1,155,351	40,118	1,420,188	-	2,615,657
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	1,157,793	37,676	1,420,188	-	2,615,657

32.1 Additions

ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2009

	Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
LAND AND SUBSOIL ASSETS					
Land	1,420,188	-	-	-	1,420,188
TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS	1,420,188	-	-	-	1,420,188

32.2 Movement for 2007/2008

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2008

	Opening balance	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES				
Other fixed structures	-	2,442	-	2,442
LAND AND SUBSOIL ASSETS				
Land	322,518	832,833	-	1,155,351
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	322,518	835,275	-	1,157,793

32.3 Immovable assets valued at R1

IMMOVABLE ASSETS VALUED AT R1 IN THE ASSET REGISTER FOR 31 MARCH 2009

	Buildings and other fixed structures	Heritage assets	Land and subsoil assets	Investment property	Total
	R	R	R	R	R
R1 Immovable assets	-	-	35,725	-	35,725
TOTAL	-	-	35,725	-	35,725

Annexures to the Annual Financial Statements

for the year ended 31 March 2009

Annexure 1A

Statement of Conditional Grants paid to Provinces

NAME OF PROVINCE/ GRANT	GRANT ALLOCATION				TRANSFER		SPENT			2007/08
	Division of Revenue Act	Roll Overs	Adjustments	Total - Available	Actual Transfer	% of Available funds Transferred	Amount received by department	Amount spent by department	% of available funds spent by department	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
Municipal Rates & taxes	-	-	-	-	-	-	-	-	-	1
Levies Vehicle Licences	-	-	-	-	26	-	-	-	-	76
TOTAL	-	-	-	-	26	-	-	-	-	77

Annexure 1B

Statement of Transfers to Departmental Agencies and Accounts

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2007/08
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Ingonyama Trust Board	-	-	-	-	2,492	-	2,351
Deeds Trading Account	-	-	-	-	54,814	-	-
TOTAL	-	-	-	-	57,306	-	2,351

Annexure 1C

Statement of Transfers/Subsidies to Public Corporations and Private Enterprises

NAME OF PUBLIC CORPORATION/ PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2007/08
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Capital	Current	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Private Enterprises									
Non life insurance premiums	-	-	-	-	-	-	-	-	50
TOTAL	-	-	-	-	-	-	-	-	50

Annexure 1D

Statement of Transfers to Foreign Government and International Organisations

FOREIGN GOVERNMENT/ INTERNATIONAL ORGANISATION	TRANSFER ALLOCATION				EXPENDITURE			2007/08
	Adjusted Appropriation Act	Roll overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act	
	R'000	R'000	R'000	R'000	R'000	%	R'000	
Subscriptions : UNIVFOD	-	-	-	-	1,124	-	1,026	
TOTAL	-	-	-	-	1,124	-	1,026	

Annexure 1E

Statement of Transfers to Non-Profit Institutions

	TRANSFER ALLOCATION				EXPENDITURE		2007/08
	Adjusted Appropriation Act	Roll overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
NON-PROFIT INSTITUTIONS							
Transfers							
South African Council for Planners	-	-	-	-	1,544	-	-
Contribution for HIV and AIDS	-	-	-	-	2	-	-
TOTAL	-	-	-	-	1,546	-	-

Annexure 1F

Statement of Transfers to Households

	TRANSFER ALLOCATION				EXPENDITURE		2007/08
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
HOUSEHOLDS							
Restitution Grants (Beneficiaries)	-	-	-	-	2,783,665	-	3,333,531
Land Reform Grants (Beneficiaries)	-	-	-	-	1,080,507	-	483,087
Social Benefits Bursaries (Non Employees)	-	-	-	-	1,557	-	7,400
Households	-	-	-	-	12,973	-	4,927
TOTAL	-	-	-	-	3,878,702	-	3,829,345

Annexure 2A

Statement of Investments in and Amounts owing by/to Entities as at 31 March 2009

Name of Public Entity	Nature of business	Cost of investment		Net Asset value of Investment		Amounts owing to Entities		Amounts owing by Entities	
		R'000		R'000		R'000		R'000	
		2008/09	2007/08	2008/09	2007/08	2008/09	2007/08	2008/09	2007/08
Controlled entities									
Inala Farms (Pty) Ltd	Land Reform Project	-	16,112	-	-	-	-	-	-
Total		-	16,112	-	-	-	-	-	-

Annexure 3A

Statement of Financial Guarantees issued as at 31 March 2008 – Local

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2008	Guarantees draw downs during the year	Guarantees repayments/cancelled/reduced/released during the year	Revaluations	Closing balance 31 March 2009	Guaranteed interest for year ended 31 March 2009	Realised losses not recoverable i.e. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	'000
STANNIC	Motor vehicles	275	204	-	71	-	133	-	-
Subtotal		275	204	-	71	-	133	-	-
ABSA	Housing	-	75	25	17	-	83	-	-
BOE (Ltd)	Housing	-	-	16	-	-	16	-	-
First Rand Bank	Housing	-	35	31	50	-	16	-	-
First Rand Bank FNBS	Housing	-	67	17	17	-	67	-	-
Mpumalanga	Housing	-	-	11	11	-	-	-	-
Nedbank	Housing	-	15	-	15	-	-	-	-
Nedbank incorporated BOE	Housing	-	-	11	11	-	-	-	-
Old Mutual	Housing	-	10	8	11	-	7	-	-
Standard Bank	Housing	-	218	71	187	-	-	-	-
Peoples Bank LTD		-	-	-	-	-	-	-	-
FBC	Housing	-	-	44	44	-	102	-	-
Subtotal		-	420	234	263	-	291	-	-
Total		275	624	234	434	-	424	-	-

Annexure 3B

Statement of Contingent Liabilities as at 31 March 2009

Nature of Liability	Opening Balance 01/04/2008	Liabilities incurred during the year	Liabilities paid/cancelled/reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance 31/03/2009
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Mulaudzi & Associates – Arbitration matter :	94	-	-	-	94
Mulaudzi & Associates – Arbitration matter :	44	-	-	-	44
Mulaudzi & Associates – Arbitration matter :	876	-	-	-	876
Evelyn Valley Fire Claim	4,000	-	-	-	4,000
Kubisie Fire Claim	6,886	-	-	-	6,886
CJ Rance Fire Claim 4113/04/Z12, 3472/02/Z33 and 3038/05/Z62	16,783	-	-	-	16,783
A Mandolo	-	183	-	-	183
Phela Ophedise	1,164	-	-	-	1,164
Evangelical Lutheran Church Of SA	46,987	-	-	-	46,987
Rodendaal Pty Ltd	18,500	-	-	-	18,500
Prinshoek Boerdery	147	-	-	-	147
Chloe Boedery CC	1,344	-	-	-	1,344
Clarke & Others	4,702	-	-	-	4,702
Universe Ranch V Regional Land Claims KZN	542	-	-	-	542
Macassar Land Claims committee	-	900	-	-	900
Y Solomon	-	300	-	-	300
W Booth	-	600	-	-	600
District Six Cape Town	-	380	-	-	380
A Florence	-	400	-	-	400
Adam, Moosa, Ebrahim	-	1,500	-	-	1,500
MM Meyer	-	48,000	-	-	48,000
Morapedi Howard Seoue	-	65	-	-	65
Shamile CPA	-	98	-	-	98
CNM Dlamini	-	109	-	-	109
RF Crowwter	-	5,000	-	-	5,000
JSS Ballot	-	1,000	-	-	1,000
Goronyane	-	3,500	-	-	3,500
Parsons	-	17	-	-	17
DD Jacobs	-	6,000	-	-	6,000
AG Macdonald	-	11,442	-	-	11,442
G Joubert	-	6,508	-	-	6,508
F J Van Nierkerk	-	4,464	-	-	4,464
LV May	-	47,000	-	-	47,000
SS Freight	-	2,000	-	-	2,000
JJ Both	-	744	-	-	744
Wolfaardt	-	126	-	-	126
Silverline investment	-	14	-	-	14
AJ Meintjies	-	346	-	-	346
JB Spaumer	-	423	-	-	423
J Meintjies	-	800	-	-	800
Horseshoe sugar estate	-	258	-	-	258
Farjas	-	2,782	-	-	2,782
Kwabhekithunga	-	53	-	-	53
S H Mjwara	-	7	-	-	7
Crown Buildings services	-	123	-	-	123
M Serobe	-	160	-	-	160
M Lethoba	-	40	-	-	40
Dwarsloop Land Restitution Project	-	763	-	-	763
Mokhathi Projects	-	9	-	-	9
Outstanding Cases with State Attorneys:KZN	7,852	-	-	-	7,852
Total	235,759	158,722	-	-	394,481

Annexure 4

Claims Recoverable

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2009	31/03/2008	31/03/2009	31/03/2008	31/03/2009	31/03/2008
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Agriculture	-	-	180	-	180	-
Agriculture: North West	-	-	7	-	7	-
Environmental and Tourism	-	-	9	-	9	-
KZN: Agriculture and Environment	-	-	32	-	32	-
Trade and Industry	-	-	8	-	8	-
Justice	-	-	-	1	-	1
SASSA	-	-	-	49	-	49
Social Development	-	-	-	22	-	22
Statistics SA	-	-	-	12	-	12
KZN: Housing	-	-	19	-	19	-
KZN: Transport	-	-	19	-	19	-
Provincial and Local Government	-	-	74	-	74	-
NW: Provincial Administration	-	-	7	-	7	-
Agriculture: Free State 107	-	-	-	107	-	107
EC Province 11	-	-	-	11	-	11
WC Province 12	-	-	-	12	-	12
LP Province 33	-	-	-	33	-	33
Provincial PWD 5	-	-	-	5	-	5
KZN Provincial 1	-	-	-	1	-	1
	-	-	310	253	310	253
Other Government Entities						
Deeds Trading Account	-	-	638	-	638	-
Total	-	-	993	253	993	253

Annexure 5

Inter-Government Payables

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2009	31/03/2008	31/03/2009	31/03/2008	31/03/2009	31/03/2008
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Current						
Foreign Affairs	-	-	4	63	4	63
Justice	7,167	1,157	-	-	7,167	1,157
SASSA	-	-	-	8	-	8
Water Affairs and Forestry	-	-	-	26	-	26
Correctional Services	-	-	-	11	-	11
Environmental Affairs & Tourism	-	-	-	81	-	81
EC Health	-	-	-	27	-	27
Environmental Affairs: KZN	-	-	-	5	-	5
KZN Transport	-	-	-	38	-	38
Public Works	6,822	-	-	-	6,822	90
EC Treasury	-	90	-	367	-	367
Agriculture	2,132	-	-	-	2,132	-
National Intelligence Agency	45	-	-	-	45	-
SAPS	-	-	143	-	143	-
Subtotal	16,166	1,247	147	626	16,313	1,873
Total	16,166	1,247	147	626	16,313	1,873



REPORT BY
THE AUDITOR-
GENERAL
ON THE DEEDS
REGISTRATION
TRADING
ACCOUNT

part 4

Report by the Auditor- General on the Deeds Registration Trading Account

FOR THE YEAR ENDED 31 MARCH 2009

Report of the Auditor-General to Parliament on the financial statements and performance information of the Deeds Registration Trading Account for the year ended 31 March 2009

Report on the financial statements

Introduction

1. I have audited the accompanying financial statements of the Deeds Registration Trading Account which comprise the statement of financial position as at 31 March 2009, and the statement of financial performance, the statement of changes in net assets and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes as set out in pages 100 to 113.

The accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the South African Statements of Generally Accepted Accounting Practice (SA Statements of GAAP) and in the manner required by the Public Finance

Management Act, 1999 (Act No. 1 of 1999) (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.

The Auditor-General's responsibility

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA), my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing read with General Notice 616 of 2008, issued in Government Gazette No. 31057 of 15 May 2008. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial

land affairs



statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

7. In my opinion the financial statements present fairly, in all material respects, the financial position of the Deeds

Registration Trading Account as at 31 March 2009 and its financial performance and its cash flows for the year then ended, in accordance with SA Statements of GAAP and in the manner required by the PFMA.

Governance framework

8. The governance principles that impact the auditor's opinion on the financial statements are related to the responsibilities and practices exercised by the accounting authority and executive management and are reflected in the key governance responsibilities addressed below:

Key governance responsibilities

9. The PFMA tasks the accounting officer with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of key governance responsibilities, which I have assessed as follows:

No.	Matter	Y	N
Clear trail of supporting documentation that is easily available and provided in a timely manner			
1.	No significant difficulties were experienced during the audit concerning delays or the availability of requested information.	✓	
Quality of financial statements and related management information			
2.	The financial statements were not subject to any material amendments resulting from the audit.		✓
3.	The annual report was submitted for consideration prior to the tabling of the auditor's report.	✓	
Timeliness of financial statements and management information			
4.	The annual financial statements were submitted for auditing as per the legislated deadlines section 40/55 of the PFMA.	✓	
Availability of key officials during audit			
5.	Key officials were available throughout the audit process.	✓	
Development and compliance with risk management, effective internal control and governance practices			
6.	Audit committee		
	• The entity had an audit committee in operation throughout the financial year.	✓	
	• The audit committee operates in accordance with approved, written terms of reference.	✓	
	• The audit committee substantially fulfilled its responsibilities for the year, as set out in section 77 of the PFMA and Treasury Regulation 3.1.10/27.1.8.	✓	
7.	Internal audit		
	• The entity had an internal audit function in operation throughout the financial year.	✓	
	• The internal audit function operates in terms of an approved internal audit plan.	✓	
	• The internal audit function substantially fulfilled its responsibilities for the year, as set out in Treasury Regulation 3.2/27.2.	✓	
8.	There are no significant deficiencies in the design and implementation of internal control in respect of financial and risk management.	✓	

No.	Matter	Y	N
9.	There are no significant deficiencies in the design and implementation of internal control in respect of compliance with applicable laws and regulations.	✓	
10.	The information systems were appropriate to facilitate the preparation of the financial statements.	✓	
11.	A risk assessment was conducted on a regular basis and a risk management strategy, which includes a fraud prevention plan, is documented and used as set out in Treasury Regulation 3.2/27.2.	✓	
12.	Delegations of responsibility are in place, as set out in section 44/56 of the PFMA.	✓	
Follow-up of audit findings			
13.	The prior year audit findings have been substantially addressed.	✓	
14.	SCOPA/Oversight resolutions have been substantially implemented.	✓	
Issues relating to the reporting of performance information			
15.	The information systems were appropriate to facilitate the preparation of a performance report that is accurate and complete.	✓	
16.	Adequate control processes and procedures are designed and implemented to ensure the accuracy and completeness of reported performance information.	✓	
17.	A strategic plan was prepared and approved for the financial year under review for purposes of monitoring the performance in relation to the budget and delivery by the entity against its mandate, predetermined objectives, outputs, indicators and targets Treasury Regulation 29.1/30.1.	✓	
18.	There is a functioning performance management system and performance bonuses are only paid after proper assessment and approval by those charged with governance.	✓	

Investigations

10. An investigation is being performed by internal audit in respect of allegations of corruption at one of the Deeds Registration's regional offices. The investigation was still ongoing at the reporting date.

Report on other legal & regulatory requirements

Report on performance information

11. I have reviewed the performance information as set out on pages 100 to 113 as part of Department of Land Affairs audit. Findings identified will be reported as part of Department of Land Affairs' audit report.

Appreciation

12. The assistance rendered by the staff of the Deeds Registration Trading Account during the audit is sincerely appreciated.

Auditor General

Pretoria
31 July 2009



Statement of Financial Position

for the year ended 31 March 2009 - Deeds Registration Trading Account

	<i>Notes</i>	Mar-09 R'000	Mar-08 R'000 Restated
Non-current Assets			
Property, Plant & Equipment	2	135 606	121 690
Current Assets		93 769	116 549
Inventories	4	924	1 200
Trade and Other Receivables	5	60 201	62 070
Cash and cash equivalents	6	32 644	53 279
TOTAL ASSETS		229 375	238 239
Equity and Liabilities			
Equity			
Accumulated Surplus		126 911	126 911
Non-current Liabilities		17 265	16 439
Finance Lease Obligations	7	493	713
Provisions	8	16 772	15 726
Current Liabilities		85 199	94 889
Finance Lease Obligations	7	645	997
Trade and Other Payables	10	13 492	25 760
Provisions	8	11 057	9 878
Deferred Revenue		1 751	
Amount payable to National Revenue fund	9	58 254	58 254
TOTAL EQUITY AND LIABILITIES		229 375	238 239

Statement of Comprehensive Income

for the year ended 31 March 2009 - Deeds Registration Trading Account

	Notes	Mar-09 R'000	Mar-08 R'000 Restated
Registration of Deeds and Sale of Information		309 779	418 989
Other Income		459	414
Grant From Department of Land Affairs	22	53 063	
Operating Expenses		(367 684)	(352 277)
Operating Surplus	12	(4 383)	67 126
Investment Revenue	13	4 567	14 169
Finance Costs	14	(184)	(1 452)
Surplus for the year		0	79 843



Cash Flow Statement

for the year ended 31 March 2009 - Deeds Registration Trading Account

<i>Note</i>	Mar-09 R'000	Mar-08 R'000 Restated
CASH FLOWS FROM OPERATING ACTIVITIES	15 145	120 990
Cash Generated from operations	17 10 762	108 273
Investment Revenue	13 4 567	14 169
Finance Costs	14 (184)	(1 452)
CASH FLOWS FROM INVESTING ACTIVITIES	(35 208)	(41 997)
Purchase of Property, Plant and Equipment	(35 208)	(42 001)
Proceeds on sale of Property, Plant and Equipment	0	4
CASH FLOWS FROM FINANCING ACTIVITIES	(572)	(119 793)
Finance lease payments	(572)	(579)
Amount repaid to National Revenue Fund	9	(119 214)
TOTAL CASH MOVEMENT FOR THE YEAR	(20 635)	(40 800)
Cash at the beginning of the year	53 279	94 079
TOTAL CASH AT THE END OF THE YEAR	32 644	53 279



Notes to the Annual Financial Statements

for the year ended 31 March 2009 - Deeds Registration Trading Account

1 ACCOUNTING POLICIES

APPLICABLE LEGISLATION AND REGULATIONS

- 1.1 The treatment of significant account balances and transactions has been made in terms of the Statements of Generally Accepted Accounting Procedures and in a manner contemplated by the International Accounting Standards.
- 1.2 Deviations from the Accounting Standards, where applicable, have been disclosed explicitly on the Annual Financial Statements with detailed explanations for such deviations and the implications on the Annual Financial Statements.

SPECIFIC ACCOUNTING POLICIES

1.3 Basis of preparation of the annual financial statements

The Annual Financial Statements have been prepared in accordance with the South African Statements of Generally Accepted Accounting Practices (GAAP) including any interpretations of such Statements issued by the Accounting Practices Board.

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).

In preparing the annual financial statements, management have made estimates and assumptions that affect the amounts presented in the annual financial statements and related disclosures. The use of relevant and reliable available information and the application of judgements 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:

1.3.1 Fair value estimates

The carrying value less impairment provision of trade receivables and payables have been assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes has been estimated by discounting the future contractual cash flows at the current market interest rate that is available to the entity for similar financial instruments.

1.3.2 Services in kind

Services received free of charge from other organs of state have not been recognised in the financial statements. The disclosure of their nature and type has however been disclosed by way of note to the financial statements in line with IAS 20. These services may include:

- Administration Services
- Accommodation
- Internal Audit Function
- Information Technology
- Staff Training

All other services that are provided on behalf of the entity and are charged to the entity have been classified normally as expenses in terms of the approved Standard Chart of Accounts (SCOA)

1.3.3 Property Plant and Equipment

Property Plant and Equipment has been stated at cost less accumulated depreciation and impairment losses.

The effective date of depreciation has been the date on which the asset was brought to use. The following estimates have been used in determining the useful life, residual values and the expected pattern of consumption of the future economic benefits embodied in the assets.

Item	Average Useful life
Furniture and Fixtures	15 years
Computer Equipment	5-13 years
Office equipment	5-13 years
Leasehold Fixtures	5-13 years
Photographic and Technical Equipment	13 years
State-owned capital works	25 years

- Work in Progress

Work in progress relates to items purchased but not brought into use and therefore has not be depreciated.

- Leasehold Capital Works

Expenditure on improvement on leasehold buildings has been depreciated over the remaining period of the underlying lease for such building.

- Finance Leases

Assets under the finance lease agreements have been depreciated over the underlying period of the lease.

1.3.4 Trade and Other Receivables

Trade Receivables have been measured at fair value less provision for impairment. The impairment provision has been deemed to be all amounts that are outstanding beyond 90 days. Assessments for a less impairment provision have been made on individual debtors based on specific probability of recovery. The fair value includes the initial recognition of the debts plus interest levied at rates approved by the Chief Registrar of Deeds. Such interest has been levied on dates when the debt is due and payable but outstanding.

1.3.5 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and other short-term highly liquid investments that are readily convertible within 30 days to known amounts of cash with an insignificant risk of changes in value. These are recorded at fair value and are classified as "held for trading financial assets".

1.3.6 Inventories

Inventories have been measured at the lower of cost or net realisable value where the cost is assigned using the weighted average cost formula.

1.3.7 Impairment of assets

The entity has assessed all assets at balance sheet date for any indication that any asset may be impaired. Where such an indication exists, the estimate of the recoverable amount of the asset has been made and the carrying amount written down to the recoverable amount, thus recognising an impairment loss.

1.3.8 Employee Benefits

- Short-term employee Benefits

The cost of short term employee benefits, (those payable within 12 months after the service is rendered, e.g. vacation leave, bonuses and medical care), has been recognised in the period in which the service is rendered and has not been discounted.

- Defined contribution plans

Payments to defined contribution retirement benefit plans have been expensed as they fall due. Payments made to the state plan retirement benefit schemes have been dealt with as defined contribution plans where the entity's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

1.3.9 Revenue

Revenue consists of fees charged for property registration and for provision of registration data to customers in accordance with the tariffs provided for in the Schedule of Fees prescribed by Regulation 84 of the Deeds Registries Act, 1937 (Act 47 of 1937), and approved by the Minister for Agriculture and Land Affairs. Revenue is recognised on execution of the Deeds applications as well as provision of the data that has been requested.

1.3.10 Provisions

Provisions have been raised when management has determined estimates based on the best information available for the uncertain outcome of leave and bonus payouts.



Notes to the Annual Financial Statements

for the year ended 31 March 2009 - Deeds Registration Trading Account

2. Property, Plant and Equipment

	2009			2008		
	Cost/ Valuation R'000	Accumulated Depreciation R'000	Carrying Value R'000	Cost/ Valuation R'000	Accumulated Depreciation R'000 Restated	Carrying Value R'000
Furniture and Fixtures	28 511	(8 383)	20 128	24 060	(6 767)	17 293
Office equipment (Finance Lease)	5 326	(4 286)	1 040	4 697	(3 080)	1 617
IT equipment	95 384	(30 570)	64 814	69 200	(21 737)	47 463
Leasehold improvements	83 326	(36 203)	47 123	79 958	(27 160)	52 798
Photographic equipment	6 579	(4 078)	2 501	6 278	(3 759)	2 519
	219 126	(83 520)	135 606	184 193	(62 503)	121 690

Reconciliation of Property, Plant and Equipment - 2009

	Opening Balance R'000 Restated	Additions R'000	Disposals / Transfers R'000	Depreciation R'000	Accum Depr. Disposals R'000	Total R'000
Furniture and Fixtures	17 293	4 721	(271)	(1 761)	146	20 128
Office equipment (Finance Lease)	1 617	628		(1 205)		1 040
IT equipment	47 463	26 185		(8 834)		64 814
Leasehold improvements	52 798	17 205	(13 836)	(9 044)		47 123
Photographic equipment	2 519	305	(4)	(323)	4	2 501
	121 690	49 044	(14 111)	(21 167)	150	135 606

Note: Cash additions on the Cash Flow Statement are net of transfers from Work In Progress.

Reconciliation of Property, Plant and Equipment - 2008

	Opening Balance R'000 Restated	Additions R'000 Restated	Disposals R'000	Depreciation R'000 Restated	Total R'000 Restated
Furniture and Fixtures	13 272	5 602	(178)	(1 403)	17 293
Office equipment	2 214	665		(1 262)	1 617
IT equipment	37 618	15 505	(882)	(4 778)	47 463
Leasehold improvements	42 639	19 324		(9 165)	52 798
Photographic equipment	2 023	905	(1)	(408)	2 519
	97 766	42 001	(1 061)	(17 016)	121 690

Office Equipment (Finance Leases) additions and depreciation for 2008 are restated as a result of Finance Lease Assets not recognised and disclosed in 2007/2008 at a cost of R665 and depreciation of R30 (in thousands).

The Department of Public Works provides accommodation for all the Deeds Registries. The category of Leasehold Improvements represents costs incurred by the Deeds Registration Trading Account to improve the buildings that are owned / leased on behalf of Deeds Registries by the Department of Public Works. The lease improvements are amortised over the lease period.

Change in Estimate

The useful lives of items of leasehold buildings have been revised to coincide with the lease term for such buildings. This has resulted in a reduction to depreciation of R1.8 million.

3. Financial Assets by category - 2009

	Loans and receivables R'000	Fair value through profit/ loss - held for trading R'000	Fair value through profit/ loss - designated R'000	Held to maturity R'000	Available for sale R'000
Trade and other receivables	60 201				
Cash and cash equivalents		32 644			
	60 201	32 644	-	-	-

Financial Assets by category - 2008

	Loans and receivables R'000	Fair value through profit/ loss - held for trading R'000	Fair value through profit/ loss - designated R'000	Held to maturity R'000	Available for sale R'000
Trade and other receivables	62 070				
Cash and cash equivalents		53 279			
	62 070	53 279	-	-	-

The accounting policies for financial instruments have been applied to the line items above.

4. Inventories

	2009 R'000	2008 R'000
Consumable material on hand	924	1 200
	<u>924</u>	<u>1 200</u>

5. Trade and Other Receivables

	2009 R'000	2008 R'000
Trade Receivables	37 058	53 951
Prepayments	48	1 209
Interest receivable	201	1 283
Other receivables	22 894	5 627
	<u>60 201</u>	<u>62 070</u>

The carrying value of Trade Receivables of R37,058 million is stated after a provision for Impairment of Trade and Other Receivables of R4,933 million (2008: R7,475 million) and gross trade receivables value of R41,991 million. The provision for impairment of Trade and Other Receivables is determined from the Age Analysis of Trade Receivables that are overdue for 90 days and more. The prospects of recovery are however assessed per individual account.

Reconciliation of Impairment of Trade and Other Receivables

	2009 R'000	2008 R'000
Opening balance	7 475	4 360
Provision for impairment	(2 542)	3 115
Closing balance	<u>4 933</u>	<u>7 475</u>

Trade Receivables Age Analysis - (Past due not impaired)

	2009 R'000
Current	31 478
30 days	4 374
60 days	503
90 days	39
Over 90 days	664
Total	<u>37 058</u>

The current provision for impairment of Trade and Other Receivables has been included in operating expenses in the income statement, under account "Depreciation, Amortisation and Impairments". Amounts charged to Impairment of Receivables are generally written off when there is no expectation of recovery. The maximum exposure to credit risk at reporting date is the fair value of each class of receivables recognised above. Deeds Registration does not hold any collateral as security.

6. Cash and cash equivalents

	2009 R'000	2008 R'000
Cash on Hand (Petty Cash)	15	15
Bank balances	32 629	53 090
Paymaster - General Account	-	174
	<u>32 644</u>	<u>53 279</u>

Cash and deposits are held with a registered banking institution which is subjected to insignificant credit risk. The maximum exposure to credit risk at balance sheet date is the fair value of each class of cash and cash equivalents mentioned above.

7. Finance lease obligations

	2009 R'000	2008 R'000 Restated
Minimum lease payments due		
- within one year	742	1 136
- in second to fifth year inclusive	<u>550</u>	<u>776</u>
	1 292	1 912
Less: future finance charges	<u>(154)</u>	<u>(202)</u>
Present value of minimum lease payments	<u>1 138</u>	<u>1 710</u>
Present value of minimum lease payments due		
- within one year	645	997
- in second to fifth year inclusive	<u>493</u>	<u>713</u>
	<u>1 138</u>	<u>1 710</u>
Non - Current liabilities	493	713
Current liabilities	<u>645</u>	<u>997</u>
	<u>1 138</u>	<u>1 710</u>

8. Provisions

Reconciliation of provisions - 2009

	Opening balance	Additions	Utilised during the year	Carrying Value
	R'000	R'000	R'000	R'000
Leave pay provision	20 963	2 251	(942)	22 272
Bonus Provision	4 641	9 739	(8 823)	5 557
	<u>25 604</u>	<u>11 990</u>	<u>(9 765)</u>	<u>27 829</u>

Reconciliation of provisions - 2008

	Opening balance	Additions	Utilised during the year	Carrying Value
	R '000	R '000	R '000	R '000
Leave pay provision	20 691	1 409	(1 137)	20 963
Bonus Provision	4 142	8 446	(7 947)	4 641
	<u>24 833</u>	<u>9 855</u>	<u>(9 084)</u>	<u>25 604</u>

Non - Current liabilities Current liabilities

	2009	2008
	R'000	R'000
	16 772	15 726
	11 057	9 878
	<u>27 829</u>	<u>25 604</u>

9. Amount payable to the National Revenue Fund

Balance at the end of the year

	2009	2008
	R'000	R'000
	<u>58 254</u>	<u>58 254</u>

The amount payable to the National Revenue Fund represents amounts outstanding and due to the fund as a result of accumulated surpluses by the Trading Account which are not committed for projects.

10. Trade and Other Payables

	2009	2008
	R'000	R'000
Trade payables	7 725	10 526
Unallocated Cash	540	462
Sundry accruals	3 694	14 326
Deposits received	-	176
Other Payables	1 533	270
	<u>13 492</u>	<u>25 760</u>

Unallocated cash represents money deposited at the bank but not yet identified and allocated to Trade Receivables at the end of the financial year.

11. Financial liabilities by category

The accounting policy for financial instruments have been applied to the line items below:

2009

	Financial liabilities at amortised costs	Fair value through profit or loss - held for trading	Fair value through profit or loss - designated	Total
	R'000	R'000	R'000	R'000
Trade and other payables	13 492	-	-	13 492

2008

	Financial liabilities at amortised costs	Fair value through profit or loss - held for trading	Fair value through profit or loss - designated	Total
	R'000	R'000	R'000	R'000
Trade and other payables	25 760	-	-	25 760

12. Operating surplus

Operating surplus for the year is stated after accounting for the following:

	2009 R'000	2008 R'000 Restated
Operating Lease charges:		
Equipment - contractual amount (GL Account 8050)	20 911	16 227
Parking - contractual amount (GL Account 8359)	1 000	471
	<u>21 911</u>	<u>16 698</u>
Loss on sale of property, plant and equipment	(125)	(1 057)
Impairment on trade and other receivables	(2 542)	3 116
Depreciation on property, plant and equipment	21 167	17 016
Employee costs	204 949	195 267

13. Investment Revenue

	2009 R'000	2008 R'000
Bank (Financial asset - held for trading)	4 120	12 560
Interest charged on trade and other receivables	353	1 608
Other interest	94	1
	<u>4 567</u>	<u>14 169</u>

14. Finance costs

	2009 R'000	2008 R'000 Restated
Trade and other payables (Financial liability at amortised cost)	-	278
Finance Leases	181	201
Other interest paid	3	973
	<u>184</u>	<u>1 452</u>

15. Auditors' remuneration

	2009 R'000	2008 R'000
External audit fees	1 968	781
Internal audit fees	13	1 680
	<u>1 981</u>	<u>2 461</u>

16. Operating Leases

The following amounts are due in future financial years due to contractual obligations:

	2009 R'000	2008 R'000
Minimum Lease payments due:		
Payable within 1 year	7 108	923
Payable within 2nd to fifth year	765	-
	<u>7 873</u>	<u>923</u>

17. Cash generated from operations

	2009 R'000	2008 R'000 Restated
Surplus for the year	-	79 843
Adjustment for:		
Depreciation and amortisation	21 167	17 016
Loss on sale of assets	125	1 057
Interest received	(4 567)	(14 169)
Finance costs	184	1 452
Impairment losses	(2 542)	3 116
Movements in provisions	2 225	771
Changes in working capital:		
Inventories	276	(61)
Deferred revenue	1 751	-
Trade and other receivables	4 411	6 852
Trade and other payables	(12 268)	12 396
	<u>10 762</u>	<u>108 273</u>

18. Contingent Liabilities

The Department of Land Affairs provides housing guarantees at R682 as at 31 March 2009 (2008: R763) to financial institutions, in the likely event of employees unable to honour their commitments to these institutions for the purchase of housing.

The trading entity is currently investigating an incorrect registration of a deed. The investigation was not finalised as at the date of sign off of the annual financial statements. Although the amount cannot be quantified, and probability remote, the possibility of a litigation against the Entity exists. As such financial statements have not been adjusted to reflect this

19. Related Parties

Relationship

National Departments

Department

Department of Land Affairs
 Department of Agriculture
 Department of Education
 Department of Health
 Department of Housing
 Department of Justice and Constitutional Development
 Department of Minerals and Energy
 Department of Provincial and Local Government
 Department of Public Works
 Department of Trade and Industry
 Department of Transport
 Department of Social Development
 Department of Water Affairs and Forestry
 National Intelligence Agency
 South African Police Services
 South African Secret Service

Major National Public Entities

Statistics South Africa
 Eskom
 Industrial Development Corporation of South Africa
 Land and Agricultural Bank of South Africa
 South African Revenue Services
 Telkom SA
 Transnet

Other National Public Entities

Special Investigating Unit
 State Information Technology Agency
 South African Post Office

Related Party Balances

2009
R'000

2008
R'000

Amounts included in Trade Receivables

Department of Agriculture	1 859	2
Department of Housing		259
Department of Land Affairs	7	3 376
Department of Public Works	45	63
Department of Provincial and Local Government	147	167
Department of Water Affairs and Forestry	-	13
Department of Education	1	-
Department of Transport	16	-
Department of Minerals and Energy	3	-
Department of Justice and Constitutional Development	56	-
Land and Agricultural Bank of South Africa	74	102
Eskom	-	3
Council for Scientific and Industrial Research	-	4
South African Police Services	1	1
South African Revenue Services		1
Special Investigating Unit	3	3
National Intelligence Agency	2	-
State Information Technology Agency	21 390	-
Transnet	18	-

Amounts included in Trade Payables

Department of Land Affairs	(248)	-
Department of Minerals and Energy	-	-
Department of Water Affairs and Forestry	(7)	-
Department of Housing	(12)	-
South African Bureau of Standards	(24)	(39)
South African Revenue Services	(5)	(43)
State Information Technology Agency	-	(3 419)
Telkom SA	(123)	(141)



Rendering of Services to Related Parties

	2009 R'000	2008 R'000
Department of Agriculture	(1 866)	(142)
Department of Health	-	(1)
Department of Housing	(720)	(690)
Department of Justice and Constitutional Development	(180)	(2)
Department of Land Affairs	(5 942)	(3 803)
Department of Minerals and Energy	(16)	(1)
Department of Provincial and Local Government	(892)	(251)
Department of Public Works	(159)	(234)
Department of Transport	(48)	(1)
Department of Water Affairs and Forestry	(82)	(132)
Department of Education	(2)	-
Council for Scientific and Industrial Research	-	(4)
South African Police Services	-	(13)
South African Revenue Services	(2)	(3)
Special Investigating Unit	(12)	(3)
National Intelligence Agency	(18)	-
Eskom	(7)	(13)
Land and Agricultural Bank of South Africa	(365)	(411)
Transnet	(30)	-
SA National Parks	(3)	-
South African Reserve Bank	(1)	-

Purchases of goods from related parties

Department of Agriculture		20
Department of Justice and Constitutional Development	19 737	5 653
Department of Provincial and Local Government	-	1
South African Broadcasting Corporation	18	126
South African Post Office	10	6
Telkom SA	2 371	2 051
State Information Technology Agency	40 849	44 876
South African Council of the Blind	-	17
South African Bureau of Standards	61	131

Settlement of Liabilities on behalf of related parties

Department of Land Affairs	12 049	16 089
Department of Provincial and Local Government	1	7
Department of Social Development	7	-

20. Prior Period Errors

	2009 R'000	2008 R'000
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During the 2008/2009 financial year, the entity discovered assets that were acquired through finance leases incorrectly accounted for in 2007/2008. The error resulted in restatement of the following line items for the year ended 31 March 2008:

Property Plant and Equipment was increased by R635 000 to account for Finance Lease Asset. This increase to PPE was determined as follows:

Office Equipment		665
Accumulated Depreciation on Office Equipment		30
Finance Lease Obligation increased by		638
Depreciation expense increased by		30
Finance Costs increased by		9
Lease Rentals on Operating Leases were decreased by net		15

During the current year, the entity received a material credit note for the services rendered by the State Information Technology agency for the current and prior period invoices. As the credit note related to three months of the prior year, the error resulted in the restatement of the following line items:

Other Receivables increased by		4 131
IT expenses decreased by		4 131

It was further discovered that a salary run that related to 2007/2008 was not posted and only processed in this financial year. The following restatement of accounts was effected:

Employee Costs increased by		1 949
Other Receivables decreased by		1 949



21. Risk Management

The Trading Account Activity exposes it to currency risk, fair value interest rate risk, cash flow interest rate risk, credit risk and liquidity risk.

Liquidity Risk

This risk is as a result of funds available to cover future commitments. The entity manages the liquidity risk through ongoing review of future commitments.

The table below analyses the Trading Account financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at balance sheet date to the contractual maturity date. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	R'000	R'000	R'000	R'000
At 31 March 2009	Less than 1 year	1 to 2 years	2 to 5 years	Over 5 years
Trade and Other Payables	13 492			
At 31 March 2008	Less than 1 year	1 to 2 years	2 to 5 years	Over 5 years
Trade and Other Payables	25 760			

Interest Rate Risk

The Trading Account has no significant interest bearing assets and the income and operating cash flows are substantially independent of changes in the market interest rates.

Deposits attract interest at rates that vary with prime. The Trading Account 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 banks.

Credit Risk

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The entity only deposits cash with a major bank with high quality credit standing and limits exposure to any one counter-party. Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis.

Financial assets exposed to risk at year end included:

	2009 R'000	2008 R'000
Deposits with Banks	32 629	53 090
Trade Receivables (gross)	37 058	53 951

22. Services in Kind

Administrative Services in kind

Deeds Trading Account falls under the administration of the Department of Land Affairs. The executive of the department spend some of their time on the affairs of the Trading Account. Furthermore, the department provides the services of internal audit function, information technology and staff training. There is no cost charged by the department in this regard.

Other Income on the Statement of Comprehensive Income includes a grant received from the Department of Land Affairs of R54.8 million. This grant was to compensate for lost revenue as a result of a reduction in deeds registrations. Since the Trading Account posted a surplus of R1.7 million at year end, this was disclosed as deferred revenue in the Balance Sheet.

Other Services in kind

The Department of Public Works provides accommodation for some of the Deeds Registries.

23. Fruitless and Wasteful Expenditure

Opening balance

Add: Fruitless and wasteful expenditure – current year

Less: Fruitless and wasteful expenditure condoned

Less: Transfers to receivables for recovery (amounts not condoned)

Less: Amounts not recoverable (not condoned)

Fruitless and wasteful expenditure awaiting condonation

Analysis of expenditure awaiting condonation per age classification:

Current Year

Prior Years

Total

	2009 R'000	2008 R'000
Opening balance	972	-
Add: Fruitless and wasteful expenditure – current year	-	972
Less: Fruitless and wasteful expenditure condoned	-	-
Less: Transfers to receivables for recovery (amounts not condoned)	-	-
Less: Amounts not recoverable (not condoned)	-	-
Fruitless and wasteful expenditure awaiting condonation	972	972
Current Year	-	972
Prior Years	972	-
Total	972	972

Details of Fruitless and Wasteful Expenditure:

Incident

The wasteful and fruitless expenditure accounted for in 2008 was the interest paid to SARS for the late payment of PAYE.

Disciplinary steps taken/criminal proceedings

"An investigation is being conducted on this matter and disciplinary steps against relevant official/s will be taken upon receiving a final report. An application for condonement was made to the Accounting Officer. This was recognised as an expense in 2008."

COMMENTS

Awaiting condonement from the Accounting Officer



vote 27

Detailed Statement of Comprehensive Income

for the year ended 31 March 2009 - Deeds Registration Trading Account

	<i>Note</i>	Mar-09 R '000	Mar-08 R '000 Restated
		367 868	433 572
Revenue			
Registration of deeds and sale of information		309 779	418 989
Other Income	22	459	414
Grant from Department of Land Affairs	13	53 063	-
Investment Revenue		4 567	14 169
		367 684	352 277
Operating expenses			
Advertising	15	254	128
Auditors remuneration		1 981	2 461
Bad Debts		3 316	40
Bank Charges		187	168
Cleaning		2 755	2 348
Consumables		979	1 349
Depreciation, amortisation and impairments		18 625	20 132
Employee costs		204 949	195 267
Entertainment		2 082	1 707
IT Expenses		35 723	49 709
Lease rental on operating leases	12	21 911	16 698
Legal expenses		19 757	5 187
Loss on disposal of assets		125	1 057
Other consulting and professional fees		15 306	21 765
Other expenses		26	204
Printing and stationery		7 164	6 597
Repairs and maintenance		9 001	6 941
Security		3 027	2 846
Staff welfare		95	239
Subscriptions		777	424
Telephone and fax		3 802	3 023
Training		1 140	726
Transport and freight		6 272	6 541
Travel - local		8 430	6 720
Finance Costs	14	184	1 452
		-	79 843
Surplus for the year			





affairs

PART 5 HUMAN
RESOURCE
MANAGEMENT

5

land



land affairs

Department:
Land Affairs
REPUBLIC OF SOUTH AFRICA



Oversight Report

NATIONAL DEPARTMENT OF LAND AFFAIRS
2008/2009

- | | |
|--|---|
| <p>Table 1.1 - Main services provided & standards</p> <p>Table 1.2 - Consultation arrangements with customers</p> <p>Table 1.3 - Service Delivery Access System</p> <p>Table 1.4 - Service Information Tool</p> <p>Table 1.5 - Complaint Mechanism</p> <p>Table 2.1 - Personnel Cost by Programme</p> <p>Table 2.2 - Personnel Costs by Salary Bands</p> <p>Table 2.3 - Salaries, Overtime, Housing Allowance & Medical Assistance by Programme</p> <p>Table 2.4 - Salaries, Overtime, Housing Allowance & Medical Assistance by Salary Band</p> <p>Table 3.1 - Employment & Vacancies by Programme</p> <p>Table 3.2 - Employment & Vacancies by Salary Band</p> <p>Table 3.3 - Employment & Vacancies by Critical Occupation</p> <p>Table 4.1 - Job Evaluation</p> <p>Table 4.2 - Profile of Employees whose salary positions were upgraded due to their posts being upgraded</p> <p>Table 4.3 - Employees whose salary level exceed the grade determined by Job Evaluation</p> <p>Table 4.4 - Profile of Employees whose salary level exceed the grade determined by Job Evaluation</p> <p>Table 5.1 - Annual Turnover rates by Salary Band</p> <p>Table 5.2 - Annual Turnover rates by Critical Occupation</p> <p>Table 5.3 - Reasons why staff are leaving the Department</p> <p>Table 5.4 - Promotions by Salary Band</p> <p>Table 5.5 - Promotions by Critical Occupation</p> <p>Table 6.1 - Total number of employees in each of the following categories (SASCO)</p> <p>Table 6.2 - Total number of employees in each of the following occupational bands</p> | <p>Table 6.3 - Recruitment</p> <p>Table 6.4 - Promotions</p> <p>Table 6.5 - Terminations</p> <p>Table 6.6 - Disciplinary Action</p> <p>Table 6.7 - Skills Development (%)</p> <p>Table 7.1 - Performance Rewards by race, gender & disability</p> <p>Table 7.2 - Performance Rewards by Salary Band below SMS</p> <p>Table 7.3 - Performance Rewards By Critical Occupation</p> <p>Table 7.4 - Performance Rewards by Salary Band for SMS</p> <p>Table 8.1 - Foreign Workers by Salary Band</p> <p>Table 8.2 - Foreign Workers by Major Occupation</p> <p>Table 9.1 - Sick Leave, 1 January 2008 to 31 December 2008</p> <p>Table 9.2 - Incapacity Leave, 1 January 2008 to 31 December 2008</p> <p>Table 9.3 - Annual Leave, 1 January 2008 to 31 December 2008</p> <p>Table 9.4 - Capped Leave, 1 January 2008 to 31 December 2008</p> <p>Table 9.5 - Leave Payouts</p> <p>Table 10.1 - Steps taken to reduce the risk of occupational exposure</p> <p>Table 10.2 - Details of Health Promotion and HIV/AIDS Programmes</p> <p>Table 11.1 - Collective Agreements</p> <p>Table 11.2 - Misconduct & Discipline Hearings finalised</p> <p>Table 11.3 - Types of misconduct addressed at Disciplinary Hearings</p> <p>Table 11.4 - Grievances lodged</p> <p>Table 11.5 - Disputes lodged with Councils</p> <p>Table 11.6 - Strike Actions</p> <p>Table 11.7 - Precautionary Suspensions</p> <p>Table 12.1 - Training Needs Identified</p> <p>Table 12.2 - Training Provided</p> <p>Table 13.1 - Injury on Duty</p> <p>Table 14.1 - Report on consultant appointments using appropriated funds</p> |
|--|---|

1. Service Delivery

The Department developed a Service Delivery Improvement (SDI) Plan in conjunction with its Strategic as well as Operation Plan. The following tables reflect the components of the SDI Plan as well as the progress made in the implementation of the plan.

Table 1.1 - Main services provided and standards

Main Services	Actual Customers	Potential Customers	Standard of Service	Actual Achievement against Standards
1. Provide grants to facilitate access to land	Landless and Tenure insecure individuals and communities Aspirant/emerging black farmers Previously disadvantaged individuals	Land and tenure insecure individuals and communities Persons/communities dispossessed of land rights Aspirant/emerging black farmers All spheres of government Users of spatial information Users of deeds registries (land owners)	608 060 hectares to be distributed by March 2009	443 600 hectares distributed
			12 334 beneficiaries targeted	14 457 beneficiaries benefited
2. Render land reform support services	Provincial Land Reform Offices (PLROs), Strategic Partners in the agricultural sector, Other government departments, Land reform beneficiaries	Provincial Land Reform Offices (PLROs) Land Claim Commissioners (LCCs) Public Land Support Services (PLSS)	Process 3000 requests on land reform support	Achieved
3. Register rights in land	Land owners Potential land owners Holders of real rights in land Conveyancers/ Notaries Municipalities Government Departments Financial Institutions	Landless and tenure insecure individuals and communities	Deeds available for registration 10 working days after lodgement	Achieved.
4. Provide registration information	Land owners Potential land owners Holders of real rights in land Conveyancers/ Notaries Municipalities Government Departments Financial Institutions Information vendors	Landless and tenure insecure individuals and communities	Information available to clients 1 hour after receipt of request. Within 3 days for copies sent through correspondence. Information is available immediately from the Deeds Web	Achieved
5. Examine and approve cadastral documents	Professional land surveyors Sectional Title Practitioners Developers Land owners	Professional land surveyors, Sectional Title Practitioners, land owners and developers.	Average number of batches received per day per office: Pretoria40 Cape Town26 Pietermaritzburg14 Bloemfontein.....6 Nelspruit.....5 Limpopo.....5	Average number of batches received and processed per day per office: Pretoria24 Cape Town18 Pietermaritzburg13 Bloemfontein5 Nelspruit.....4 Limpopo.....4

Table 1.1 - Main services provided and standards (continued)

Main Services	Actual Customers	Potential Customers	Standard of Service	Actual Achievement against Standards
6. Supply cadastre related information	Professional Land Surveyors Sectional Title Practitioners Conveyancers Other Government Departments Provincial Departments Local Authorities Organs of State General Public	Professional land surveyors, Sectional Title Practitioners, Conveyancers, Other government departments, Provincial Departments, Local Authorities, Organs of State, General Public	Average number of requests for cadastre related information received per day Requests received: Public counter: 56 800 Telephone: 28 600 E-mail: 17 700 Auto E-mailer: 252 000 Faxes: 9 200 Letters: 1 000 Bulk data: 240 Database extracts: 1 420 Products supplied: Images 10.7 m Paper copies: 281 600 Turnaround time: 15 working days on average	Average number of requests for cadastre related information received and processed per day Public counter: 52 500 Telephone: 31 300 E-mail: 15 400 Auto E-mailer: 232 000 Faxes: 8 150 Letters: 1 200 Bulk data: 220 Database extracts: 1 250 Products supplied Images: 12.3m Paper copies: 27 000 Turnaround time: 18 days
7. Produce and supply maps {topographic, ortho-photos and aeronautic charts} aerial photographs and digital topographic information	The Public Aviation sector Commercial Clients (Vendors, agents, resellers, recreational, and professional users), Potential Map Users. NGOs	NGOs, community leaders, educators	<ul style="list-style-type: none"> Digital imagery impact quantified by March 2009 20% increase 	Achieved. 163 688 km ² acquired by March 2009
8. Maintain the National Control Survey Network (trigonometric station & town survey marks)	Survey industry	Anyone requiring accurate positioning in relation to the national reference framework	100 clients for Virtual Reference Stations (VRS)	Achieved. 215 clients used the system
9. Provide Spatial Planning Services	Municipalities Provincial departments Educational institutions Town and regional planners Land Reform and Land Restitution	NGOs and civil society at large	3 000 requests processed annually	Achieved. More than 3 000 requests were processed for the past financial year
10. Provide and maintain a business information and technology architecture	All DLA employees DLA beneficiaries and Land Information Consumers	All DLA employees DLA beneficiaries and Land Information Consumers	Develop strategies and maintain business information and technology architecture	MSP review was completed end March 2009, and the ICT strategy for the next 5 years has been developed
11. Provide ICT Service Management (Operational Support)	All DLA Components	All DLA Components	Service level agreements developed with all components by March 2010, and consistent performance of 98% attainment of service levels	Partially achieved. SLA's developed with SITA GCCN Services, SITA Mainframe hosting services, SITA Comprehensive e-Printing services as well as HR Computek. SLA's were developed with CD: Deeds and CD: Cadastral Surveys. SLA's with Consulting Houses are in the process of being finalised
12. Provide support in the development and structuring of the Department's establishment.	All DLA staff	All DLA staff	Average of 30 requests per annum	No ad hoc investigations undertaken due to the finalisation of the Amended Structure



Table 1.1 - Main services provided and standards (continued)

Main Services	Actual Customers	Potential Customers	Standard of Service	Actual Achievement against Standards
13. Evaluate and grade posts	All DLA staff	All DLA staff	Process and average of 250 JEs per annum	Completed job evaluation on 866 job titles which represented 4 576 posts
14. Provide guidance and support on the implementation of the Batho Pele Revitalisation Strategy.	All DLA employees.	All DLA employees.	Coordinate and facilitate Batho Pele projects and activities	440 employees were trained on customer care as well as 153 on complaints handling and management
15. Provide guidance and support on mainstreaming of disability and youth strategies.	Disability sector DLA employees with Disabilities Youth Sector DLA Employees	Disability sector DLA employees with Disabilities Youth Sector DLA Employees	Coordinate and facilitate Youth and Disability projects and activities	Participated in Youth in Agriculture and Rural Development to improve involvement of the youth in Land and Agrarian Reform, Co-ordinated the Departmental International Day for Persons with Disabilities Celebration in Bloemfontein in 2008
16. Recruit, select and appoint staff	Job applicants Line managers	Job applicants Line managers	Recruitment completed within 43 days of advertisement	Not achieved. Standard not achieved due to delays in the shortlisting process and red tape in the recruitment process
17. Provide training to Land Reform beneficiaries	LRAD beneficiaries Provincial land reform implementers	LRAD beneficiaries Provincial land reform implementers	500 beneficiaries targeted	Partially achieved. 203 beneficiaries were trained and 90 received certificates from University of Fort Hare
18. Provide bursaries for employees and prospective bursary holders	DLA employees Matriculants	DLA employees Matriculants	200 for the prospective bursary holders	Achieved. 260 part-time bursaries awarded and 221 prospective employees placed on the programme. Career exhibitions held at Kimberley, Giyani, Pietermaritzburg and the Durban University of Technology, UNISA, Tshwane University of Technology. Other career exhibitions were held in Soweto and at the Youth in Agriculture and Rural Development in Western Cape. 40 prospective employees were awarded new bursaries and 33 placed on experiential training
19. Provide training and development services	DLA employees	DLA employees	2 500 employees trained and certified	Achieved. 2 800 employees trained
20. Provide internships, experiential training and graduate training	Graduates	Graduates	200 interns and 200 graduates placed	Partially achieved. 246 interns and 128 graduates were placed

Table 1.1 - Main services provided and standards (continued)

Main Services	Actual Customers	Potential Customers	Standard of Service	Actual Achievement against Standards
21. Provision of goods and services - Logistics - Policy Performance and Risk Management, Customer Relations Management and Asset Management	All DLA Officials National Treasury Auditor-General	All DLA Officials National Treasury Auditor-General	Ten requisitions processed by officials per day	All the requisitions submitted to SCM processed within 24 hrs of receipt.
22. Conduct Internal Audits	Internal Clients: Minister Deputy Minister DG DLA Top Management DLA Senior Management DLA Employees External Clients: DLA Audit Committee Auditor General PSC Scorpions	Internal Clients: Minister Deputy Minister DG DLA Top Management DLA Senior Management DLA Employees External Clients: DLA Audit Committee Auditor General PSC Scorpions	All the audit projects on the 2008 -2011 Strategic 3-year Rolling Internal Audit Plan	All the audit projects on the 2008/09 Annual Internal Audit Plan on track for completion by the target date of 30 September 2009.

Table 1.2 - Consultation arrangements with Customers

Type of Arrangement	Actual Customer	Potential Customer	Actual Achievements
Consultative meetings conducted as per achievement of milestones with effect from June 2008 Customer satisfaction survey conducted quarterly with effect from July 2008 Suggestion boxes placed in all offices by July 2008 CLaRA workshops held per province by March 2009	Landless and Tenure insecure individuals and communities Aspirant/emerging black farmers Previously disadvantaged individuals	Land and tenure insecure individuals and communities Persons/communities disposed of land rights Aspirant/emerging black farmers All spheres of government Users of spatial information Users of deeds registries (land owners)	Consultative meetings held in Limpopo, North West, as well as in Western Cape. Quarterly customer satisfaction surveys conducted in North West Provincial Land Reform Office
Consultation on the grants increase by March 2009	Provincial Land Reform Offices (PLROs), Strategic Partners in the Agricultural Sector, Other government departments, land reform beneficiaries	Provincial Land Reform Offices (PLROs) Land Claims Commissioners (LCCs) Public Land Support Services (PLSS)	All stakeholders were consulted
Personal interviews with conveyancers daily Telephone interviews with all service beneficiaries daily Client satisfaction survey conducted quarterly Consultative stakeholder forums held with beneficiaries quarterly	Land owners Potential land owners Holders of real rights in land Conveyancers/Notaries Municipalities Government Departments Financial Institutions	Landless and tenure insecure individuals and communities	Achieved
Quarterly Joint Liaison Committee meetings initiated in SGs BFN, Limpopo & Mpumalanga Client satisfaction survey conducted annually All offices to initiate a consultation slot in GIS forum meetings by October 2008 Installed suggestion boxes in all offices by June 2008	Professional land surveyors Sectional Title Practitioners Developers Land owners	Professional land surveyors, Sectional Title Practitioners, land owners and developers	Partially achieved. Some offices have initiated Quarterly Joint Liaison meetings and initiated consultation slots in GIS forum meetings. Suggestion boxes installed in all Surveyor-General Offices and a client satisfaction survey was conducted



Table 1.2 - Consultation arrangements with Customers (continued)

Type of Arrangement	Actual Customer	Potential Customer	Actual Achievements
Participate in 8 exhibitions in 6 provinces Monthly formal interactions conducted with stakeholders Workshops facilitated (MapAware) in the public and NGO sectors by March 2009 Workshops facilitated to determine user needs by March 2009	The Public Aviation sector Commercial Clients (Vendors, agents, resellers, recreational, and professional users), Potential Map Users.NGOs	NGOs, community leaders, educators	Achieved. 44 workshops on MapAware facilitated
Bi- Monthly Departmental ICT Committee meetings Annual customer satisfaction survey conducted	All DLA employees DLA beneficiaries Land Information consumers	All DLA employees DLA beneficiaries Land Information consumers	Partially achieved. ICT Risk Manager appointed
Evaluation and structural design conducted in consultation with managers and job holders JE Panel meetings to be planned with effect from April 08 for the year	All DLA staff	All DLA staff	Achieved. Managers given regular feedback on their recruitment progress and recruitment plans
Customer satisfaction survey conducted quarterly with effect from July 2008	All DLA staff	All DLA staff	Questionnaires distributed to line functions for administration to customers
Conduct consultative meetings with the disability and youth sector in 5 provinces by March 2009	Disability sector DLA employees with disabilities Youth Sector DLA employees	Disability sector DLA employees with disabilities Youth Sector DLA employees	Not achieved due to financial constraints
Project specific training e.g. poultry farming developed by March 2009	LRAD beneficiaries Provincial land reform implementers	LRAD beneficiaries Provincial land reform implementers	Achieved. Dairy production course was developed as well as Farm business management, Project time management, Project scope management and Project communication management
Feedback sessions held with stakeholders	DLA employees	DLA employees	Achieved. Workshops regarding training matters were held with Training Committees in all provinces
Multi-disciplinary working teams established by March 2009	Programme and Responsibility Managers National Treasury Auditor-General	Programme and Responsibility Managers National Treasury Auditor-General	Verification of assets and spot checks were done Monthly reporting was done and forwarded to the (A) CFO who will in turn forward the report to the Minister The survey has been deferred to March 2010 as the target date Induction programme was conducted to a minimum due to capacity challenges Quarterly Supply Chain Management Performance Survey was conducted in July 2008.The help desk is fully functional Managers were invited to give an indication for such meetings and only a few Directorates have shown interest/responded to the invitation
Survey on the performance of the SCM conducted by March 2009 Monthly consultation meetings with Managers Asset verification conducted annually	All DLA Officials National Treasury Auditor-General	All DLA Officials National Treasury Auditor-General	Survey target date deferred to March 2010. Consultation meetings with managers had a poor turnout

Table 1.2 - Consultation arrangements with Customers (continued)

Type of Arrangement	Actual Customer	Potential Customer	Actual Achievements
Discussed annual audit plans with top management Engagement letters issued to audit fees Entrance meetings conducted	Internal Clients: Minister Deputy Minister DG DLA Top Management DLA Senior Management DLA Employees External Clients: DLA Audit Committee Auditor General PSC Scorpions	Internal Clients: Minister Deputy Minister DG DLA Top Management DLA Senior Management DLA Employees External Clients: DLA Audit Committee Auditor General PSC Scorpions	Achieved

Table 1.3 - Service Delivery Access Strategy

Access Strategy	Actual Achievements
Casewise Repository by March 2009 Service Desk integrated with telephony to reduce call drop rate by March 2009 Collaborative self service portal – March 2009 Federated call centres in regions by March 2009 Multi-media electronic communication by March 2009	Partially achieved. Ongoing, utilised mainly by HRM
Deeds Registry Office established in Limpopo by March 2009 Accessibility for the disabled improved in Vryburg office by March 2009 Simplified application procedures by July 2008	Limpopo office not yet established and the Vryburg office project registered with DPW.
Access via e-mail, telephone, cell phone, memorandums regarding requests for audits and investigations as these are of confidential nature	Achieved.
Assistive device guidelines developed by December 2008. Checklist for accessible venues developed by December 2008	Achieved. Draft assistive guidelines available (in consultation process)
Vacant Posts advertised in the media	Achieved. Adverts are placed in the national media, network messenger and DPSA circulars
Signage improved in all Provincial Land Reform Offices by March 2009 and access for disabled persons improved. Business cards provided to project managers for distribution to customers with effect from July 2009.	Partially achieved. KwaZulu-Natal, Free State, Northern Cape, Mpumalanga and North West PLRO's except for Bophirima, North West, have erected signage as well as upgraded infrastructure to increase accessibility to disabled customers. Eastern Cape still to improve accessibility for disabled customers. Signage has been completed. Business cards are issued to project managers for distribution to customers.
<ul style="list-style-type: none"> Establish call centre for HRD related needs Establish partnerships with NGOs, CBOs relevant land and agrarian tertiary institutions in the provinces by March 2009 Training conducted in 9 provinces by March 2009 	<p>Achieved</p> <ul style="list-style-type: none"> Held meetings with Potchefstroom and Cedara colleges of Agriculture Held meetings with ARC and NCT forestry cooperatives Currently in contact with Citrus Academy with the view of training beneficiaries
<ul style="list-style-type: none"> Services provided in 8 SG offices (The new North West office is to be fully operational by March 2009) Digital lodgement (subject to revival of e-Cadastre Project) by March 2009 Telephone lists circulated via e-mail to Land Surveyors in all SG offices by March 2009 Methods of payment improved in all SG offices by March 2009 Web site query functions extended by March 2009 Helpdesks established in all SG offices by March 2009 Signage provided in all SG offices by October 2008 	6 SG Offices. East London satellite office established. Helpdesks not yet established in all offices. Signage not erected in all SG offices
Organisational and establishment structure of the Department published on the Intranet by 31 March 2009	Amended structure not yet approved therefore could not be published
Provincial/District/Satellite offices used to increase access to services E-mails and telephone	The recently introduced VPN to ensure greater accessibility through increased bandwidth
Outlets established within every 150 km range, excluding the Northern Cape where the range is 250 km by March 2009	Achieved



Table 1.4 - Service Information Tool

Types of Information Tool	Actual Achievements
<ul style="list-style-type: none"> • Monthly campaigns on ICT Policy and Governance e.g. Information Security Awareness • Compliance monitoring and reporting on abuse • Multi-Media electronic communication 	Not achieved. To be addressed in the 2009/2010 financial year
Daily, Weekly and Monthly Service Desk Statistics Trends Analysis Reports Proactive awareness and training programmes ICT problems and incidents linked to low e-Literacy levels Monthly campaigns on ICT policy and Governance	To be addressed in the 2009/2010 financial year
Disability and youth reports published on the website with effect from July 2008.	<ul style="list-style-type: none"> • Achieved. • Disability and youth empowerment strategies available on website • DDF newsletter published. • DDF newsletter available
Deeds Registry staff trained on sign language by March 2009. Radio talk shows held in all official languages on property registration bi-annually Deeds Registry pamphlets distributed	Partially achieved. Deeds Registry pamphlets distributed during Public Service Week and other awareness events
Information booklets and pamphlets distributed to customers quarterly. Annual workshops held in support of land reform implementers and stakeholders per province. Information sessions held with customers annually.	Achieved. Information booklets and brochures distributed during celebrations such as the Africa Public Service day and Public Service Week, quarterly meetings, exhibitions (Pretoria Show Grounds) and izimbizo's
Workshops held quarterly Information sessions held annually	Workshops on land reform support were held regularly
<ul style="list-style-type: none"> • Media shows • Updating information quarterly on the Intranet. • Develop and distribute posters for Land Reform offices by March 2009 	Partially achieved. Required documentation submitted to Information Technology
<ul style="list-style-type: none"> • Information on costs, formats and delivery times posted on notice boards, leaflets and website by June 2008 • Booklet on the cadastral system, products and services published by March 2009 	Not achieved
<ul style="list-style-type: none"> • Conduct the structural design, technologies and approaches by March 2009. • Promote awareness on JE Policy by 31 March 2009. 	Not achieved
Posters on Surveys and Mapping products and services posted in public areas and government institutions quarterly	Achieved

Table 1.5 - Complaint Mechanism

Complaints Mechanism	Actual Achievements
<ul style="list-style-type: none"> Quarterly Service Level Review meetings Complaints are noted and addressed via service managers Fully compliant with Departmental Complaint Handling Policy from July 2008 	Ongoing and being improved
<ul style="list-style-type: none"> More proactive preventative support through trend analysis and availability tools Improved Service Desk with integrated telephone to reduce call drop rates - March 2009. "Federated" call centres in Regions – March 2009. 	Ongoing and being improved
<ul style="list-style-type: none"> MSP Reviewed Annually Comply with DPSA regulations and standards on MSPs and Enterprise Architecture Recruit and sustain architecture and business analysis expertise - March 2009. Develop and Implement SDLC policies, procedures and standards – March 2009. 	<ul style="list-style-type: none"> Reviewed MSP Developed ICT Strategy, being reviewed 2 Business Analysts were appointed, to commence duty in March/April 09
Evaluation forms for auditor to complete after each audit. In audit engagement letters define contact details of people in and outside of Internal Audit to contact with complaints. Once a complaint is received, it is immediately acknowledged and investigated. Feedback is provided within 2 weeks maximum.	100% achieved to date in audit projects.
<ul style="list-style-type: none"> Telephonic queries responded to immediately Written queries responded within 5 working days 	Achieved
Departmental complaints handling policy implemented with effect from July 2008. Staff trained on handling of complaints by March 2009	Departmental Complaints Policy and Procedure manual approved in June 2008. 153 employees trained on complaints and customer feedback management. Training on complaints management continued as part of customer care training. 440 employees trained on customer care.
Fully functional customer relations services Training to CRM staff to handle complaints Complaints register (monthly statistics)	Fully operational In-house training is conducted on regular basis.
Appeals addressed in accordance with Appeals Process as prescribed in JE Policy	Standard maintained



2. Expenditure

The Department budgeted in terms of clearly defined programmes. The following tables summarise the final audited expenditure by programme (Table 2.1) and by salary bands (Table 2.2). In particular, it provides an indication of the amount spent on personnel costs in terms of each of the programmes or salary bands within the Department.

Table 2.1 - Personnel Costs by Programme

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Professional & Special Services (R'000)	Personnel Cost % of Total Expenditure	Average Personnel Cost per Employee (R'000)
Administration	126 489	103 595	9 124	13 765	17.19	165
Surveys & Mapping	27 851	27 601	186	64	4.58	148
Cadastral Surveys	70 000	70 000	-	-	11.61	135
Restitution	171 705	146 830	93	24 782	24.36	167
Land Reform	127 095	102 560	81	24 454	17.01	134
Spatial Planning	22 015	21 173	214	629	3.51	271
Deeds Registration	661 166	131 021	113 677	416 468	21.74	121
Total	1 206 321	602 780	123 375	480 162	100.00	146

Table 2.2 - Personnel Costs by Salary Bands

Salary Band	Personnel Expenditure (R'000)	Percentage of Total Personnel Cost	Average Personnel Cost per Employee (R)
Lower skilled (1 - 2)	8 332	1.38	134
Skilled (3 - 5)	69 119	11.47	100
Highly skilled production (6 - 8)	212 328	35.22	94
Highly skilled supervision (9 - 12)	256 683	42.58	250
SMS (Level 13-16)	56 318	9.34	536
Total	602 780	100.00	146

Table 2.3 - Salaries, Overtime, Housing Allowance and Medical Assistance by Programme

Programme	Salaries		Overtime		Housing Allowance		Medical Assistance	
	Amount	%	Amount	%	Amount	%	Amount	%
Administration	91 981	16.88	2 969	48.82	2 824	17.03	5 821	16.50
Surveys and Mapping	24 773	4.55	12	0.20	775	4.67	2 041	5.78
Cadastral Surveys	62 176	11.41	1 260	20.72	1 954	11.79	4 609	13.06
Restitution	135 233	24.82	1 008	16.57	3 698	22.30	6 892	19.53
Land Reform	94 419	17.33	486	7.99	2 217	13.37	5 438	15.41
Spatial Planning	19 551	3.59	13	0.21	580	3.50	1 029	2.92
Deeds Registration	116 703	21.42	334	5.49	4 532	27.33	9 452	26.79
Total	544 836	90.39	6 082	1.01	16 580	2.75	35 282	5.85

Table 2.4 - Salaries, Overtime, Housing Allowance and Medical Assistance by Salary Band

Salary Band	Salaries		Overtime		Housing Allowance		Medical Assistance	
	Amount	%	Amount	%	Amount	%	Amount	%
Lower skilled (1 - 2)	8 988	1.65	59	0.97	852	5.14	1 558	4.42
Skilled (3 - 5)	61 462	11.28	753	12.38	3 834	23.12	7 637	21.65
Highly skilled production (6 - 8)	198 652	36.46	3 841	63.15	7 703	46.46	15 586	44.18
Highly skilled supervision (9 - 12)	220 878	40.54	1 429	23.50	3 529	21.28	9 433	26.74
SMS (Level 13-16)	54 856	10.07	-	-	662	3.99	1 068	3.03
Total	544 836	90.39	6 082	1.01	16 580	2.75	35 282	5.85

3. Employment and Vacancies

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment. The vacancy rate reflects the percentage of posts that are not filled.

Table 3.1 - Employment and Vacancies by Programme

Programme	Number of posts	Number of posts filled	Vacancy Rate %	Additional filled posts
Administration	763	628	17.69	6
Surveys and Mapping	249	187	24.90	-
Cadastral Surveys	587	517	11.93	38
Restitution	1 144	881	22.99	6
Land Reform	929	766	17.55	185
Spatial Planning	99	78	21.21	10
Deeds Registration	1 194	1 079	9.63	7
Total	4 965	4 136	16.70	252

Table 3.2 - Employment and Vacancies by Salary Band

Salary Band	Number of posts	Number of posts filled	Vacancy Rate %	Additional filled posts
Lower skilled (1 - 2)	63	62	1.59	-
Skilled (3 - 5)	747	692	7.36	44
Highly skilled production (6 - 8)	2 716	2 249	17.19	181
Highly skilled supervision (9 - 12)	1 314	1 028	21.77	25
SMS (Level 13-16)	125	105	16.00	2
Total	4 965	4 136	16.70	252

Table 3.3 - Employment and Vacancies by Critical Occupation

Critical Occupations	Number of posts	Number of posts filled	Vacancy Rate %	Additional filled posts
Architects	37	30	18.92	1
Cartographic, Surveying	219	179	18.26	-
Cartographic and Surveyors	368	302	17.93	37
Community Development Workers	1 052	825	21.58	165
General Legal Administration	989	873	11.73	10
Legal Related	137	128	6.57	2
Social Sciences	129	106	17.83	11
Other	2 034	1 693	16.76	26
Total	4 965	4 136	16.70	252



4. Job Evaluation

The Public Service Regulations, 2001 introduced job evaluation (JE) as a way of ensuring that work of equal value is remunerated equally. The jobs evaluated in the Department are more than the posts approved on the current establishment as the Department has realigned its posts. The recommended amended structure for implementation over a period of 5 years are 7219.

Table 4.1 - Job Evaluation

Salary Band	Number of Posts	Number of Jobs Evaluated	% of Posts evaluated by Salary Band	Posts Upgraded		Posts Downgraded	
				Number	%	Number	%
Lower skilled (1 - 2)	63	316	501.59	316	100.00	-	-
Skilled (3 - 5)	747	1 503	201.20	1 503	100.00	-	-
Highly skilled production (6 - 8)	2 716	3 514	129.38	3 498	99.54	16	0.46
Highly skilled supervision (9 - 12)	1 314	1 724	131.20	1 720	99.77	4	0.23
SMS (Band A)	88	111	126.14	111	100.00	-	-
SMS (Band B)	22	42	190.91	42	100.00	-	-
SMS (Band C)	13	8	61.54	8	100.00	-	-
SMS (Band D)	2	1	50.00	1	100.00	-	-
Total	4 965	7 219	145.40	7 199	99.72	20	0.28

Table 4.2 - Profile of Employees whose salary positions were upgraded due to their posts being upgraded

Beneficiaries	African	Coloured	Indian	White	Total
Female	261	53	6	10	330
Male	192	15	5	9	221
Total	453	68	11	19	551
Employees with a disability					1

Table 4.3 - Employees whose salary level exceed the grade determined by Job Evaluation

Occupation	Job Evaluation Level	Remuneration Level	Reason for Deviation	Number of Employees
Messengers, Porters and Deliverers	4	3	Amended Structure	4
Administrative Related	10	11	Amended Structure	2
Artisans	6	8	Amended Structure	7
Architects, Town and Regional Planners	12	13	Restructuring	1
Auxiliary and Related Workers	5	6	Vhatsutsumi	15
Cartographers and Surveyors	8	9	Protective Promotions	7
Cartographic Surveying and Related Technicians	5	6	Amended Structure	6
Community Development Workers	10	11	Protective Promotions	15
Computer System Designer and Analyst	10	12	Amended Structure	1
Finance and Related Professionals	12	13	Protective Promotions	1
Finance and Related Professionals	10	12	Protective Promotions	1
Finance and Related Professionals	8	9	Amended Structure	7
General Legal	7	8	OSD Implementation	10
General Legal	8	10	OSD Implementation	41
General Legal	10	12	OSD Implementation	11
Human Resources	5	6	Amended Structure	7
Human Resources	12	13	Protective Promotions	1
Language Practitioners	10	12	Amended Structure	2

Table 4.3 - Employees whose salary level exceed the grade determined by Job Evaluation (continued)

Occupation	Job Evaluation Level	Remuneration Level	Reason for Deviation	Number of Employees
Librarian and Related Professionals	8	9	Higher Salary Award	1
Material Recording and Transport Clerks	7	9	Amended Structure	2
Other Administrative and Related Clerks	6	7	Amended Structure	4
Other Administrative and Related Clerks	3	6	Vhatsutsumi	5
Other Administrative and Related Clerks	8	13	Restructuring	1
Other Administrative and Related Clerks	8	10	Amended Structure	3
Other Administrative and Related Clerks	8	9	Amended Structure	3
Other Information Technology Personnel	8	10	Downgrade	4
Secretaries and other Keyboard Operating Clerks	7	9	Amended Structure	2
Secretaries and other Keyboard Operating Clerks	6	7	Amended Structure	12
Senior Managers	13	14	Higher Salary Award	2
Senior Managers	14	15	Higher Salary Award	1
Social Science Related	12	13	Higher Salary Award	1
Statisticians and Related Professionals	9	10	Amended Structure	1
Total				179
Employees with a disability				5

Table 4.4 - Profile of Employees whose salary level exceed the grade determined by Job Evaluation

Beneficiaries	African	Coloured	Indian	White	Total
Female	48	4	2	22	76
Male	76	8	3	16	103
Total	124	12	5	38	179
Employees with a disability					5

5. Employment Changes

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 5.1) and by critical occupations (Table 5.2).

Table 5.1 - Annual Turnover rates by Salary Band

Salary Band	Number of Employees on 1 April 2008	Appointments and Transfers into the Dept	Terminations and Transfers out of the Dept	Turnover Rate
Lower skilled (1 - 2)	194	32	9	4.64
Skilled (3 - 5)	904	310	61	6.75
Highly skilled production (6 - 8)	1 512	1 462	167	11.04
Highly skilled supervision (9 - 12)	838	147	108	12.89
SMS (Level 13-16)	91	9	12	13.19
Total	3 539	960	357	10.09



Table 5.2 - Annual Turnover rates by Critical Occupation

Critical Occupation	Number of Employees on 1 April 2008	Appointments and Transfers into the Dept	Terminations and Transfers out of the Dept	Turnover Rate %
Architects	12	3	1	8.33
Cartographic, Surveying	261	69	3	1.15
Cartographic and Surveyors	161	118	12	7.45
Community Development Workers	629	21	22	3.50
General Legal Administration	352	127	13	3.69
Legal Related	58	32	9	15.52
Social Sciences	78	195	19	24.36
Other	1 988	395	278	13.98
Total	3 539	960	357	10.09

Table 5.3 - Reasons why staff are leaving the Department

Termination Type	Number	Percentage of Total Resignations
Death	15	4.20
Resignation	173	48.46
Expiry of Contract	80	22.41
Dismissal - operational changes	-	-
Dismissal - misconduct	5	1.40
Dismissal - inefficiency	-	-
Discharged due to ill-health	1	0.28
Severance Packages	14	3.92
Retirement	19	5.32
Transfer to other Departments	50	14.01
Total	357	100.00
Total number of employees who left as a % of the total employment		10.09

Table 5.4 - Promotions by Salary Band

Salary Band	Employees as at 1 April 2008	Promotions to another salary level	Salary level promotions as a % of employees	Progressions to another notch within salary level	Notch progressions as % of employees by occupation
Lower skilled (1 - 2)	194	2	1.03	96	49.48
Skilled (3 - 5)	904	180	19.91	436	48.23
Highly skilled production (6 - 8)	1 512	431	28.51	618	40.87
Highly skilled supervision (9 - 12)	838	331	39.50	306	36.52
SMS (Level 13 - 16)	91	13	14.29	29	31.87
Total	3 539	957	27.04	1 485	41.96

Table 5.5 - Promotions by Critical Occupation

Salary Band	Employees as at 1 April 2008	Promotions to another salary level	Salary level promotions as a % of employees	Progressions to another notch within salary level	Notch progressions as % of employees by occupation
Architects	12	3	25.00	6	50.00
Cartographic, Surveying	261	44	16.86	83	31.80
Cartographic and Surveyors	161	38	23.60	151	93.79
Community Development Workers	629	163	25.91	153	24.32
General Legal Administration	352	43	12.22	178	50.57
Legal Related	58	11	18.97	23	39.66
Social Sciences	78	35	44.87	23	29.49
Other	1 988	620	31.19	891	44.82
Total	3 539	957	27.04	1 508	42.61

6. Employment Equity

The tables in this section are based on the formats prescribed by the Employment Equity Act, 1998 (Act No. 55 of 1998).

Table 6.1 - Total number of employees in each of the following categories (SASCO)

Occupational Categories	Male					
	African	Coloured	Indian	Total Black	White	Total
Legislators, Senior Officials and Managers	38	2	3	43	14	57
Professionals	840	82	28	950	178	1 128
Technicians and Associated Professionals	249	25	3	277	13	290
Clerks	327	24	5	356	13	369
Service and Sales Workers	11	3	-	14	6	20
Craft and related trades workers	21	2	1	24	5	29
Elementary Occupations	68	6	-	74	1	75
Total	1 554	144	40	1 738	230	1 968
Employees with a disability	24	6	2	32	20	52

Occupational Categories	Female					
	African	Coloured	Indian	Total Black	White	Total
Legislators, Senior Officials and Managers	27	2	3	32	5	37
Professionals	691	91	32	814	203	1 017
Technicians and Associated Professionals	214	37	12	263	98	361
Clerks	506	58	11	575	97	672
Service and Sales Workers	4	1	-	5	2	7
Craft and related trades workers	3	2	-	5	3	8
Elementary Occupations	53	13	-	66	-	66
Total	1 498	204	58	1 760	408	2 168
Employees with a disability	18	4	1	23	19	42



Table 6.2 - Total number of employees in each of the following occupational bands

Occupational Bands	Male					
	African	Coloured	Indian	Total Black	White	Total
Top Management	15	1	-	16	3	19
Senior Management	28	2	4	34	15	49
Professionally qualified and exp specialists	313	29	16	358	103	461
Skilled technical and academically qualified workers	873	76	16	965	101	1 066
Semi-skilled and discretionary decision making	292	30	4	326	7	333
Unskilled and defined decision making	33	6	-	39	1	40
Total	1 554	144	40	1 738	230	1 968

Occupational Bands	Female					
	African	Coloured	Indian	Total Black	White	Total
Top Management	10	1	1	12	-	12
Senior Management	19	1	2	22	6	28
Professionally qualified and exp specialists	222	23	12	257	67	324
Skilled technical and academically qualified workers	921	137	38	1 096	327	1 423
Semi-skilled and discretionary decision making	304	42	4	350	8	358
Unskilled and defined decision making	22	-	1	23	-	23
Total	1 498	20	58	1 760	408	2 168

Table 6.3 - Recruitment

Occupational Bands	Male					
	African	Coloured	Indian	Total Black	White	Total
Top Management	1	-	-	1	-	1
Senior Management	2	-	-	2	-	2
Professionally qualified and exp specialists	47	4	2	53	4	57
Skilled technical and academically qualified workers	209	1	4	214	-	214
Semi-skilled and discretionary decision making	116	7	3	126	-	126
Unskilled and defined decision making	17	-	-	17	-	17
Total	392	12	9	413	4	417
Employees with a disability	7	-	-	7	-	7

Occupational Bands	Female					
	African	Coloured	Indian	Total Black	White	Total
Top Management	-	-	-	-	-	-
Senior Management	2	-	-	2	-	2
Professionally qualified and exp specialists	23	2	1	26	1	27
Skilled technical and academically qualified workers	143	5	2	150	1	151
Semi-skilled and discretionary decision making	118	5	-	123	1	124
Unskilled and defined decision making	13	-	-	13	-	13
Total	299	12	3	314	3	317
Employees with a disability	3	-	-	3	-	3

Table 6.4 - Promotions

Occupational Bands	Male					
	African	Coloured	Indian	Total Black	White	Total
Top Management	1	-	-	1	-	1
Senior Management	3	-	-	3	2	5
Professionally qualified and exp specialists	139	9	4	152	17	169
Skilled technical and academically qualified workers	133	24	2	159	10	169
Semi-skilled and discretionary decision making	85	16	-	101	6	107
Unskilled and defined decision making	-	-	-	-	-	-
Total	361	49	6	416	35	451
Employees with a disability	6	3	-	9	2	11

Occupational Bands	Female					
	African	Coloured	Indian	Total Black	White	Total
Top Management	-	-	-	-	-	-
Senior Management	6	-	1	7	-	7
Professionally qualified and exp specialists	97	13	8	118	44	162
Skilled technical and academically qualified workers	144	38	9	191	71	262
Semi-skilled and discretionary decision making	63	9	-	72	1	73
Unskilled and defined decision making	2	-	-	2	-	2
Total	312	60	18	390	116	506
Employees with a disability	6	2	-	8	5	13



Table 6.5 - Terminations

Occupational Bands	Male					
	African	Coloured	Indian	Total Black	White	Total
Top Management	2	-	-	2	-	2
Senior Management	-	2	-	2	1	3
Professionally qualified and exp specialists	43	4	-	47	7	54
Skilled technical and academically qualified workers	38	7	3	48	14	62
Semi-skilled and discretionary decision making	15	5	-	20	-	20
Unskilled and defined decision making	4	-	-	4	-	4
Total	102	18	3	123	22	145
Employees with a disability	-	-	-	-	-	-

Occupational Bands	Female					
	African	Coloured	Indian	Total Black	White	Total
Top Management	-	-	-	-	-	-
Senior Management	5	-	-	5	-	5
Professionally qualified and exp specialists	22	5	4	31	4	35
Skilled technical and academically qualified workers	45	2	2	49	43	92
Semi-skilled and discretionary decision making	20	5	-	25	3	28
Unskilled and defined decision making	2	-	-	2	-	2
Total	94	12	6	112	50	162
Employees with a disability	-	-	-	-	-	-

Table 6.6 - Disciplinary Action

Disciplinary Action	Male					
	African	Coloured	Indian	Total Black	White	Total
Correctional Counseling	1	-	-	1	-	1
Verbal Warning	-	-	-	-	-	-
Written Warning	-	-	-	-	-	-
Serious Written Warning	-	-	-	-	-	-
Final Written Warning	1	-	-	1	-	1
Suspended without pay	-	-	-	-	-	-
Fine	-	-	-	-	-	-
Demotion	-	-	-	-	-	-
Dismissal	1	-	-	1	-	1
Not guilty	-	-	-	-	-	-
Case withdrawn	-	-	-	-	-	-
Total	3	-	-	3	-	3
Employees with a disability	-	-	-	-	-	-

Disciplinary Action	Female					
	African	Coloured	Indian	Total Black	White	Total
Correctional Counseling	-	-	-	-	-	-
Verbal Warning	-	-	-	-	-	-
Written Warning	-	-	-	-	-	-
Serious Written Warning	-	-	-	-	-	-
Final Written Warning	-	-	-	-	-	-
Suspended without pay	-	-	-	-	-	-
Fine	-	-	-	-	-	-
Demotion	1	-	-	1	-	1
Dismissal	1	-	-	1	-	1
Not guilty	-	-	-	-	-	-
Case withdrawn	-	-	-	-	-	-
Total	2	-	-	2	-	2
Employees with a disability	-	-	-	-	-	-

Table 6.7 - Skills Development (%)

Occupational Categories	Male					
	African	Coloured	Indian	Total Black	White	Total
Legislators, Senior Officials and Managers	32	3	-	38	14	52
Professionals	603	56	20	678	178	856
Technicians and Associated Professionals	166	28	3	197	12	209
Clerks	292	38	7	337	20	357
Service Workers	-	-	-	-	-	-
Craft and related trades workers	8	1	1	10	6	16
Plant and machine operators and assemblers	-	-	-	-	-	-
Labourers and related workers	99	14	-	113	5	118
Total	1 200	140	31	1 373	235	1 608
Employees with a disability	24	6	2	32	20	52

Occupational Categories	Female					
	African	Coloured	Indian	Total Black	White	Total
Legislators, Senior Officials and Managers	22	3	2	27	6	33
Professionals	487	50	23	560	164	724
Technicians and Associated Professionals	170	43	15	228	124	352
Clerks	486	90	19	595	146	741
Service Workers	-	-	-	-	-	-
Craft and related trades workers	1	1	1	3	2	5
Plant and machine operators and assemblers	-	-	-	-	-	-
Labourers and related workers	60	15	-	75	-	75
Total	1 226	202	60	1 488	442	1 930
Employees with a disability	18	4	1	23	19	42



7. Performance Rewards

To encourage excellent performance, the Department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender and disability (Table 7.1), salary bands (Table 7.2) and critical occupations (Table 7.3).

Table 7.1 - Performance Rewards by race, gender and disability

Race, Gender and Disability	Beneficiary Profile			Cost	
	Number of Beneficiaries	Total number of employees	% of Total within group	Cost (R'000)	Average Cost per Employee
African Male	344	1 554	22.14	4 862	14.134
African Female	299	1 498	19.96	4 834	16.167
Coloured Male	27	144	18.75	573	21.222
Coloured Female	18	204	8.82	217	12.056
Indian Male	97	40	242.50	1 463	15.082
Indian Female	66	58	113.79	1 320	20.000
Total Blacks, Male	468	1 738	26.93	6 898	14.739
Total Blacks, Female	383	1 760	21.76	6 371	16.634
White Male	274	230	119.13	6 891	25.150
White Female	120	408	29.41	4 504	37.533
Total	1 245	4 136	30.10	24 664	19.810
Employees with disabilities	38	94	40.43	687	18.079

Table 7.2 - Performance Rewards by Salary Band below SMS

Salary Bands	Beneficiary Profile			Cost	
	Number of Beneficiaries	Total number of employees	% of Total within group	Cost (R'000)	Average Cost per Employee
Lower skilled (1 - 2)	11	62	17.74	95	8.636
Skilled (3 - 5)	186	692	26.88	1 733	9.317
Highly skilled production (6 - 8)	752	2 249	33.44	11 443	15.217
Highly skilled supervision (9 - 12)	328	1 028	31.91	11 882	36.226
Total	1 277	4 031	31.68	25 153	19.697

Table 7.3 - Performance Rewards by Critical Occupations

Critical Occupations	Beneficiary Profile			Cost	
	Number of Beneficiaries	Total number of employees	% of Total within group	Cost (R'000)	Average Cost per Employee
Architects	3	30	10.00	135	45.000
Cartographic, Surveying	103	179	57.54	2 716	26.369
Cartographic and Surveyors	114	302	37.75	1 338	11.737
Community Development Workers	115	825	13.94	2 192	19.061
General Legal Administration	312	873	35.74	7 515	24.087
Legal Related	34	128	26.56	2 787	81.971
Social Sciences	22	106	20.75	767	34.864
Other	542	1 693	32.01	7 901	14.577
Total	1 245	4 136	30.10	25 351	20.362

Table 7.4 - Performance Rewards by Salary Band for SMS

Salary Bands	Beneficiary Profile			Cost	
	Number of Beneficiaries	Total number of employees	% of Total within group	Cost (R'000)	Average Cost per Employee
Band A	5	75	6.67	198	39.600
Band B	-	19	-	-	-
Band C	-	10	-	-	-
Band D	-	1	-	-	-
Total	5	105	4.76	198	39.600

8. 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 8.1 - Foreign Workers by Salary Band

Salary Band	01 April 2008		31 March 2009		Change	
	Number	% of Total	Number	% of Total	Number	% of Total
Lower skilled (1 - 2)	-	-	-	-	-	-
Skilled (3 - 5)	-	-	-	-	-	-
Highly skilled production (6 - 8)	-	-	-	-	-	-
Highly skilled supervision (9 - 12)	2	66.67	3	100.00	(1)	-33.33
SMS	1	33.33	-	-	1	33.33
Total	3	100.00	3	100.00	-	-

Table 8.2 - Foreign Workers by Major Occupation

Major Occupation	01 April 2008		31 March 2009		Change	
	Number	% of Total	Number	% of Total	Number	% of Total
Cartographic, Surveying	-	-	-	-	-	-
Cartographic and Surveyors	-	-	-	-	-	-
Community Develop Workers	-	-	-	-	-	-
Social Sciences	-	-	-	-	-	-
Other	3	100.00	3	100.00	-	-
Total	3	100.00	3	100.00	-	-

9. Leave

The Public Service Commission (PSC) identified the need for careful monitoring of sick leave within the Department. The following tables provide an indication of the use of sick leave (Table 9.1) and disability leave (Table 9.2). In both cases, the estimated cost of the leave is also provided.

Table 9.1 - Sick Leave, 1 January 2008 to 31 December 2008

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 (1 - 2)	303	70.30	54	27.98	6	54
Skilled (3 - 5)	3 552	74.44	531	53.91	7	791
Highly skilled production (6 - 8)	11 734	74.42	1 602	86.41	7	4 546
Highly skilled supervision (9 - 12)	4 524	76.81	695	73.62	7	4 170
SMS	350	76.29	56	52.83	6	780
Total	20 463	74.92	2 938	71.97	7	10 341

Table 9.2 - Incapacity Leave, 1 January 2008 to 31 December 2008

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 (1 - 2)	-	-	-	-	-	-
Skilled (3 - 5)	63	100.00	4	0.41	16	15
Highly skilled production (6 - 8)	892	100.00	19	1.02	47	374
Highly skilled supervision (9 - 12)	315	100.00	16	1.69	20	234
SMS	37	100.00	4	3.77	9	29
Total	1 307	100.00	43	1.05	30	652

Table 9.3 - Annual Leave, 1 January 2008 to 31 December 2008

Salary Band	Total Days	Average Days Per Employee	Total number of employees in salary band
Lower skilled (1 - 2)	980	5	193
Skilled (3 - 5)	12 119	12	985
Highly skilled production (6 - 8)	44 474	24	1 854
Highly skilled supervision (9 - 12)	21 225	22	944
SMS	2 108	20	105
Total	80 906	20	4 081

Table 9.4 - Capped Leave, 1 January 2008 to 31 December 2008

Salary Band	Total Days of Capped Leave taken	Average number of days taken per employee	Total number of employees who took Capped Leave
Lower skilled (1 - 2)	5	5.00	1
Skilled (3 - 5)	149	7.45	20
Highly skilled production (6 - 8)	604	5.08	119
Highly skilled supervision (9 - 12)	213	4.26	50
SMS	45	4.09	11
Total	1 016	5.05	201

Table 9.5 - Leave Payouts

Reason	Total Amount	Number of Employees	Average payment per Employee
Capped leave payouts on termination of service for 2007/2008	2 502	265	17.147
Current leave payouts on termination of service for 2007/2008	759	101	10.957
Total	3 261	366	15.825

10. HIV/AIDS and Health Promotion Programmes

Table 10.1 - 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
None	None

**Table 10.2 - Details of Health Promotion and HIV/Aids Programmes
(tick the applicable boxes and provide required information)**

Question	Yes	No	Detail, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	X		Mr T Mogashoa, Director: HRM
2. Does the Department have a dedicated unit or have you designated specific staff members to promote the health and well being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	X		Employee Wellness Subdirector: Deputy Director, 2 Assistant Directors and 1 Admin Officer.
3. 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		Employee Wellness Programme: Policy has been developed, Psycho-social services, Health Promotion: Wellness days & Flu vaccine, Life skills: Stress & Change, Financial Fitness and HIV & AIDS
4. Has the Department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	X		9 Provincial HIV/AIDS Committees have been established.
5. Has the Department reviewed the employment policies and practices of your Department 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		Performance management, Labour Relations, Leave Policy, Recruitment & Selection, Basic conditions of Service, HIV/AIDS & Employee Wellness Policies.
6. Has the Department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discriminations? If so, list the key elements of these measures.	X		HIV/AIDS Programme is being implemented, and HIV training conducted to staff and managers. Application of reasonable accommodation allowing access to psycho-social and medical services.
7. Does the Department encourage its employees to undergo Voluntary Counseling and Testing? If so, list the results that have been achieved.	X		This is incorporated with Wellness day events every year Results from 9 Provinces indicated 30% uptake.
8. Has the Department developed measures/indicators to monitor and evaluate the impact of your health promotion programme? If so, list these measures/indicators.	X		Monthly Statistical reports, Quarterly Reports. Client feedback surveys. Road-shows give employees an opportunity to give feedback on interventions.



11. Labour Relations

The following tables summarise the outcome of disciplinary hearings conducted within the Department for the year under review.

Table 11.1 - Collective Agreements

Subject Matter	Date
None	
Total collective agreements	

Table 11.2 - Misconduct and Discipline Hearings finalised

Outcomes of Disciplinary Hearings	Number	% of Total
Correctional Counseling	1	20.00
Verbal Warning	-	-
Written Warning	-	-
Final Written Warning	1	20.00
Suspended without pay	-	-
Fine	-	-
Demotion	1	20.00
Dismissal	2	40.00
Not guilty	-	-
Case withdrawn	-	-
Total	5	100.00

Table 11.3 - Types of misconduct addressed at Disciplinary Hearings

Type of misconduct	Number	% of Total
Abuse of state vehicle	-	-
Assault/Foul Language	-	-
Theft/Fraud	4	80.00
Abuse of internet	-	-
Unauthorised absenteeism/Late coming	-	-
Drunk on Duty	1	20.00
Unauthorised remunerative work outside Public Service	-	-
Failure to adhere to Travel Policy	-	-
Total	5	100.00

Table 11.4 - Grievances lodged

Grievances	Number	% of Total
Number of grievances resolved	30	78.95
Number of grievances not resolved	8	21.05
Total number of grievances lodged	38	100.00

Table 11.5 - Disputes lodged with Councils

Disputes	Number	% of Total
Number of disputes upheld	8	57.14
Number of disputes dismissed	6	42.86
Total number of disputes lodged	14	100.00

Table 11.6 - Strike Actions

Strike Actions	Total
Total number of person working days lost	-
Total cost (R'000) of working days lost	-
Amount recovered as a result of no work no pay	-

Table 11.7 - Precautionary Suspensions

Precautionary Suspensions	Total
Number of people suspended	7
Number of people whose suspension exceeded 30 days	6
Average number of days suspended	42
Cost (R'000)	125

12. Skills Development

This section highlights the efforts of the Department with regard to skills development for the year under review.

Table 12.1 - Training Needs Identified

Occupational Categories	Gender	Training needs identified at start of Reporting Period				Total
		Number of Employees 01 April 2008	Learnerships	Skills Programmes & short courses	Other forms of Training	
Legislators, Senior Officials and Managers	Female	33	-	30	-	30
	Male	52	-	65	-	65
Professionals	Female	724	-	730	-	730
	Male	857	-	650	-	650
Technicians and associated Professionals	Female	352	-	365	-	365
	Male	209	-	602	-	602
Clerks	Female	741	-	839	-	839
	Male	357	-	714	-	714
Service and Sales Workers	Female	0	-	0	-	0
	Male	0	-	0	-	0
Craft and related trade workers	Female	5	-	0	-	0
	Male	16	-	3	-	3
Plant and machine operators & assemblers	Female	0	-	0	-	0
	Male	0	-	0	-	0
Elementary occupations	Female	75	-	87	-	87
	Male	118	-	123	-	123
Sub Total	Female	1 930	-	2 051	-	2 051
	Male	1 609	-	2 157	-	2 157
Total		3 539	-	4 208	-	4 208



Table 12.2 - Training Provided

Occupational Categories	Gender	Training needs identified at start of Reporting Period				Total
		Number of Employees 01 April 2008	Learnerships	Skills Programmes & short courses	Other forms of Training	
Legislators, Senior Officials and Managers	Female	33	-	30	-	30
	Male	52	-	65	-	65
Professionals	Female	724	-	730	-	730
	Male	857	-	650	-	650
Technicians and associated Professionals	Female	352	-	365	-	365
	Male	209	-	602	-	602
Clerks	Female	741	-	839	-	839
	Male	357	-	714	-	714
Service and Sales Workers	Female	0	-	0	-	0
	Male	0	-	0	-	0
Craft and related trade workers	Female	5	-	0	-	0
	Male	16	-	3	-	3
Plant and machine operators & assemblers	Female	0	-	0	-	0
	Male	0	-	0	-	0
Elementary occupations	Female	75	-	87	-	87
	Male	118	-	123	-	123
Sub Total	Female	1 930	-	2 051	-	2 051
	Male	1 609	-	2 157	-	2 157
Total		3 539	-	4 208	-	4 208

13. Injury on Duty

The following table provides the basic information on injury on duty for the Department in the year under review.

Table 13.1 - Injury on Duty

Nature of injury on duty	Number	% of Total
Required basic medical attention only	12	100.00
Temporary Total Disablement	-	-
Permanent Disablement	-	-
Fatal	-	-
Total	12	100.00

14. Utilisation of Consultants

Table 14.1 - Report on consultant appointments using appropriated funds

Project Title	Total number of Consultants that worked on the Project	Contract Value in Rand ('000)
Advertisement	1	11
Advisory Consulting Services	74	6,010
Appointment of Service Providers	16	3,796
Appointment of a Specialist	1	354
Appointment of Temporary Workers	214	9,152
Catering Services	2	4
Development of Land Reform Framework	1	45
Electrical Repairs	2	16
Extension of Storage with Relocation	1	13
Extension of Contract	3	159
Land Surveys	2	55
Legal Representative	1	6
Mentorship	2	713
Office Cleaning Services	1	2
Personnel Agency Fees	2	87
Projector's Maintenance Fee	1	23
Equipment	3	71
Request for additional quantities	2	50
Security Guarding Services	1	93
Update Valuation Reports	5	261
Valuations of Land	546	15,217
TOTAL	881	36,138

In addition to the above, the Department also made use of:

- Business advisory servicesR74,763,439.54
- ContractorsR13,253,465.17; and
- Agency and Support/Outsourced ServicesR48,157,673.82



abbreviations & acronyms

AFREF	- African Geodetic Reference Frame	EWP	- Employee Wellness Programme
AgriSETA	- Agricultural Sector Education Training Authority	EXP	- Experienced
AMR	- Asset Management Reforms	FICA	- Financial Intelligence Centre Act
ARC	- Agricultural Research Council	FSPLRO	- Free State Provincial Land Reform Office
BLM	- Bloemfontein	GAAP	- General Accepted Accounting Practice
BoG	- Balance of Grant	GCCN	- Government Common Controlled Network
BPRS	- Batho-Pele Revitalisation Strategy	GCIS	- Government Communications Information System
BSc	- Bachelor of Science	GIS	- Geographic Information Systems
CBO	- Community Based Organisation	GPLRO	- Gauteng Provincial Land Reform Office
CCTV	- Closed-Circuit Television	GPS	- Global Positioning System
CEC	- Committee for Environmental Coordination	HIV	- Human Immune Virus
CEIMP	- Consolidated Environmental Implementation Management Plan	HIV/AIDS	- Human Immune Virus/ Acquired Immune Deficiency Syndrome
CLaRA	- Communal Land Rights Act	HR	- Human Resource
COMG	- Commonage Grant	HRD	- Human Resource Development
COO	- Chief Operations Officer	HRM	- Human Resource Management
CRM	- Client Relations Management	ICS	- Image Copy System
CT	- Cape Town	ICT	- Information and Communication Technologies
CTH	- Cheadle Thompson and Haysom	IDP	- Integrated Development Plan
DBSA	- Development Bank of Southern Africa	JE	- Job Evaluation
DCS	- Document Copy System	JHB	- Johannesburg
DDF	- Departmental Disability Forum		
DLA	- Department of Land Affairs		
DPSA	- Department of Public Service and Administration		
EC	- Eastern Cape		
ECPLRO	- Eastern Cape Provincial Land Reform Office		

KAPP - Knowledge, Attitude, Perceptions and Practice
Km² - Square Kilometre
KWT - King Williams Town
KZN - KwaZulu-Natal
KZNPLRO - KwaZulu-Natal Provincial Land Reform Office

LARP - Land and Agrarian Reform Programme
LCC - Land Claims Commissioner
LPLRO - Limpopo Provincial Land Reform Office
LRAD - Land Redistribution for Agricultural Development
LUMA - Land Use Management Act
LUMB - Land Use Management Bill

M&E - Monitoring and Evaluation
MISS - Minimum Information Security Standard
MPLRO - Mpumalanga Provincial Land Reform Office
MSP - Master Systems Plan
MTEF - Medium Term Expenditure Framework

NCPLRO - Northern Cape Provincial Land Reform Office
NEPAD - New Partnership for Africa's Development
NGO - Non Governmental Organisation
NWPLRO - North West Provincial Land Reform Office

ODG - Office of the Director-General
OHS - Occupational Health and Safety

PFMA - Public Finance Management Act
PLAS - Pro-active Land Acquisition Strategy
PLOF - Policy on Land Ownership by Foreigners
PLRO - Provincial Land Reform Office
PLSS - Public Land Support Services
PLST&ST - Professional Land Surveyors in Training and Surveyor Technicians
PMB - Pietermaritzburg
PPP - Private Public Partnership
PSC - Public Service Commission

RCMRD - Regional Centre for Mapping of Resource for Development
RFP - Request For Proposal
RFQ - Request for Qualification

SACPLAN - South African Council for Planners
SADC - South African Development Community
SADT - South African Development Trust
SAPS - South African Police Service
SASSA - South African Social Security Agency
SCM - Supply Chain Management
SCOPA - Standing Committee on Public Accounts
SDF - Spatial Development Framework
SDI - Spatial Data Infrastructure Act
SDIP - Service Delivery Improvement Plans
SG - Surveyor General
SGP - Settlement Growth Patterns
SITA - State Information Technology Agency
SLA - Service Level Agreement
SLAG - Settlement Land Acquisition Grant
SMD - Spatial MetaData Discovery
SMS - Senior Management Services
SPLAG - Settlement and Production Land Acquisition Grant

TRANCRAA - Transformation of Certain Rural Areas Act
TUT - Tshwane University of Technology

UNISA - University of South Africa

VPN - Virtual Private Network

WAN - Wide Area Network
WC - Western Cape
WCPLRO - Western Cape Provincial Land Reform Office

YARD - Youth in Agriculture and Rural Development



NOTES

