ANNUAL REPORT
2020 | 2021

iSimangaliso
Wetland Park


iSimangaliso

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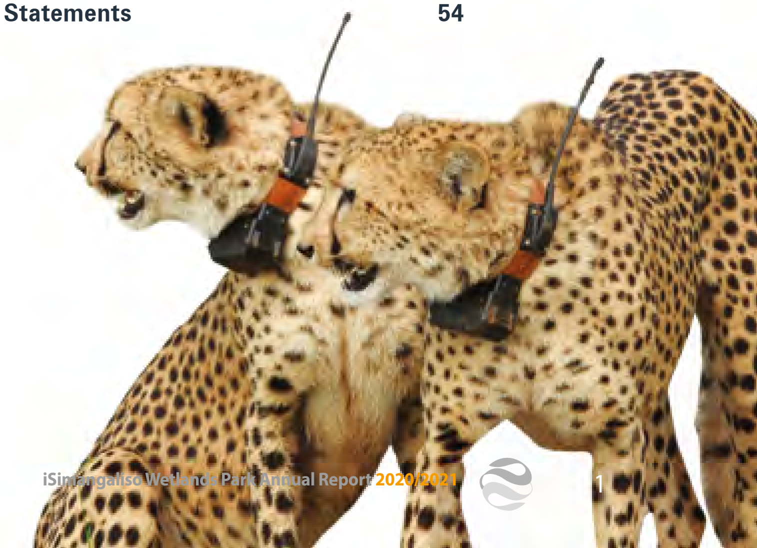


PART A
GENERAL INFORMATION

Legal Form of Enterprise:	Established by Regulation 1193 of 24 November 2000, under the World Heritage Convention Act 49 of 1999. The iSimangaliso Wetland Park Authority is a Schedule 3A Public Entity.
Nature of Business:	The iSimangaliso Authority's business is to conserve the iSimangaliso Wetland Park and to create jobs and benefits for communities living in and adjacent to the Park through optimal tourism-based development. iSimangaliso is therefore in the business of conservation, local economic development and tourism.
Name:	iSimangaliso Wetland Park Authority
Registration Numbers:	The iSimangaliso Wetland Park Authority is a Public Entity established in terms of the National Environmental Management: Biodiversity Act of 2004 (No. 10 of 2004)
Head Office Address:	Dredger Harbour, St Lucia Estuary, 3936
Postal Address:	P/Bag X05, St Lucia Estuary, 3936
Contact Telephone Number:	035 590 1633
Email Address:	info@isimangaliso.com
Website Address:	www.isimangaliso.com
External Auditor:	Auditor-General South Africa Registered Auditors
Bankers:	First National Bank

LIST OF
ACRONYMS AND ABBREVIATIONS

AFS	Annual financial statements
AG	Auditor-General
APP	Annual performance plan
APO	Annual plan of operation
ARC	Audit Risk Committee
BEE	Black economic empowerment
B-BBEE	Broad-based black economic empowerment
CCMA	Commission for Conciliation, Mediation and Arbitration
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CPI	Consumer price index
DAFF	Department of Forestry and Fisheries
DEA	Department of Environmental Affairs
DFFE	Department of Forestry, Fisheries, and the Environment
DTI	Department of Trade and Industry
DWS	Department of Water and Sanitation
EAP	Economically active population
EIA	Environmental impact assessment
Ezemvelo	Ezemvelo KZN Wildlife
FY	Financial year
GDP	Gross domestic product
GEF	Global environment facility
HR	Human resources
IDP	Integrated development plan
ISA	International Standards on Auditing
IMP	Integrated management plan
iSimangaliso	iSimangaliso Wetland Park Authority
IT	Information technology

KZN	KwaZulu-Natal
MLRA	Marine Living Resources Act, 1998 (Act 18 of 1998)
MoU	Memorandum of understanding
MPA	Marine protected area
MTEF	Medium-term expenditure framework
MTSF	Medium-term strategic framework
NDLTF	The National Lottery Distribution Trust Fund
NDP	National Development Plan
NGO	Non-governmental organisation
NPO	Non-profit organisation
PAA	National Environmental Management: Protected Areas Act, 2003 (Act 57 of 2003)
Park	iSimangaliso Wetland Park
PFMA	Public Finance Management Act, 1999 (Act 1 of 1999)
PPE	Personal protective equipment
PPP	Public-private partnership
PR	Public relations
Ramsar	Convention on Wetlands of International Importance Especially as Water Fowl Habitat 1971
RLCC	Regional Land Claims Commission
SAPS	South African Police Service
SCM	Supply chain management
SEC	Social Ethics Committee
SEED	Socio-Economic Environment Development
SMME	Small, medium and micro-enterprise
TFCA	Trans-frontier conservation area
UNESCO	United Nations Educational, Scientific, and Cultural Organization
VUCA	Volatility, uncertainty, complexity, ambiguity
WHCA	World Heritage Convention Act 1999, (Act No 1 of 1999)

MESSAGE FROM THE

MINISTER OF FORESTRY, FISHERIES AND THE ENVIRONMENT

The outbreak of COVID-19 across the world posed a challenge of international magnitude. Like many other countries, the South African government had to assess the possible impact of the pandemic on society and replan its resources accordingly.

As the country entered a Level 5 Alert national lockdown to stem the spread of the pandemic, the Department of Forestry, Fisheries and the Environment allocated R39 million to the Park Authority to cover the loss of income with regards to gate fees and accommodation.

iSimangaliso Wetland Park Authority also received R73 million from the Presidential Employment Stimulus. By the end of March 2021, R65 836 872.77 or 90% of the allocation had been spent. Through the allocation, the Park employed 1 113 people and made use of 60 SMMEs.

Given that unemployment remains a challenge in the communities surrounding the park, iSimangaliso's contribution towards job creation is a practical example of the role we all can play to improve the lives of our communities. During the year under review, iSimangaliso employed 235 SMMEs and created 3 298 jobs of which 56% were youth and 49% women.

In the year under review, the Board, in partnership with Tourism KZN, developed a commercialisation strategy that sets out the strategic direction for tourism development over the period 2020-2025. The strategy has identified 48 tourism development opportunities within, and adjacent to, the Park, and the need to upgrade facilities to improve the tourism offering.

The Park found itself in a unique position during the various stages of national lockdown when beaches across the country were closed. Because the iSimangaliso beaches were not closed due to controlled access and carrying capacity limit, the Park recorded almost double the revenue

planned from paid visits as a result of the increased number of people visiting its beaches. The revenue to the Park from commercial sources totalled more than R11,3 million, almost double what had been targeted for the financial year. A total of 161 876 people visited the iSimangaliso beaches in the year under review.

Following the outbreak of COVID-19 and the subsequent national alert-level lockdowns, iSimangaliso secured funding to distribute 2 800 food parcels to destitute families living within the Park, and along its boundary. More than 80 000 PPE items were distributed to families in and around the Park, including face shields, handwash soap, sanitisers and face masks.

In a financial year in which the Park exceeded all its goals, the Park Authority not only produced a revenue surplus of R151,7 million, but provided 343 full-time equivalent jobs and provided accredited and non-accredited training to 2 150 local community members. A total of 285 people participated in skills development programmes, while 51 individuals and 114 rural enterprises took part in development programmes for rural enterprises and entrepreneurs, craft producers and artists. It was also a year in which the Park welcomed 132 032 non-paying visitors and 30 schools.

iSimangaliso Wetland Park is seen as one of the most important assets to the uMkhanyakude District. With the necessary collaboration from relevant external stakeholders, this asset has great potential to provide a possible solution to socio-economic development challenges such as poverty, unemployment and inequality.

The interface between the Park management and communities removed from their ancestral land to make way for the establishment of protected areas is taking place under the auspices of the People and Parks Programme. This has seen two community members being co-opted to serve in the committees of the iSimangaliso Board, in line with resolutions taken by the Programme for greater inclusion of community members in the management Boards of protected areas.

The Auditor-General has found that the financial statements for the year under review present fairly, in all material respects, the financial position of the iSimangaliso Wetland Park Authority as at 31 March 2021, and its financial performance and cash flows for the year.

The 2020/2021 Annual Report of the iSimangaliso Wetland Park complies with all statutory requirements of the Public Finance Management Act, 1999 (No. 1 of 1999) and National Treasury regulations. I am pleased to present the Annual Report of the iSimangaliso Wetland Park, a public entity of the Department of Forestry, Fisheries and the Environment.

Ms Barbara Creecy, MP
Minister: Forestry, Fisheries and the Environment

FOREWORD BY THE CHAIRPERSON

The expression 'the tide has turned' sums up succinctly the work achieved by the iSimangaliso Wetland Park Authority in the period under review. In the subsequent years building up to this financial year, the Entity has been carefully laying a strong foundation for success. The Entity's Business Plan and Annual Performance Plan targets set out a clear course to take it to greater heights. It is fulfilling to note that iSimangaliso has succeeded in achieving 100% in the year under review: truly 'the tide has turned'.

ISimangaliso Wetland Park's Board, in partnership with Tourism KZN, has developed a commercialisation strategy that sets out the strategic direction for tourism development over the period 2020-2025. It builds on the situational analysis, which reviewed the available baseline information and identified the tourism needs, site identification, analysis and prioritisation process. The strategy has been compiled following eight months of consultations, industry analysis and detailed scrutiny of international tourism and market trends. The Park is divided into five tourism development opportunities within which there are currently 48 tourism development opportunities.

Infrastructure investment is a critical driver of the future growth of iSimangaliso Wetland Park tourism and the regional economy. The provision of superior-quality infrastructure allows tourism and the economy to be more efficient, improves productivity and raises long-term growth and living standards. iSimangaliso requires the right kind of infrastructure investment that will not only contribute to higher long-term growth, but should address spatial disparities, transform tourism and the economy and create much-needed jobs. During the year under review, iSimangaliso invested over R313 million in an infrastructure upgrade and maintenance, including,

among other things, six tourism facilities, 16 conservation infrastructures, 12 road networks, 13 boreholes, park furniture and signage. This infrastructure investment will go a long way to reignite and bolster tourism in iSimangaliso and the KZN province.

Since its appointment, the new Board has been able to hold critical strategic meetings with its counterparts Ezemvelo KZN Wildlife and Tourism KwaZulu-Natal. iSimangaliso Wetland Park has been honoured by the visit of both the National and Provincial Portfolio Committees. They made valuable inputs during the interaction that will help to build and shape the direction of the Park going forward.

The inception of the new iSimangaliso Board has not been without challenges as it had to deal with various unforeseen challenges presented by the outbreak of COVID-19. From its inception, the Board could not meet physically due to lockdown, nor could it perform physical visits to the Park as part of its induction. Notwithstanding the challenges, the Board managed to do business under the 'new normal', conducting most of its meetings virtually.

The Board wishes to express its gratitude to all the stakeholders, Provincial and Local Government, *Amakhosi*, and Community Structures, without whom the realisation of the set targets would have remained a pipe dream.

Prof. A.T. Nzama

Chairperson: iSimangaliso Wetland Park Authority

BOARD MEMBERS
FOR THE YEAR ENDED 31 MARCH 2021

Non-Executive

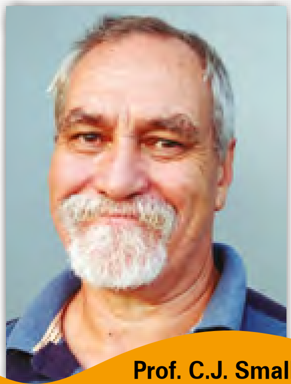

Prof A.T. Nzama
CHAIRPERSON

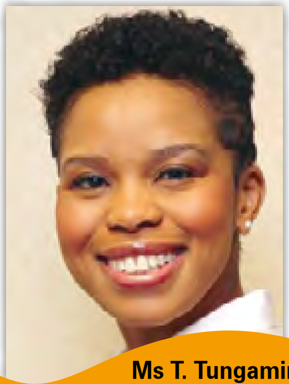

Inkosi M.I. Tembe
VICE-CHAIRPERSON


Ms N. Cawe


Mr L. Lankalebalela


Mr G. Nair


Prof. C.J. Small


Ms T. Tungamirai

Executive

Mr S.E. Bukhosini

CHIEF EXECUTIVE OFFICER'S OVERVIEW

The 2020/2021 financial year will go down in history as a year full of challenges and risks because of the outbreak of the COVID-19 pandemic, which had a seriously negative impact on ecotourism globally. It is in trying times like these that our resilience as an Organisation is put to the test. The risk mitigation and business continuity plans became the survival tool through which the Entity managed to keep the centre holding throughout the financial year.

Despite the challenges, this Annual Report tells the story that 'the tide has turned' for iSimangaliso Wetland Park. The Entity has achieved 100% delivery on all its 61 targets for the 2020/2021 financial year as outlined in its annual performance plan.

iSimangaliso Wetland Park's long tradition of prudent financial planning and thoughtful resource allocation has allowed it to continue strengthening its financial position through positive operating results and thereby enable it to respond to challenges and opportunities. iSimangaliso's improved financial position is reflected in the consistent increase to net position, which is one indicator that iSimangaliso's financial health continues to improve, reflecting sound and careful fiscal management across the Entity.

iSimangaliso Wetland Park has been able to generate an increase in revenue and currently closes this financial year with surplus of R152 million despite unstable and declining net State support. The main revenue stream drivers are: Firstly, grants and subsidies – an additional R62 million in revenue was recognised as part of presidential stimulus and revenue, and secondly, Administration Fees increased by R3,1 million. As a result of the COVID-19 pandemic outbreak, Park revenue decreased by 50%.

iSimangaliso Wetland Park's operating margin remains healthy, but also the Entity is 95% dependent on grants.

The Entity's Net Assets have increased by 24% to R764 million supported with a positive cash and cash equivalents of R126,3 million. The increase in Assets is primarily attributed to the massive infrastructure projects such as roads, bridges and the refurbishment of facilities across the Park, which will help improve visitors' experience.

During this period, iSimangaliso is in a process of finalising the takeover of tourism facilities that are being run by Ezemvelo KZN Wildlife, which will improve iSimangaliso's revenue. The Entity also is in the process of developing a financial sustainability plan.

Following the outbreak of COVID-19 and the subsequent lockdown implemented by the Government, iSimangaliso saw the need to use its well-known brand to solicit funding and use other means to get food parcels to distribute to the destitute families living inside and adjacent to the Park. Through donations, partnership with other organisations, traditional leadership, NGOs, the private sector and business people, over 2 800 food parcels were distributed averaging R1 000 each. In addition, through sponsorship from UNDP, over 80 000 PPE items were distributed to families in and around the Park. Items included face shields, handwash soap, sanitisers and face masks.

I wish to thank iSimangaliso staff who have worked hard to implement the Business Plan of the Entity and their families for being a pillar of strength, and to the Minister and the Board for guidance and strategic support.

Sibusiso E. Bukhosini

Chief Executive Officer: iSimangaliso Wetland Park Authority

STATEMENT OF
RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

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

All information and amounts disclosed in the Annual Report are consistent with the Annual Financial Statements (AFS) audited by BDO.

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

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

The AFS (Part E) have been prepared in accordance with the standards applicable to the Public Entity.

The Accounting Authority is responsible for the preparation of the AFS and for the judgements made in this information.

The Accounting Authority is responsible for establishing and implementing a system of internal control, which has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the AFS.

The Auditor-General of South Africa (AGSA) are engaged to express an independent opinion on the AFS.

In our opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the Public Entity for the financial year ended 31 March 2021.

Yours faithfully

Sibusiso E. Bukhosini
Chief Executive Officer

Prof. A.T. Nzama
Chairperson of the iSimangaliso Authority Board

VISION

A renowned World Heritage Park where conservation, sustainable tourism and benefit-sharing prevails.

MISSION

iSimangaliso's mission is to protect, preserve and present its World Heritage values for current and future generations while benefitting communities living in and adjacent to the Park by facilitating optimal tourism and related development.

VALUES

iSimangaliso subscribes to the Batho Pele Principles.

In addition, below are our core values: Integrity; Honesty; Transparency; Accountability; Performance; and Professionalism

ABOUT THE ISIMANGALISO WETLAND PARK

iSimangaliso is a World Heritage site inscribed by UNESCO in December 1999 for three outstanding universal values: unique ecological and biological processes, superlative natural phenomena and biological diversity. iSimangaliso is one of 47 Marine World Heritage Sites and South Africa's only current Marine World Heritage Site.

Two decades after inscription, much about the area is unrecognisable from its beginnings as 16 different parcels of land. Now consolidated as a contiguous Park spanning 970,366ha of marine and terrestrial protected area, iSimangaliso has rightfully taken its place as one of the country's premier conservation areas, where extensive rewilding and rehabilitation of habitat continues to this day.

iSimangaliso provides critical habitats for a wide range of species. Among these are large numbers of nesting Leatherback and Loggerhead Turtles in the southernmost nesting sites in Africa; the world's oldest fish, the Coelacanth, in deep marine canyons off one of the world's top 10 diving sites, Sodwana Bay; a significant population of Black and White Rhino, Elephant, Leopard, Buffalo, Lion, Cheetah, Wild Dog, Hippo, Crocodile, Dolphins, Whales and Whale Sharks; and the large numbers and breeding colonies of waterfowl such as Pelicans, Storks, Flamingos and Herons. The species list for iSimangaliso runs to over 6 500 species, and includes 530 bird species, 11 species that are endemic to iSimangaliso, and 108 that are endemic to South Africa, as well as 467 threatened species. iSimangaliso is, therefore, an essential repository of biodiversity in a rapidly changing world.

The expansion of the marine protected area substantially increased the area under conservation management by the iSimangaliso Wetland Park Authority, a public entity reporting directly to DFFE.

The Authority began its work in 2002. Its mandate, set out in the World Heritage Convention Act's regulations, is to conserve and protect the Park's World Heritage values, and to empower communities living around the Park through tourism development.

Strategic Overview

The strategic objective of the Authority is the conservation and enhancement of World Heritage values. In order to achieve this, it is important for the Park to remain relevant for people living in the neighbouring areas beyond the delivery of economic benefits. Two of the key pillars of the strategy are inclusivity and the development of an awareness and realisation of the value of the environment and biodiversity.

Among the considerations when developing the Authority's strategy are:

- The mandate as set out in the Act;
- The National priorities for the environment determined by the Department of Forestry, Fisheries, and the Environment (DFFE).
- The National priorities set by Government for social and economic development in terms of the National Development Plan (NDP).
- The Local, Provincial and Regional context and circumstances.
- The iSimangaliso Wetland Park's Integrated Management Plan (IMP); and
- Institutional risk.

Currently, the key challenges affecting the Authority and the execution of its mandate may be summed up as:

- The ability to deliver against the co-management agreements on a scale expected by communities. In addition to the limits on development, and, therefore, community beneficiation, the global recession has impacted negatively on investor markets. To counter this, the Authority has to provide short-term benefits until there is a resurgence in the tourism-investment market. There is also a growing idea to review these agreements in an attempt to have realistic and implementable co-management agreements.
- The constraining effect on private sector investment in development of the legal complexities emanating from legislation applied by various Government departments, and which impacts on the types of deals the Authority may negotiate.
- The fluid nature of the tourism sector and changing commercial realities and balancing these with the needs of traditional visitor groups, while also ensuring equitable access for all.

The Authority's approach is to strategically influence critical areas through lobbying, in order to align with Government's key goals and programmes, and thereby ensuring delivery of economic benefits and empowerment.

International Engagement

The Authority participates in international forums (in particular UNESCO) as part of the State's (e.g. DFFE's) team. In addition, periodic re-ports are furnished to UNESCO, through DFFE, in line with the requirements of the World Heritage Convention Act. It also participates in the Lubombo Spatial Development Initiative and Lubombo Trans-frontier Conservation Area processes and structures.

LEGISLATIVE AND OTHER MANDATES

The World Heritage Convention Act 1999 (WHCA) sets out the objectives of iSimangaliso. These objectives, which have been set out below, have been incorporated into iSimangaliso's mission, namely:

- To protect, conserve and present the Park
- To empower historically-disadvantaged adjacent communities
- To promote and facilitate optimal tourism and related development in Park

The management of the iSimangaliso Wetland Park is further subject to the National Environmental Management Act, 1998 (Act 107 of 1998), the National Water Act, 1998 (Act 36 of 1998), the National Forests Act, 1998 (Act 84 of 1998), the National Heritage Resources Act, 1999 (Act 25 of 1999), the KwaZulu-Natal Heritage Act, 2008 (Act 4 of 2008), the National Environmental Management: Waste Act, 2008 (Act 59 of 2008) and the National Environmental Management: Integrated Coastal Management Act, 2008 (Act 24 of 2008). In addition, the iSimangaliso Wetland Park Authority takes note of, supports, and, where applicable, aligns its activities with National initiatives such as the National Biodiversity Strategic Action Plan, the National Biodiversity Framework and the National Protected Area Expansion Strategy.

ORGANISATIONAL STRUCTURE

Accounting Authority/Board

Mr S. Bukhosini
Chief Executive Officer

Mrs S.Q. Mntambo
Chief Financial Officer

Vacant
Executive Manager Corporate Support Services

Mr S. Sibiya
Executive Manager Biodiversity Conservation

Mr J. Ngubane
Executive Manager Tourism and Business Development

Mr C. Khumalo
Executive Manager Transformation (Social and Economic Development)

PART B

PERFORMANCE INFORMATION

PROGRAMME 1:
CORPORATE SUPPORT SERVICES

Purpose

The purpose of the Corporate Support Services Programme is to provide effective and efficient corporate support services (human resources, financial management, information technology, strategic management, research and communications), which enable the Entity to execute its mandate.

Programme Description

The Corporate Support Services programme is implemented by two units – Finance and Support Services.

The Finance Unit is responsible for financial management, ensuring that iSimangaliso's operations are properly funded and cost-effectively managed while maintaining an appropriate system of internal control and reporting of accounting, management and statutory information.

The unit creates and maintains PFMA-compliant financial management systems, including SCM; ensures good governance, risk management and control processes; and reduces audit findings, resulting in an unqualified audit report. It is also responsible for B-BBEE compliance monitoring and reporting. There are eight positions in the Finance Unit, including the CFO.

The Support Services Unit is responsible for the management of information technology, office management, human resources, strategic planning and reporting, communications and PR, as well as research coordination, policy and planning. These services provide support to the Organisation in a range of areas that are required by the Organisation to implement its mandate. There are 13 positions in this unit.

OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/2021	PLANNED ANNUAL TARGET 2020/2021	*ACTUAL ACHIEVEMENT 2020/2021 UNTIL DATE OF R-TABLING	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2020/2021	REASONS FOR DEVIATIONS	REASONS FOR REVISIONS TO THE OUTPUTS/ OUTPUT INDICATORS/ ANNUAL TARGETS
Compliance with legislation, effective financial management and key risks mitigated to minimise potential adverse consequences	External audit opinion	Unqualified external audit opinion	Unqualified external audit opinion	Unqualified external audit opinion	No milestone for period under review	Not applicable	Not applicable	Not applicable
	Percentage expenditure of the budget	95%	107%	95%	88%	Not applicable	Not applicable	Not applicable
	Average number of days: Trade creditor payment	30 days	5 days	30 days	30 days	Not applicable	Not applicable	Not applicable
	Average number of days: Trade debtor collection	60 days	37 days	60 days	0 days	Not applicable	Not applicable	Not applicable
	Percentage compliance with key statutory requirements	100%	100%	100%	100%	Not applicable	Not applicable	Not applicable
	Implementation of the Procurement Plan	100%	100%	100%	100%	Not applicable	Not applicable	Not applicable
	BEE spend on majority black-owned suppliers as a percentage of qualifying expenditure	60%	60%	60%	91%	Not applicable	Not applicable	Not applicable
An adequately skilled and capacitated workforce that is transformed and representative of South African race and gender demographics	Percentage employee turnover rate	≤10%	≤10%	≤10%	0%	Not applicable	Not applicable	Not applicable
	Percentage vacancy rate	≤10%	≤10%	≤10%	19.6%	Not applicable	Not applicable	Not applicable
	Workplace skills plan submitted to SETA within the prescribed timeframe	Workplace skills plan submitted to SETA within the prescribed timeframe	Workplace skills plan submitted to SETA within the prescribed timeframe	Workplace skills plan submitted to SETA within the prescribed timeframe	Workplace Skills Plan submitted on 29 May 2020	Not applicable	Not applicable	Not applicable
	Percentage implementation of the Workplace Skills Plan	25%	43%	25%	No milestone for period under review	Not applicable	Not applicable	Not applicable
	Employee performance contracts concluded timeously	100% of performance contracts concluded	100% of performance contracts concluded	100% of performance contracts concluded	100% of performance contracts concluded as employee performance contracts were submitted to HR by 31 May 2020	Not applicable	Not applicable	Not applicable
	Mid-year and annual performance assessment conducted	Mid-year and annual performance assessment conducted	Mid-year and annual performance assessment conducted	Mid-year and annual performance assessment conducted	No milestone for period under review	Not applicable	Not applicable	Not applicable
	Employment equity plan implemented	Development and approval of plan	Development and approval of plan (five-year Employment Equity Plan)	Development and approval of plan	Five-year 2020-2025 Employment Equity Plan developed and approved on 27 March 2020	Not applicable	Not applicable	Not applicable

OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/2021	PLANNED ANNUAL TARGET 2020/2021	*ACTUAL ACHIEVEMENT 2020/2021 UNTIL DATE OF R-TABLING	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2020/2021	REASONS FOR DEVIATIONS	REASONS FOR REVISIONS TO THE OUTPUTS/ OUTPUT INDICATORS/ ANNUAL TARGETS
Adequately skilled and capacitated workforce that is transformed and representative of South African race and gender demographics	Employment Equity Plan targets achieved	Annual target achieved	Annual target achieved A total of 23 female staff members were employed	Annual target achieved	Annual target achieved: 1 female employed on 4 May 2020 under occupational level Skilled Technical	Not applicable	Not applicable	Not applicable
	Employee Engagement Surveys conducted	2019/2020 Employee Engagement Survey findings reported attended to	2019/2020 Employee Engagement Survey findings reported attended to: Survey findings attended to: Pension Fund and Medical Aid implemented, training and development conducted, wellness programme conducted, and job evaluation exercise implemented	2019/2020 Employee Engagement Survey findings reported attended to	2019/2020 Employee engagement survey findings reported attended to: Employee Wellness Programme developed. Workplace Skills Plan and Training Calendar Developed for implementation in 2020/2021. Pension Fund Implementation effective from 1 July 2020	Not applicable	Not applicable	Not applicable
	Occupational Health and Safety assessment/ inspections conducted	1 annual assessment conducted and recommendations	1 annual assessment conducted and recommendations implemented: in compliance with the Occupational Health and Safety Act, 16.2 appointment, Health and Safety Representative and Health and Safety Committee appointments have been made	1 annual assessment conducted and recommendations	Occupational Health and Safety Plan and Policy was not approved as the supply chain processes could not be initiated in the first quarter due to COVID-19 pandemic restrictions	Not applicable	Not applicable	Not applicable

OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/2021	PLANNED ANNUAL TARGET 2020/2021	*ACTUAL ACHIEVEMENT 2020/2021 UNTIL DATE OF R-TABLING	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2020/2021	REASONS FOR DEVIATIONS	REASONS FOR REVISIONS TO THE OUTPUTS/ OUTPUT INDICATORS/ ANNUAL TARGETS
Effective information communication and technology systems that are supportive of the Organisation's core business and mandate	Information Communication and Technology (ICT) Systems	ICT governance framework approved	ICT governance framework reviewed and approved	ICT governance framework reviewed and approved	ICT Framework was approved on 27 March 2020	Not applicable	Not applicable	Not applicable
	Key ICT systems supporting the Authority's business	1	1	1	No milestone for period under review	Not applicable	Not applicable	Not applicable
	Percentage of new independent research proposals approved that relate to management	50%	79% total research proposals received = 16 (6+4+6); Approved research proposals = 11 (2+3+6) (11/14)*100% = 79%	50%	0% The evaluation of research proposals by the Research Committee could not take placed due to COVID-19 pandemic	Not applicable	Not applicable	Not applicable
	Park monitoring programme implemented	Reports completed for each quarter	Monitoring report completed	Monitoring report completed	No monitoring report completed as monitoring could not be conducted due to COVID-19 pandemic	Not applicable	Not applicable	Not applicable
Sound plans, policies and strategies for protected area management	Number of conservation/ transformation and/or tourism plans approved	2	2	2	No milestone for period under review	Not applicable	Not applicable	Not applicable
Enhanced sense of ownership and participation by communities and other stakeholders	Number of stakeholder engagements conducted	120	87	120	15 stakeholder engagements were conducted. This was due to COVID-19 pandemic National lockdown regulations on the prohibition of gathering of people, meetings could not be held	60	Due to COVID-19 it was difficult to engage with stakeholders as planned. Due to iSimangaliso being in a rural area, it was also difficult to do virtual consultations	Due to COVID-19 it was difficult to engage with stakeholders as planned. Due to iSimangaliso being in a rural area, it was also difficult to do virtual consultations
	Number of stakeholder relation surveys conducted	1	1	1	Survey questionnaire was drafted	Not applicable	Not applicable	Not applicable

SUMMARY: PROGRAMME 1	% ON TARGET	% WORK IN PROGRESS	% OFF TARGET	% NO MILESTONE
Corporate Support Services	100% (24/24)	-	0% (0/24)	-

PROGRAMME 2:
BIODIVERSITY CONSERVATION

Purpose

The purpose of the Biodiversity Conservation Programme is to manage the development and implementation of biodiversity and conservation strategies, which enable the Park to maintain World Heritage values in a manner that facilitates sustainable development.

Programme Description

This programme is managed by the Biodiversity Conservation Unit of the iSimangaliso Authority. The primary functions of the unit are to determine conservation policy and ensure that the day-to-day conservation management activities are undertaken in accordance with the Integrated Management Plan for the Park, as well as the Conservation Operational Plan.

As part of its biodiversity conservation function, iSimangaliso implements a Land and Coast Care Programme (including alien plant control), fire management and controlled burns on the Western Shores of the Park, cleaning and maintaining day-visitor facilities and access roads, commenting on buffer zone applications, conservation compliance actions, and employment of environmental monitor access control. The effectiveness of compliance interventions is dependent on high levels of service delivery from Ezemvelo KZN Wildlife as well as strong working relationships with the SAPS, provincial and local government, and the judiciary. In addition, iSimangaliso issues watching briefs to support prosecutors with criminal cases and takes civil action, where necessary.

Currently, day-to-day conservation management is outsourced to Ezemvelo KZN Wildlife. Ezemvelo receives its funding for this function directly from the provincial government but is facing resource constraints. This plan positions iSimangaliso to take over the day-to-day conservation function and tourism management from Ezemvelo KZN Wildlife.

The unit comprises 22 positions, including an Executive Director. One-hundred-and-twenty environmental monitors are deployed in the Park and managed by this unit.

OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/2021	PLANNED ANNUAL TARGET 2020/2021	*ACTUAL ACHIEVEMENT 2020/2021 UNTIL DATE OF R-TABLING	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2020/2021	REASONS FOR DEVIATIONS	REASONS FOR REVISIONS TO THE OUTPUTS/OUTPUT INDICATORS/ ANNUAL TARGETS
Biodiversity threats mitigated and park world heritage site maintained	Park buffer zone gazetted	Land audit and survey finalised, Park Buffer zone gazetted	Land audit and survey finalised	Land audit and survey finalised, Park Buffer zone gazetted	Land audit and survey finalised	Land audit and survey finalised	Gazzetting a buffer zone is a lengthy process and therefore is envisaged to be completed in the year 2022/2023	Gazzetting a buffer zone is a lengthy process and therefore is envisaged to be completed in the year 2022/2023
	Number of KwaZulu-Natal Nature Conservation Board and iSimangaliso Wetland Park Authority meetings	4 meetings	5 meetings held	4 meetings	2 meetings took place	Not applicable	Not applicable	Not applicable
	Number of environmental audits conducted on concessionaires operating in the Park	12	12	12	4 environmental audits were conducted	Not applicable	Not applicable	Not applicable
	Number of environmental monitors deployed in the Park	120	130 Environmental Monitors deployed in the park. Additional host funding contract for 10 environmental monitors from the Department	120	120 environmental monitors deployed in the Park	Not applicable	Not applicable	Not applicable
	Number of hectares of invasive alien plants treated	50 000ha	56 956.05ha Department provided more budget after the target review in the mid-year following the budget cut that took place during the COVID-19 outbreak	50 000ha	0ha The entity had not received the Working for Water Project grant funding	30 000ha	The annual target was amended. This was the Working for Water Programme where the annual target was amended from 50 000ha to 30 000ha	The annual target was amended. This was the Working for Water Programme where the annual target was amended from 50 000ha to 30 000ha

OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/2021	PLANNED ANNUAL TARGET 2020/2021	*ACTUAL ACHIEVEMENT 2020/2021 UNTIL DATE OF R-TABLING	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2020/2021	REASONS FOR DEVIATIONS	REASONS FOR REVISIONS TO THE OUTPUTS/OUTPUT INDICATORS/ ANNUAL TARGETS
Biodiversity threats mitigated and park world heritage site maintained	Number of cubic metres of earthworks in wetland rehabilitation project	3 000m^3	2 000m^3	3 000m^3	No milestone for period under review	The annual target was amended from 3 000m^3 to 2 000m^3 due to the reduction of budget of the Working for Wetlands Project of about R1.1 million	The annual target was amended from 3 000m^3 to 2 000m^3 due to the reduction of budget of the Working for Wetlands Project of about R1.1 million	The annual target was amended from 3 000m^3 to 2 000m^3 due to the reduction of budget of the Working for Wetlands Project of about R1.1 million
	Number of kilometres of coastline cleaned	320km	320km	320km	320km	Not applicable	Not applicable	Not applicable
	Percentage of applications for developments in the buffer zone commented on and feedback provided within prescribed timeframe	100%	100%	100%	100%	Not applicable	Not applicable	Not applicable
	Percentage of identified unauthorised developments/activities actioned legally	100%	100%	100%	100%	Not applicable	Not applicable	Not applicable
	Number of hectares burnt in controlled burning programme	1 250ha	1 458,05ha	1 250ha	250ha	Not applicable	Not applicable	Not applicable

SUMMARY: PROGRAMME 2	% ON TARGET	% WORK IN PROGRESS	% OFF TARGET	% NO MILESTONE
Biodiversity conservation	100% (10/10)	0% (0/10)	0% (0/10)	(0/10)

PROGRAMME 3:
TOURISM AND BUSINESS DEVELOPMENT

Purpose

The purpose of the programme is to undertake research, develop and implement tourism development initiatives aimed at positioning the Park as a destination of choice.

Programme Description

This programme is managed by iSimangaliso's Tourism and Business Development Unit. The programme strategy includes the improvement of existing public access facilities, awarding tourism accommodation concessions to private parties with community equity, and the development and maintenance of day-visitor facilities. The primary functions of the unit are to (a) identify revenue generation opportunities for the Park that are consistent with the parameters set out in the Park's IMP and afford economic benefits to claimants and local communities; (b) implement the Tourism Development Programme for the Park; and (c) market and promote the Park as a destination of choice. Due to resource constraints, certain tourism facilities managed by Ezemvelo KZN Wildlife are in a poor state. Those tourism and business functions currently undertaken by Ezemvelo will be handed over to iSimangaliso, and refurbishment of these facilities will take place. Not only will this lead to an increase in revenue but will also result in increased opportunities for participation of local communities in the programmes. Value chain linkages will be made to create further inclusive opportunities for local community-based businesses. There are currently 54 activity licences in the Park, which will be reviewed to ensure empowerment of historically-disadvantaged businesses.

OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/2021	PLANNED ANNUAL TARGET 2020/2021	*ACTUAL ACHIEVEMENT 2020/2021 UNTIL DATE OF R-TABLING	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2020/2021	REASONS FOR DEVIATIONS	REASONS FOR REVISIONS TO THE OUTPUTS/OUTPUT INDICATORS/ANNUAL TARGETS
New markets and diversified product offering	Five-year Communication and Marketing Strategy developed	Communication and Marketing Plan developed and approved	Communication and Marketing Plan developed and approved	Communication and Marketing Plan developed and approved	No milestone for period under review	Not applicable	Not applicable	Not applicable
	Number of annual marketing events implemented	3	3	3	1 collateral was conducted as COVID-19 pandemic and sectoral regulations restricted the normal annual marketing events	Number of collaterals developed as marketing tools	There is a need to, however, amend the annual output indicator as physical events can no longer be implemented	There is a need to, however, amend the annual output indicator as physical events can no longer be implemented
Markets and diversified product offering	Annual visitor market research completed	1	1	1	No milestone for period under review	Not applicable	Not applicable	Not applicable
	Visitor satisfaction survey	1	1	1	No milestone for the period under review	The target was removed from the APP	The target was removed from the APP	The target was removed from the APP
	Editorials published/ broadcasted	6	20	6	1 editorial was published in the Zululand Observer	Not applicable	Not applicable	Not applicable
	Number of site visits for tourism trade	3	6	3	Planned trips with tourism trade were cancelled due to COVID-19 pandemic and subsequent lockdown	Number of digital engagements for tourism trade conducted	The COVID-19 pandemic forced us to move from traditional marketing platforms to digital platforms	The COVID-19 pandemic forced us to move from traditional marketing platforms to digital platforms
	Media junkets hosted	4	16	4	1 media junket hosted as per the quarterly target, Noel Kok from 50/50	Not applicable	Not applicable	Not applicable
	Travel, Tourism and Lifestyle Shows	3	6	3	No milestone for period under review	Number of special events to promote the Park as a destination of choice conducted	The new approach to achieve this output indicator is to move from traditional marketing platforms to digital platforms	The new approach to achieve this output indicator is to move from traditional marketing platforms to digital platforms
	News flash and press releases	20	20	20	6 newsflashes or press releases released	Not applicable	Not applicable	Not applicable
	Number of social media posts done across three platforms (Facebook, Twitter, Instagram)	500	568	500	133 social media posts done	Not applicable	Not applicable	Not applicable

OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/2021	PLANNED ANNUAL TARGET 2020/2021	*ACTUAL ACHIEVEMENT 2020/2021 UNTIL DATE OF R-TABLING	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2020/2021	REASONS FOR DEVIATIONS	REASONS FOR REVISIONS TO THE OUTPUTS/OUTPUT INDICATORS/ANNUAL TARGETS
Markets and diversified product offering	Number of paid visitors' entries	265 000	161 876	265 000	1 704 Low-paid visitor entries due to COVID-19 pandemic, lockdown as well as international travel ban	66 250	The new approach to achieve this output indicator was to move from traditional marketing platforms to digital platforms	The new approach to achieve this output indicator was to move from traditional marketing platforms to digital platforms
	Revenue to the Park	R25m	R11 317 442.87 When other beaches were closed, iSimangaliso beaches were not closed due to controlled access and carrying capacity limit, hence an increase in the visitor numbers and revenue to the Park	R25m	R136 235 Low revenue generation is due to low paid visitor entries due to COVID-19 lockdown as well as the travel ban and concessionaires are not operating	R6 250 000	The annual target had been revised and aligned to the revised budget	The annual target had been revised and aligned to the revised budget
	Tourism and Commercialisation Strategy developed and implemented	Tourism and Commercialisation strategy developed and approved	Tourism and Commercialisation strategy developed and approved	Tourism and Commercialisation strategy developed and approved	A second draft of the Tourism and Commercialisation strategy has been produced for comments. However, the completion of the Tourism and Commercialisation strategy was disrupted by COVID-19 and travelling restrictions	Not applicable	Not applicable	Not applicable
	Five-year Park Infrastructure Development Plan approved and implemented	Five-year Park Infrastructure Development Plan approved and implemented	100% annual Infrastructure Development Plan implemented	Five-year Park Infrastructure Development Plan approved and implemented	No milestone for period under review	Not applicable	Not applicable	Not applicable
	Percentage of Park Estate Maintenance Plan implemented	100% implementation of Park Estate Maintenance Plan	100% implementation of Park Estate Maintenance Plan	100% implementation of Park Estate Maintenance Plan	100%. schedule completed as per quarter 1 milestones	Not applicable	Not applicable	Not applicable

SUMMARY: PROGRAMME 3	% ON TARGET	% WORK IN PROGRESS	% OFF TARGET	% NO MILESTONE
Tourism and Business Development	100% (14/14)	0% (0/14)	0% (0/14)	(0/14)

PROGRAMME 4:

TRANSFORMATION (SOCIO-ECONOMIC AND ENVIRONMENT DEVELOPMENT)

Purpose

The purpose of the programme is to facilitate the development and implementation of socio-economic programmes for the benefit of local communities.

Programme Description

The transformation programme is integrated into the work of the Tourism and Business Development, Biodiversity Conservation, and Socio-economic and Environment Development Directorate, which is directly responsible for the roll out of training and development programmes, while other directorates are directly responsible for job creation and equity participation in tourism development. Its primary function is to improve access to job and income-generation opportunities for previously disadvantaged individuals and communities who live in and around the Park, including land claimant groups. The programme includes (a) job creation through land and coast care programmes and infrastructure programmes; (b) training and capacity building for people and community-based contractors employed by the Park; (c) development programmes for rural enterprises and entrepreneurs, craft producers and artists; (d) a higher education access programme that provides bursaries and academic support; and (e) the procurement of goods and services from black-owned businesses. In addition, the Directorate manages the issuing of licences and concessions, which all specify minimum ownership targets for local communities. This programme is aligned to the Department of Forestry, Fisheries and the Environment's Biodiversity Economy and People and Park's programmes, where biodiversity conservation and natural assets are equitably and sustainably used to contribute to socio-economic development of communities.

OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/2021	PLANNED ANNUAL TARGET 2020/2021	*ACTUAL ACHIEVEMENT 2020/2021 UNTIL DATE OF R-TABLING	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2020/2021	REASONS FOR DEVIATIONS	REASONS FOR REVISIONS TO THE OUTPUTS/OUTPUT INDICATORS/ANNUAL TARGETS
Enhanced sense of ownership and participation by communities and other stakeholders	Number of full-time equivalent jobs	550	343 The target was exceeded due to eased COVID-19 regulations	550	0 The Entity had not received the Working for Water Project grant funding	150	Due to COVID-19 pandemic, the commencement of work had been delayed	Due to COVID-19 pandemic, the commencement of work had been delayed
	Number of beneficiaries who successfully completed accredited training (NQF)	1 250	877 The target was exceeded due to eased COVID-19 regulations	1 250	70 The Entity had not received the Working for Water Project grant funding	750	COVID-19 resulted in budgetary cuts for Working for Water projects	COVID-19 resulted in budgetary cuts for Working for Water projects
	Number of beneficiaries who successfully completed non-accredited training	1 400	1 273 The target was exceeded due to eased COVID-19 regulations	1 400	0 The Entity had not received the Working for Water Project grant funding	450	COVID-19 resulted in budgetary cuts for Working for Water projects	COVID-19 resulted in budgetary cuts for Working for Water projects
	Number of people participating in skills development programmes (IP infrastructure, tourism, life guides and environmental monitors)	215	285 The target was exceeded due to eased COVID-19 regulations	215	0 Due to COVID-19 pandemic and associated restrictions people could not congregate	100	Due to COVID-19 and associated restrictions, numbers had to be revised accordingly	Due to COVID-19 and associated restrictions, numbers had to be revised accordingly
	Number of people participating in local economic development programmes (arts and craft)	150	51 The target was exceeded due to eased COVID-19 regulations	150	0 Due to COVID-19 pandemic and associated restrictions people could not congregate	50	Due to COVID-19 and associated restrictions, numbers had to be revised accordingly	Due to COVID-19 and associated restrictions, numbers had to be revised accordingly
	Number of people participating in rural enterprise programme	100	114 The target was exceeded due to eased COVID-19 regulations	100	0 Due to COVID-19 pandemic and associated restrictions people could not congregate	100	Not applicable	Not applicable
	Number of new first years receiving bursaries and support	75%	83%	75%	No milestone for period under review	Not applicable	Not applicable	Not applicable
	Percentage of bursary students who pass their registered modules yearly	5	10	5	No milestone for period under review	Not applicable	Not applicable	Not applicable

OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/2021	PLANNED ANNUAL TARGET 2020/2021	*ACTUAL ACHIEVEMENT 2020/2021 UNTIL DATE OF R-TABLING	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2020/2021	REASONS FOR DEVIATIONS	REASONS FOR REVISIONS TO THE OUTPUTS/OUTPUT INDICATORS/ANNUAL TARGETS
Enhanced sense of ownership and participation by communities and other stakeholders	Number of learners visiting the Park for environmental awareness	5 000	The target was removed from the APP	5 000	0 Due to COVID-19 pandemic national lockdown regulations, schools were closed	The target was removed from the APP as the delivery this target was linked to the Department of Education	The target was removed from the APP as the delivery this target was linked to the Department of Education	The target was removed from the APP as the delivery this target was linked to the Department of Education
	Number of non-paying entries to the Park	100 000	132 032 The target was exceeded due to eased COVID-19 regulations	100 000	0 People could not visit the Park due to the COVID-19 pandemic national lockdown	900	Due to COVID-19, less people visited the Park	Due to COVID-19, less people visited the Park
	Number of schools visited by iSimangaliso and partners for environmental awareness	30	30	30	0 Due to COVID-19 national lockdown regulations, schools were closed	Not applicable	Not applicable	Not applicable
	Number of youth (rhino) ambassadors participating in environmental awareness activities	30	27 The target was exceeded due to eased COVID-19 pandemic regulations	30	0 Due to COVID-19 pandemic, no environmental awareness activities were conducted	20	Due to COVID-19 pandemic, there would be lesser environmental awareness activities, hence the revised annual target	Due to COVID-19 pandemic, there would be lesser environmental awareness activities, hence the revised annual target
	Number of leadership structures participating in conservation awareness	2	1	2	No milestone for the period under review	1	Due to COVID-19 pandemic, there would be lesser leadership structures participating in conservation awareness, hence the revised annual target	Due to COVID-19 pandemic, there would be lesser leadership structures participating in conservation awareness, hence the revised annual target
	Number of events celebrating key environmental calendar days (e.g. heritage, Wetland)	1	1	1	No milestone for the period under review	Not applicable	Not applicable	Not applicable

SUMMARY: PROGRAMME 4	% ON TARGET	% WORK IN PROGRESS	% OFF TARGET	% NO MILESTONE
Transformation (Socio-Economic and Environment Development)	100% (13/13)	0% (0/13)	0% (0/13)	(0/13)

CHALLENGES THAT CONTINUED TO
IMPACT ON IMPLEMENTATION OF PLANNED ACTIVITIES

- Budget cut implications on APP targets
- Time lost in first quarter as a result of restrictions brought about by the National Lockdown to mitigate the spread of COVID-19
- Many of the restrictions were relaxed but not entirely removed and continued to impact on performance
- Stakeholder engagement-related activities, training, etc. affected and had to be done using other innovative ways where possible
- Suspension of academic calendar impacted on strategic partnerships with universities as they provide key support on science/policy interface programme of work
- HR capacity constraints – employees with co-morbidities unable to work, limitations in advertising and filling of posts
- Interrupted access to the office building during deep cleaning after positive COVID-19 cases were identified

SUMMARY OF
KEY HIGHLIGHTS

TOPIC	NARRATIVE
Estuary Mouth	The St Lucia estuary mouth had been closed for over a decade. The lake was becoming more fresh water than it should be. Following the symposium that took place over three days in October 2020 and the subsequent Task Team engagements, the decision was taken to assist the lake to connect with the sea to facilitate the ecological functioning of the St Lucia Estuary in general. Notwithstanding the fact that it has only been five months since the mouth opened, the salinity is being recorded in the system, fishing has also improved, reeds are beginning to take strain from salinity and the bird population has come back
Reintroduction of cheetah at Mkhuze Game Reserve	Two female cheetahs were introduced in Mkhuze from Welgevonden Protected Area. This introduction will not only boost the population for game viewing, but will also strengthen the gene pool of the iSimangaliso cheetah population
Reduction in rhino poaching and poaching in general	In the year under review, iSimangaliso did not lose any rhino to poaching. This can be attributed the limited migration due to lockdown, improved relations with communities, improved law enforcement efforts to deal with poaching, however, the fight is not over

TOPIC	NARRATIVE
Commercialisation	In preparation for the business investment summit to be hosted on 26 August 2021 at Sibaya Casino, iSimangaliso Wetland Park Board, in partnership with Tourism KZN, developed a commercialisation strategy that sets out the strategic direction for tourism development over the period 2020-2025. It builds on the situational analysis, which reviewed the available baseline information and identified the tourism needs, the sites identification, analysis and prioritisation process. The strategy has been compiled following eight months of consultations, industry analysis and detailed scrutiny of international tourism and market trends. Proposed tourism developments within and adjacent to the park are divided into five Tourism Development Opportunities within which there are currently 48 Tourism Development Opportunities. The broad objectives of the strategy are to outline an investment plan for iSimangaliso to guide potential investors, developers and operators, including indicative costs for the provision or upgrade of infrastructure and environmental authorisations. To guide the identification and spatial distribution of TDOs, including gateway clusters and nodes, to identify, assess and conceptualise the tourism product offerings at viable TDOs. To prioritise investment in the low-hanging fruit, i.e. those TDOs that can be developed, redeveloped or upgraded to optimise local economic benefits. To facilitate the participation of local SMMEs and communities in tourism through a transformation plan, skill transfer plan and funding model for community ownership equity with focus areas and targets, and lastly to formulate an implementation plan
SMME opportunities	In line with the Park's mission to protect, preserve and present its World Heritage Values for current and future generations while benefiting communities living in and adjacent to the Park by facilitating optimal tourism and related development during the year under review, the Park employed 235 SMMEs and created 3 298 jobs, of which 56% were youth and 49% women
Presidential Stimulus	In a quest to promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all as well as contribute to the national and regional economy through sustainable tourism aligned with Government strategic plans, which include the NDP. iSimangaliso Wetland Park Authority received R73 million from the Presidential Employment Stimulus and the expenditure as at the end of March 2021 was R65,8 million (equivalent to 90%). The Park employed 1 113 people in the process and made use of 60 SMMEs.
Infrastructure projects implemented	Infrastructure investment is a critical driver of future growth of iSimangaliso Wetland Park's tourism and the regional economy. The provision of superior quality infrastructure allows tourism and the economy to be more efficient, improves productivity and raises long-term growth and living standards. iSimangaliso requires the right kind of infrastructure investment that will not only contribute to higher long-term growth, but should address spatial disparities, transform tourism and the economy, and create much-needed jobs. During the year under review, iSimangaliso invested over R313 million on infrastructure upgrading and maintenance, including, among other things, 6 tourism facilities, 16 conservation infrastructures, 12 road networks, 13 boreholes, park furniture and signage
iSimangaliso Wetland Park seven-day weather service	The Park forged a partnership with a service provider and People's Weather, Channel 180 on DSTV as a platform to broadcast a daily weather forecast for the province of KwaZulu-Natal using iSimangaliso as a backdrop, and feature iSimangaliso Wetland Park and it's various attractions as the outdoor studio location from which to do so. The service provider came up with concepts for content generation and plan, produce and broadcast a daily weather forecast
Food parcel and PPE distribution during COVID-19 pandemic	Following the outbreak of COVID-19 and the subsequent lockdown implemented by the government, iSimangaliso saw the need to use its well-known brand to solicit funding and use other means to get food parcels to distribute to destitute families living inside and adjacent to the park. Through donations, partnership with other organisations, traditional leadership, NGOs, the private sector and business people, over 2 800 food parcels were distributed averaging R1 000 each In addition, through sponsorship from UNDP, over 80 000 PPE items were distributed to families in and around the Park. Items included face shields, handwash soap, sanitisers and face masks

TOPIC	NARRATIVE
Collaboration with local government	iSimangaliso Wetland Park is seen as one of the most important assets to the uMhkanyakude District. With the necessary collaboration from relevant external stakeholders, this asset has great potential to provide a possible solution to socio-economic development challenges (poverty, unemployment and inequality) faced by the greater district. However, integration between municipalities surrounding the park has not been fully explored to ensure meaningful maximisation of benefits from this asset. It is also very true that some municipal administration and political officials in the planning and LED fraternity have never been afforded an opportunity to know the Park as they should in order to allow for synergy in planning and execution of programmes and projects. In the quest to promote corporative governance, iSimangaliso planned and executed a Park visit where municipality personnel (including administrative and political) and community leadership were afforded an opportunity to understand the identified asset and further allow iSimangaliso to be appraised with municipal plans and perceptions in relation to the Park and tourism as a whole. This was done in appreciation that if alignment, both in space and time, is attained among all government departments/institutions working in the area, maximisation of revenue generation for both government entity operations and poverty alleviation will be realised. Therefore, the main purpose of the visit was to ensure that there is a certain level of understanding of the socio-economic benefits provided for by the Park, such that the municipalities are able to align their programmes to that of the Park, and vice versa. Importantly, a secondary purpose was to ascertain how the municipalities view iSimangaliso, what plans they have that are somewhat aligned to the Park, but also to show collaborative and cooperative governance in addressing the three social ills within the district
Land invasion where communities worked with iSimangaliso to tackle this challenge	Following the alleged cultivation of grassland by the communities in the Mbila section of the Park, efforts were put in place to circumvent the situation. Communities were cultivating a pristine community grazing area that was negotiated and set aside by iSimangaliso during the Section 42D Framework Agreement for the Settlement of Mbila (Sodwana) Restitution Claim in terms of the Restitution of Land Rights Act No 22 of 1994. During this negotiation, section 5.4 outlined that up to 5 000 hectares would be set aside solely for grazing purposes. Section 8.1 of the agreement states that "The Claimed Land is part of a Protected Area of the Greater St Lucia Wetland Park (GSLWP) and the management of the claimed land shall be subjected to the overall management of a protected area within the GSLWP as a World Heritage Site in accordance with the Environmental Conservation Act and World Heritage Convention Act" Following, an ongoing operation of cultivation by communities, iSimangaliso Authority together with Ezemvelo KZN Wildlife, conducted a joint site inspection at Ozabeni grazing area, where community members were found conducting unauthorised agricultural activities (tilling the land for planting). The community pleaded ignorance. In order to approach the matter diplomatically with the leadership of the area, a letter was sent to the local inkosi. The content of the letter attempted to invite the collaboration from the leadership to assist the Park in its endeavours to stop unauthorised tilling of the land for gumtree planting. It was stated that iSimangaliso values the leadership and continues to seek constructive, progressive and amicable solutions on matters related to problems between the Park and its valued neighbouring communities and claimants, as opposed legally charging the perpetrators. iSimangaliso Authority sought intervention from the Mbila Traditional Council in stopping the unauthorised activity. These efforts resulted in a collaboration with various community leadership to assist in uprooting the planted gums and the Park was saved accordingly
Co-opting of the people and Park members onto Board Committees	The People and Parks Programme is a national initiative that was established almost two decades ago just after the democratic dispensation. Its main objective was to create an interface between South African protected area management with communities who were previously removed from their ancestral land to pave the way for the establishment of protected areas. The programme is run through biennial conferences that culminate in resolutions to be implemented between the two years, endorsed by the Minister. One of the resolutions reached several years back was the inclusion of at least two community members in the management Boards of the protected areas' management. Recently, a new Board was constituted for iSimangaliso, which sadly did not include the said representation. In an attempt to resolve the issue, two community members were co-opted to serve in the committees of iSimangaliso's Board, thus ensuring the inclusion of communities at the highest level of decision-making

PART C

GOVERNANCE

THE ACCOUNTING AUTHORITY/BOARD

Introduction

The Importance and Purpose of the Board

1. The Board of iSimangaliso is the governing body of iSimangaliso, with absolute responsibility for the performance of iSimangaliso and is fully accountable for the performance of iSimangaliso.
2. Governance Principles regarding the role and responsibility of the iSimangaliso Board are contained in the PFMA, WHCA, NEMPAA, the Regulations and this agreement.
3. The mission of the Board is to fulfil the mandate of iSimangaliso in accordance with the strategic objectives of the Government, while achieving its commercial objectives.
4. The Board is responsible for the corporate governance of iSimangaliso and has two main functions, namely, determining iSimangaliso's strategic direction and controlling iSimangaliso.

Board's Responsibilities and Accountability for the Public Entity's Performance and Strategic Direction

The Board is responsible to, inter alia:

1. Develop a five-year strategy aligned to Government priorities, reflective of its national role
2. Develop an APP that is aligned to the strategic plan
3. Develop a formal Charter that clearly outlines the role and responsibilities of the Board and of the members, including formal delegations to the Executive Management
4. Ensure that iSimangaliso has and maintains a system of Internal Audit under the control and direction of an Audit Committee complying with and operating in accordance with regulations and instructions prescribed in terms of the PFMA
5. Ensure that the Executive Management cultivates a culture of ethical conduct and sets the values of the Organisation and that iSimangaliso operates ethically
6. Ensure that iSimangaliso has effective, efficient, and transparent systems of operational, Risk Management and financial internal controls
7. Ensure that iSimangaliso has and maintains an appropriate procurement and provisioning system that is fair, equitable, transparent, competitive and cost-effective
8. Ensure that all applicable BBBEE legislative frameworks and requirements are complied with
9. Ensure that iSimangaliso has and maintains a system for accurately evaluating all major capital projects prior to a final decision on the project
10. Ensure that the Executive Management implements iSimangaliso's strategy as established from time to time
11. Ensure the succession and approval of executive appointments
12. Adopt a structured and intensive performance management system for the CEO and Executive Management. Incentives should be strictly aligned to performance
13. Address the adequacy of retirement and healthcare benefits and the funding thereof
14. Uphold the Batho Pele Principles of Government and support the vision of a developmental state to improve service delivery and access to services
15. Provide information or a report on the activities of iSimangaliso in line with the communication strategy
16. Adopt guidelines for stakeholder communication so that it is clear, relevant, timely, honest and accessible to stakeholders
17. Disclose its stakeholder dealings in its Annual Report

The Role of the Board

1. The Board constitutes the fundamental base of corporate governance in iSimangaliso. Accordingly, iSimangaliso must be headed and controlled by an effective and efficient Board, comprising executive and non-executive directors, of whom the majority must be non-executive directors in order to ensure independence and objectivity in decision-making
2. The Board of iSimangaliso has responsibility for the performance of the Entity and is accountable for such performance. As a result, the Board should give strategic direction to iSimangaliso and ensure that an effective succession plan is in place and adhered to for all Directors and Key Executives.

The Board does not appoint the CEO but runs the interviews and recommends to the Minister three suitable candidates. The Minister, in concurrence with the Cabinet, appoints the CEO.

3. The Board must retain full and effective control over iSimangaliso and monitor management in implementing Board decisions, plans and strategies.
4. The Board must ensure that iSimangaliso has and maintains a system of Internal Audit under the control and direction of an Audit Committee, complying with and operating in accordance with regulations and instructions prescribed in terms of the Act, regulations and the PFMA (as amended).
5. The Board must ensure that iSimangaliso is fully aware of and complies with applicable laws, regulations, Government policies and codes of business practice and communicates with its shareholder and relevant stakeholders openly and promptly with substance prevailing over form.
6. All Board members should ensure that they have unrestricted access to accurate, relevant and timely information from iSimangaliso. Directors are required to act on a fully informed basis, in good faith, with diligence, skill and care and in the best interest of iSimangaliso, while taking account of the interests of the shareholder and other stakeholders, including employees, funders, creditors, customers, suppliers and local communities. To this end, the Board must monitor the process of disclosure and communication and exercise objective judgement on the affairs of iSimangaliso, independent of management. In so doing, each individual member of the Board must keep confidential all confidential matters of iSimangaliso.
7. The Board must ensure that Executive Management prepares a risk report, which must be submitted to the Board at its meetings not less than four times per year.
8. Without derogating from its fiduciary duties, the Board must ensure that the shareholder's performance objectives are achieved and that this can be measured in terms of the performance of iSimangaliso. In addition, the Board must ensure that iSimangaliso prepares annual budgets against which its performance can be monitored.
9. The Board has developed a clear definition of the levels of materiality or sensitivity in order to determine the scope of delegation of authority and ensure that it reserves specific powers and authority for itself. Delegated authority must be in writing and evaluated on an annual basis.
10. Annually, within five months of the financial year end, the CEO, on behalf of the Board, must submit a report to the shareholder on the activities of the Entity for the year, together with the audited AFS and the Auditor-General's report thereon. The AFS must include a Directors Report and a full disclosure of all Directors and Key Management's Remuneration in respect of the Entity.
11. The Board must always maintain the highest standard of integrity, responsibility and accountability and ensure that it finds a fair balance between conforming to Corporate Governance Principles and the performance of iSimangaliso.

Board Charter

Provide commentary on the Board's Charter and comment on the progress made on complying with the Charter.

The current Board Charter was adopted on 27 March 2020 and in line with the Board Charter, the Board established three Board Committees: the Audit and Risk Committee, Conservation and Tourism Committee and the Human Resources, Social and Ethics Committee. The Board also held the required number of ordinary meetings, thus ensuring that management was held accountable on a quarterly basis. The quality reports submitted to the Board has improved and the effectiveness of meetings is upheld at all times.

A Board member induction was held and training on governance was also conducted by the Institute of Directors South Africa (IODSA). The Board tour was also successfully hosted and it was meant to complement the Board induction and also ensure that Board members understand the Park intimately. A Risk Management workshop was also held, and it allowed both management and the Board to align strategic risks of the Entity and create a Risk Management template.

In line with the Board Charter, the Board upheld high levels of ethics and during the period under review, no Board member was found to have a conflict of interest not properly declared nor to have breached the ethics code. Finally, the Board also reported to the stakeholders on a quarterly basis as required and the Annual Report was submitted on time and in accordance with legislation.

Composition of the Board

NAME	DESIGNATION (IN TERMS OF THE PUBLIC ENTITY BOARD STRUCTURE)	DATE APPOINTED	DATE RESIGNED	QUALIFICATIONS	AREA OF EXPERTISE	BOARD DIRECTORSHIPS (LIST THE ENTITIES)	OTHER COMMITTEES OR TASK TEAMS (E.G: AUDIT COMMITTEE/ MINISTERIAL TASK TEAM)	NO. OF MEETINGS ATTENDED
Prof. Antonia Thandi Nzama	Chairperson	March 2020		1. PhD (Geography) – Southern Illinois University, USA (specialising in Geography, and Tourism) 2. MSc (Environmental Management) – Southern Illinois University, USA 3. MA (Geography) – University of Zululand 4. MEd – University of Free State 5. BEd – University of Zululand 6. BA Hons (Geography) – University of Zululand 7. BPaed (Geography, Biology and Education) – University of Zululand 8. Secondary Teacher's Diploma (Biology and Geography) – University of Zululand	Academia		National Portfolio Committee on Environment, Forest and Fisheries	6
Inkosi Mabhudu Israel Tembe	Deputy Chairperson	March 2020		1. Computer Studies – Hartfield Business College 2. Leadership and Good Governance Certificate – UKZN	Traditional Leadership		1. Audit and Risk Committee 2. Human Resources, Social and Ethics Committee	6
Mr Leon Lankalebalela		March 2020		1. B. Comp (Accounting) – UNISA 2. B. Comp Hons – UNISA 3. Management Diploma – SIMA	Finance		1. Audit and Risk Committee 2. Human Resources, Social and Ethics Committee	6

NAME	DESIGNATION (IN TERMS OF THE PUBLIC ENTITY BOARD STRUCTURE)	DATE APPOINTED	DATE RESIGNED	QUALIFICATIONS	AREA OF EXPERTISE	BOARD DIRECTORSHIPS (LIST THE ENTITIES)	OTHER COMMITTEES OR TASK TEAMS (E.G: AUDIT COMMITTEE/ MINISTERIAL TASK TEAM)	NO. OF MEETINGS ATTENDED
Prof. Christopher Peter Small		March 2020		1. BSc in Zoology and Advanced Biology – University of Witwatersrand 2. BSc Hons in Ecology – Potchefstroom University for Christian Higher Education 3. Master's in business leadership – UNISA	Conservation		1. Conservation and Tourism Committee	6
Mr Gonasagren Ganesh Nair		March 2020		1. Basic Training Course for Environmental Enforcement – University of Pretoria 2. Basic Training Course for Environmental Inspection – University of Pretoria 3. Introductory Course in Marine Protected Area management – Nelson Mandela Metropolitan 4. EMI Docket Management Course – Environmental Affairs 5. Introductory Course in Management of Estuaries in South Africa – Water Research Commission	Conservation		1. Conservation and Tourism Committee	6
Ms Nomagcisa Cawe		March 2020		1. BA Humanities – University of Botswana and Swaziland 2. LLB – University of Natal 3. LLM Property Law – University of Witwatersrand	Legal		1. Conservation and Tourism Committee 2. Human Resources, Social and Ethics Committee	6

NAME	DESIGNATION (IN TERMS OF THE PUBLIC ENTITY BOARD STRUCTURE)	DATE APPOINTED	DATE RESIGNED	QUALIFICATIONS	AREA OF EXPERTISE	BOARD DIRECTORSHIPS (LIST THE ENTITIES)	OTHER COMMITTEES OR TASK TEAMS (E.G: AUDIT COMMITTEE/ MINISTERIAL TASK TEAM)	NO. OF MEETINGS ATTENDED
Ms Letlhogonolo Tungamirai		March 2020		1. IT Programming Diploma – CTU Training Solutions 2. Master Network Engineering Diploma – Torque IT 3. Management Advancement Programme – Wits Business School 4. Postgraduate Diploma in Management – Wits Business School 5. Master of Business Administration (MBA) – Wits Business School	Management		1. Conservation and Tourism Committee 2. Human Resources, Social and Ethics Committee	5

- Alternate members (if applicable) – none
- Outgoing Board members and their designation – none

Committees

COMMITTEE	NO. OF MEETINGS HELD	NO. OF MEMBERS	NAME OF MEMBERS
Audit and Risk Committee	7	5	Ms Nonhlanhla Mzimela Mr Leon Lankalebalela Inkosi Mabhudu Tembe Mr Mxolisi Sikhosana Ms Zama Soji
Human Resources, Social and Ethics Committee	4	5	Mr Leon Lankalebalela Ms Nomagcisa Cawe Ms Badova Jobe Ms Letlhogonolo Tungamirai Inkosi Mabhudu Tembe
Conservation and Tourism Committee	4	5	Mr Gonasagren Nair Prof. Peter Small Ms Nombuso Mlambo Ms Nomagcisa Cawe Ms Letlhogonolo Tungamirai

Remuneration of Board Members

- Remuneration of Board members is determined as per National Treasury Regulations
- Members that are not remunerated – None
- Other expenses, e.g. travel, reimbursed by the public entity – None
- The amount of remuneration paid to each Board member.

NAME	REMUNERATION (PER MEETING)	OTHER ALLOWANCE	OTHER REIMBURSEMENTS
Prof. Antonia Thandi Nzama	R4 317	-	-
Inkosi Mabhudu Israel Tembe	R3 778	-	-
Mr Leon Lankalebalela	R2 619	-	-
Prof. Christopher Peter Small	R2 619	-	-
Mr Gonasagren Ganesh Nair	R2 619	-	-
Ms Nomagcisa Cawe	R2 619	-	-
Ms Letlhogonolo Tungamirai	R2 619	-	-

CORPORATE GOVERNANCE

Corporate governance is accorded high priority by the Authority. Its Board and staff are required to conduct themselves with integrity and in the best interests of the Organisation.

The Authority's Board believes that the Organisation has applied and complied with Treasury regulations and the principles of corporate governance in the public sector as well as the applicable management guidelines set down by UNESCO.

The organisational arrangements and systems that have been put in place to ensure good corporate governance embrace the inclusion of non-executive members on the Board, the use of audit, executive and tender committees, as well as independent (outsourced) internal audits. Detailed financial policies and procedures make it clear that corporate governance and financial control are the responsibilities of every staff member in the Organisation.

The Authority has received unqualified audit opinions for the previous year of operation.

GOVERNING BODIES

Report of the Audit and Risk Committee to the Board of iSimangaliso Wetlands Park Authority for the 4th Quarter ended 31 March 2021

The Audit and Risk Committee is pleased to present the report for the financial year ended 31 March 2021.

Audit Committee Members and Attendance at Meetings

The Audit and Risk Committee had 4 members who were appointed in the 2020/2021 financial year. The committee members are all independent external members.

The Committee is required to meet at least 4 times per annum as per the Audit Committee Charter and the PFMA. However, additional special meetings may be called as the need arises. Members' attendance at the meetings is listed below:

NAME	MEETINGS SCHEDULED	MEETINGS ATTENDED
Ms N.Q. Mzimela *(AC Chairperson appointed in the 2020/2021 year)*	7	4
Ms S.Z. Soji *(appointed in the 2020/2021 financial year)*	7	7
Mr Mxolisi Sikhosana *(appointed in the 2020/2021 financial year)*	7	7
Mr Leon Lankalebalela *(appointed in the 2020/2021 financial year)*	7	6
Inkosi Mabhudu Tembe *(appointed in the 2020/2021 financial year)*	7	7

The following are standing invitees to the Audit Committee Meetings:

- Internal Audit Manager
- The CEO
- The Chief Financial Officer (CFO)
- Executive Directors

Audit and Risk Committee Responsibility

The Audit Committee has been set up in accordance with the provisions of Paragraph 27.1 of the National Treasury regulations and section 77 of the Public Finance Management Act,1999.

For the 2020/2021 financial year the committee has discharged its responsibilities in line with its mandate and formal terms of reference as approved by the Board through the Audit committee Charter of iSimangaliso Wetlands Park.

In the conduct of its duties, the Audit and Risk Committee has performed the following statutory duties:

1. Reviewed Internal Financial Control and Internal Audits

For the purposes of executing its statutory duties as contained in section 77 of the PFMA as well as its mandate as set out in the Audit Charter, the Audit Committee relies on the work performed by the Internal Audit Unit.

The risk based internal audit plan for the financial year ending 30 June 2021 was approved by the Audit & Risk Committee. The Committee at each meeting assesses performance against the plan and reviews the plan to assess whether critical risks relating to the administration and operations of iSimangaliso Wetlands Park Authority are identified and addressed.

Internal audit was functional throughout the financial year. Various reports were reviewed by the committee and the outcomes were presented to the Board.

The Audit & Risk Committee was presented with the progress on the Internal Audit Action (2019/20), covering HR and Payroll, SCM and Expenditure, Revenue and Debt Management, Fleet Management and PMS. In terms of these areas the progress was as follows:

The reports for audits completed were tabled to the Audit and Risk Committee in meetings held during the reporting period. These reports contained findings, recommendations, and management actions to be implemented.

The committee is satisfied that where there were reported instances of non-compliance with prescribed policies and procedures have been adequately addressed by management, accounting authority and executive authority and the effect thereof included in the Annual Financial Statements. Furthermore, the committee is satisfied that such instances were not as a result of significant or material weaknesses in the internal control systems during the period under review.

2. Risk Management

The PFMA requires the accounting officer of the entity to take all reasonable steps to ensure that the entity has and maintains effective, efficient, and transparent systems of financial, risk management and internal control.

Risk management is the identification, assessment and prioritisation of risks and the application of resources to minimise, monitor and control the probability and/or impact of the risks. The Audit Committee is responsible for the oversight of the internal and external audit function as well as financial reporting. The assessment of internal controls over financial reporting is risk based, and as a result the Audit Committee is responsible for overseeing management's risk policies and discussing the Entity's key risk exposure and management.

The Entity currently has a system of managing risk, as required in terms of the PFMA. This function involves an annual assessment of entity's risk, and periodic risk reviews carried out by management and the Risk Committee and relevant personnel at the Entity.

The assessment by the Committee is that the Entity has an effective risk management system, risks are identified, and exposure is assessed by management and the risk committee. Critical matters are identified and brought to the attention of the various levels of responsibility in the Entity.

3. Review of Financial Statements and Accounting Policies.

The Audit Committee has reviewed the Entity's Annual Financial Statements and provide the Board with an authoritative and credible view of the Entity's financial position, performance, and cash flow position. To do this, the Audit and Risk Committee relies on the work conducted by the Internal Auditors, and therefore such reviews have been provided for in the Annual Internal Audit Plan.

For the year under review the committee in the conduct of its duties it has:

- Reviewed and discussed the audited annual financial statements to be included in the annual report;
- Reviewed and discussed the Auditor General's management report and management response thereto.
- Reviewed the Audited Annual financial statements for any changes in the accounting policies and practises
- Reviewed the information on predetermined objectives to be included in the annual report
- Reviewed any significant adjustments resulting from the audit

4. The Adequacy, Reliability and Accuracy of Financial Reporting and Information

The Audit Committee is also required to advise Board on the adequacy, reliability and accuracy of financial reporting and information in accordance with the PFMA.

Internal audit conducted audits covering the various cycles supporting reported information at the Entity. Findings from the audits were reported to the Audit and Risk Committee and it was established that there are still key control areas that require management's attention.

Management must prioritise the implementation of action plans to address Internal audit and AG findings timeously, to improve control systems in the Entity. Management must exercise stricter oversight over the areas that have been identified to be requiring attention.

5. Performance Management

The Audit & Risk Committee also serves as the Performance Audit Committee for iSimangaliso Wetlands Park Authority.

The Committee was furnished with the quarter 4 Performance Management Report. Further to that Internal Audit presented the Internal Audit Report on quarter 4 Performance Management. The following was established from the above reviews:

- There were findings relating to usefulness and reliability of reported information and some were repeats from previous quarters.
- Out of **49** key performance targets set for the 4th quarter, **90% (44/49)** were achieved.
- High performance was reported for most of the departments.
- Management cited various reasons for the low performance, mainly relating – but not limit to:
- Non-payment of customers who were affected by COVID-19
- The Board Calendar being amended during the course of business.

It is recommended that the Board and Management exercise stricter oversight on this area to ensure achievement of PMS targets, and further hold those charged with a duty of responsibility accountable for low performance and non-implementation audit recommendations.

6. Effective Governance

The Audit and Risk Committee fulfils an oversight role regarding the Entity's reporting process, including the system of internal financial control. It is responsible for ensuring that the Entity's internal audit function is independent and has the necessary resources, standing and authority within the Entity to enable it to discharge its duties. Furthermore, the Audit Committee oversees cooperation between the internal and external auditors and serves as a link between the Board and these functions.

The internal and external auditors have unlimited direct access to the Audit and Risk Committee, primarily through its chairperson(s).

7. Recommendations

- **Audit Action Plans** – Management to prioritise the implementation of action plans to address audit queries in to improve systems in the Entity – especially relating to SCM challenges resulting in Irregular Expenditure.
- **Risk Management** – Management to prioritise the implementation of risk action plans in overall, to mitigate risk exposure to acceptable levels. Management and portfolio committees to strengthen the oversight in this area, as the country continues to be affected by the COVID-19 pandemic.
- **Financial Sustainability** – Board and management to continue to implement initiatives to improve the financial sustainability of iSimangaliso Wetlands Park Authority.
- **UIFW** – Board and Management to building more capacity within the SCM unit and ensure consequence management where UIFW has been identified.

8. Conclusion

The implementation and maintenance of proper systems of internal controls, risk management, the prevention of fraud and errors, safeguarding of the assets of the entity and compliance with relevant laws and regulations, are the responsibility of the Board . The role of the Audit and Risk committee is to monitor the efficiency of the procedures and mechanism which Board has put in place to ensure that its policies and procedures are adhered to.

The Audit & Risk Committee would like to congratulate iSimangiliso Wetlands Park Authority in obtaining an unqualified audit opinion from the Auditor General, for the year ended 31 March 2021.

The Audit and Risk Committee confirms its commitment to assist Board in making progress towards a clean administration and wishes to thank Board, management, internal and external audit for their support and contributions.

The Audit and Risk Committee accepts Auditor General's Opinion on the Annual Financial Statements and recommends the adoption of the annual report by the Board of Directors.

On behalf of the Audit & Risk Committee

Ms N.Q. Mzimela
On behalf of the Audit & Risk Committee
Date: 28 September 2021

PART D

HUMAN RESOURCE MANAGEMENT

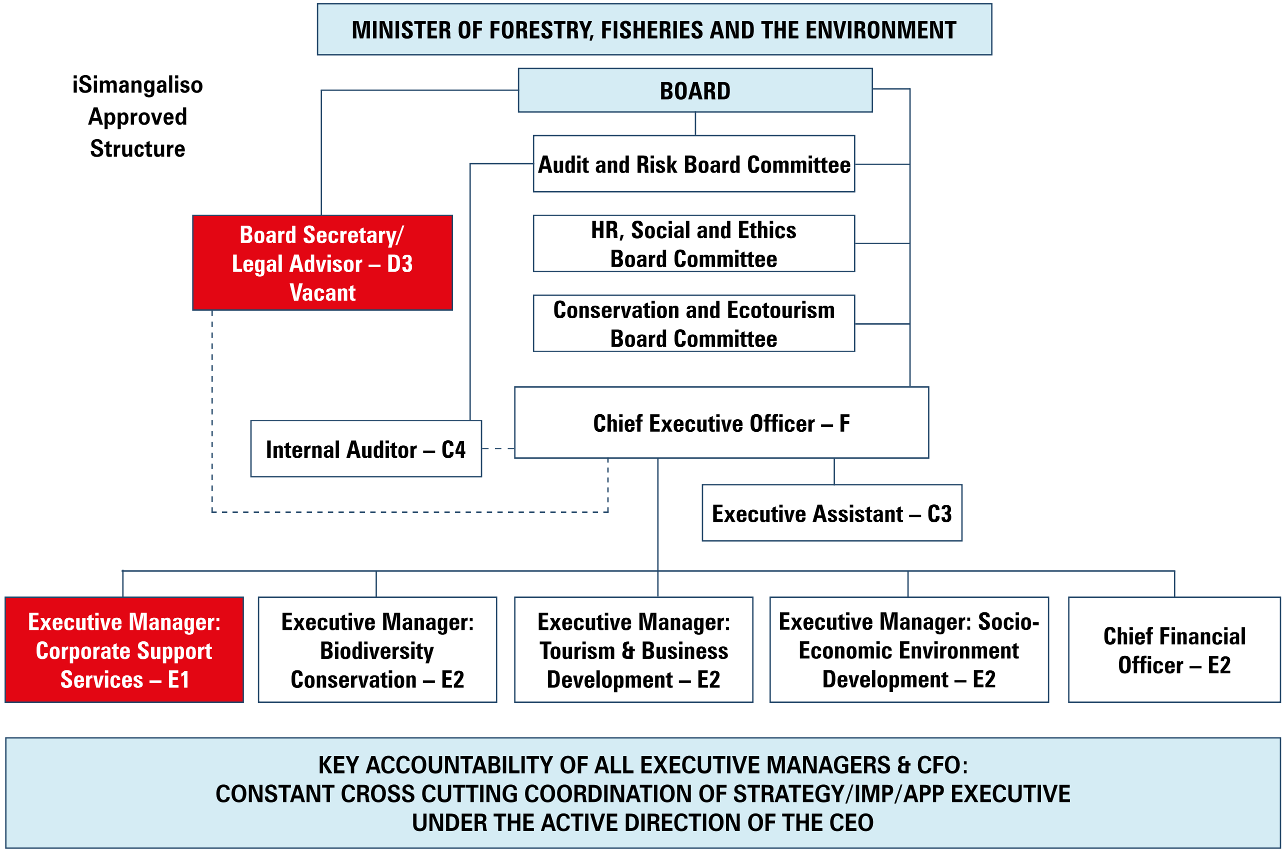
HUMAN RESOURCES
OVERVIEW

The HR Department at iSimangaliso falls under Programme 1: Corporate Support Services and provides efficient and effective HR management functions that support the attainment of the Authority's strategic objectives.

The HR Department has the primary responsibility of managing, assisting and dealing with all employee-related matters, including such functions as policy administration, recruitment and selection process, benefit administration, employment and labour laws, new employee orientation, training and development, labour relations, personnel record retention, wage and salary administration, the employee wellness programme and occupational health and safety. HR works closely with departments to support and respond to their needs.

BOARD APPROVED
STAFF ESTABLISHMENT/ORGANOGRAM

The Board-approved structure consists of 81 positions. Thirty-six of these are vacant and unfunded and 45 are permanently filled. As of 31 March 2021, the Entity had one critical vacant position that opened because of the death of a staff member. The following is a macro structure of the Entity.



9 positions in the 'Macro' structure

EMPLOYMENT AND VACANCIES

The following table represents the total number of positions on the post establishment, the number of employees and the percentage of vacant posts within iSimangaliso Wetland Park Authority.

STRATEGIC OUTCOME	2020/21 NO. OF POSTS ON THE APPROVED POST ESTABLISHMENT	2020/21 NO. OF FUNDED POSTS	2020/21 NO. OF POSTS FILLED	2020/21 NO. OF FUNDED VACANT
Adequate, appropriately qualified and diverse workforce	81	46	46	0

WORKFORCE PROFILE

AS AT 31 MARCH 2021

The following table represents the workforce profile as of 31 March 2021. The Entity had 183 employees in total: 46 are permanently employed and occupy the positions that are on the Board-approved structure. Three are employed in the Rhino Monitors Programme to provide support to the law enforcement operations in the iSimangaliso Wetland Park. Three are administrators who perform the Environmental Monitors Programme administration. One-hundred-and-thirty-one are environmental monitors employed to curb poaching and guard against biodiversity loss. They perform the duties of patrolling security services and anti-poaching, monitoring and environmental education. These programmes are funded by the Department of Forestry, Fisheries, and the Environment.

OCCUPATIONAL LEVELS	JOB GRADE	MALE				FEMALE				FOREIGN NATIONALS		TOTAL
		A	C	I	W	A	C	I	W	Male	Female	
Top management	F1	1	0	0	0	0	0	0	0	0	0	1
Senior management	E2	2	0	0	0	1	0	0	0	0	0	3
Senior management	E1	1	0	0	0	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management	D3	1	0	0	0	2	0	0	0	0	0	3
	D2	6	0	0	2	5	0	0	0	1	0	14
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	C5	2	0	0	0	0	0	0	0	0	0	2
	C4	5	0	0	0	2	0	0	0	0	0	7
	C3	0	0	0	0	3	0	0	0	0	0	3
	C2	3	0	0	0	0	0	0	0	0	0	3
	C1	1	0	0	0	5	0	0	0	0	0	6
Semi-skilled and discretionary decision- making	B4	1	0	0	0	0	0	0	0	0	0	1
	B2	0	0	0	0	2	0	0	0	0	0	2
Unskilled and defined decision-making	A1	0	0	0	0	0	0	0	0	0	0	0
TOTAL PERMANENT		**23**	**0**	**0**	**2**	**20**	**0**	**0**	**0**	**1**	**0**	**46**
Temporary employees		76	0	0	0	61	0	0	0	0	0	137
TOTAL		**99**	**0**	**0**	**2**	**81**	**0**	**0**	**0**	**1**	**0**	**183**
GRAND TOTAL		**101**				**81**				**1**		
%		**55%**				**44%**				**1%**		**100%**


Workforce Profile
160
140
120
100
80
60
40
20
0
1
4
17
21
3
0
137
Top Management
Senior Management
Professionals
Skilled Tech
Semi-skilled
Unskilled
Temporary
Workforce
1
4
17
21
3
0
137

STATUTORY REQUIREMENTS

There were no fines and penalties received by the Entity during the 2020/2021 financial year. The following statutory requirement submission deadlines were met, and payments were made on time. The table below reflects the statutory requirement, the nature of submission, deadline date, the submission office and legislative requirement.

NAME OF THE REPORT	NATURE OF SUBMISSION	SUBMISSION DATE	WHERE WAS IT SUBMITTED TO?	LEGISLATIVE REQUIREMENT
Employment Equity Report	Online	15/01/2021	Department of Labour	Employment Equity Act, 55 of 1998
Workplace Skills Plan 2021/2022	Online	29/05/2020	SETA	Skills Development Act, 97 of 1998
Return of earnings, declaration of earnings to determine the amount payable by employer to the Compensation Fund	Online	31/05/2021	Department of Labour	Compensation for Occupational Injuries and Diseases Act, No 130 of 1993
EMP201 Monthly Employer PAYE, SDL and UIF Declaration	Online	Monthly before the 7th of each month	SARS	Skills Development Levy Act 6 of 1999
EMP501 PAYE, SDL and UIF Declaration Mid-year and Annual	Online	Mid-year – by the end of September and annual reconciliation by the end of May	SARS	Unemployment Insurance Fund Act 63 of 2001 Income Tax Act 28 of 1997

POLICIES AND PROCEDURES

The Entity had 25 Board-approved HR policies and procedures as of 31 March 2021. All the policies are in line with various pieces of legislation such as the Basic Conditions of Employment Act (Act No. 75 of 1997), Labour Relations Act (66 of 1995, Skills Development Act (97 of 1998), Occupational Health and Safety Act (85 of 1993). Employment Equity Act (55 of 1998), Medical Aid Schemes Act (72 of 1967), Compensation for Occupational Injuries and Diseases Amendment Act (No. 61 of 1997), Public Finance Management Act, Unemployment Insurance Act, No 63 of 2001 and other legislation.

RECRUITMENT AND SELECTION

Advertising

iSimangaliso undertook the recruitment and selection process in line with the Recruitment and Selection Policy by advertising critical vacant positions, that is: Executive Assistant, IT Manager, Environmental and Compliance Officer, HR Officer, Project Manager, Finance, Marketing and Brand Manager, Internal Auditor, Chief Financial Officer, Senior Stakeholder Engagement Manager, environmental monitors, administrators, Rhino Monitor and Researcher.

Shortlisting and Interviews

A transparent shortlisting and interviewing process was properly followed. Panel members representative in terms of race and gender were appointed. The panel went through a transparent process that met all the inherent requirements of all the positions advertised. The screening process looked at all the candidates who applied for the vacant positions. All the appointments were made in accordance with the Employment Equity Policy and Plan. The suitably-qualified candidates were recommended by the panel and approved by the CEO.

Headhunting

iSimangaliso engaged in the process of head hunting the Interim CFO in line with the Recruitment and Selection Policy. This was undertaken because the matter between iSimangaliso and the previous CFO was not finalised; it was still in the litigation process. The Acting CFO at the time could not proceed with the position due to ill-health. In line with the Public Finance Management Act (PFMA) and for compliance purposes, it was critical for the Entity to have the CFO employed.

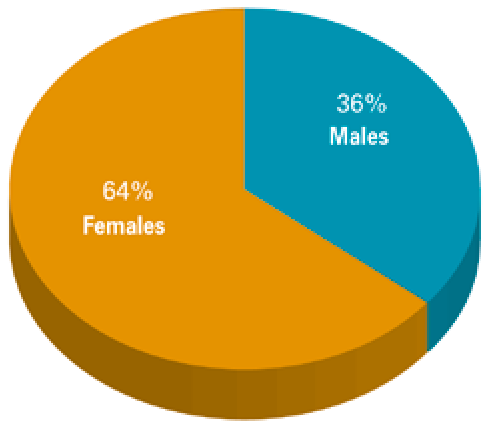
The Vetting Process for Employment

All the candidates appointed went through the vetting process for employment such as the reference checks, qualifications checks, criminal record checks and drivers Licence. The credit record check was conducted for the position in charge of finances of the Entity. All the records verified were valid and all the candidates appointed had no criminal record.

Appointment of Employees

iSimangaliso employed 39 employees during the 2020/2021 financial year. 7 permanent employees, 1 Interim CFO, 7 environmental monitors, 3 rhino monitors, three administrators and 19 researchers were employed for a period of 2 weeks to conduct a survey to evaluate relationship with.

Workforce Employed in Terms of Gender



OCCUPATIONAL LEVEL	JOB TITLE	JOB GRADE	FEMALE	MALE	STATUS OF THE POSITION
Senior Management	Chief Financial Officer	E2	1	0	Permanent
Professionals	Project Manager	D2	1	1	Permanent
Skilled Technical	Environmental Compliance Officer	C5	0	1	Permanent
Skilled Technical	Internal Auditor	C3	1	0	Permanent
Skilled Technical	Executive Assistant	C1	1	0	Permanent
Skilled Technical	HR Officer	C1	1	0	Permanent
Semi-skilled	Environmental Monitors	-	4	2	Temporary
Skilled Technical	Rhino Monitors	-	1	2	Temporary
Skilled Technical	Administrators	-	2	1	Temporary
Senior Management	Interim CFO	-	1	0	Temporary
Skilled Technical	Researchers	-	12	7	Temporary
			25	**14**	

EMPLOYEE EXITS

12 employee exits occurred during the 2020/2021 financial year as per the table below.

OCCUPATIONAL LEVEL	JOB TITLE	JOB GRADE	FEMALE	MALE	REASON FOR TERMINATION
Senior Management	CFO	E2	1	0	Resignation
Professionals	Project Manager	D2	0	1	Deceased
Temporary Employees	Administrators	-	2	1	Contract Expired
Temporary Employees	Interim CFO	-	1	0	Contract Expired
Temporary Employees	Environmental Monitors	-	4	1	Resignations
Temporary Employees	Environmental Monitors	-	0	1	Deceased
			8	4	

TRAINING AND DEVELOPMENT

The training listed on the table occurred during the 2020/2021 financial year. The training was identified during the performance reviews between the supervisor and the employee. The training needs are listed in the Performance Development Plan for each employee. This training forms part of the Annual Training Report submitted with the Workplace Skills Plan to SETA.

NO.	TYPE OF LEARNING INTERVENTION	NUMBER EMPLOYEES TRAINED IN THIS INTERVENTION		TOTAL TRAINED	OCCUPATION
		FEMALE	MALE		
1	First Aid	1	1	2	First Aiders
2	Firefighting	1	2	2	Fire Marshals
3	Health and Safety	4	4	8	Occupational Health and Safety Committee
4	Community Development	1	2	3	Stakeholder Engagement Managers
5	Communication Skills	1	2	3	Stakeholder Engagement Managers
6	Contract Management	-	1	1	Projects – Rural Enterprise, Higher Education Manager
7	Minute Taking Course	3	-	3	Finance Officer Administration Clerk Receptionist
8	GIS System	-	1	1	GIS Mapping Officer
9	ARC GIS Advance	-	1	1	Land Care Contract Manager

EMPLOYEE RELATIONS

Disciplinary Action

Disciplinary action was taken against a senior employee within the Entity during the 2020/2021 financial year. The charges laid against her were gross negligence, gross dereliction of duties, gross insubordination in that she contributed to iSimangaliso incurring fruitless and wasteful expenditure, and she was in breach of the statutory obligation as a Senior Management employee by failing to take effective and appropriate steps to prevent her employer from incurring fruitless and wasteful expenditure.

Outcome of the Disciplinary Action

iSimangaliso and the employee reached a mutual agreement. The employee resigned on 9 November 2020, on the day of the CCMA case.

COVID-19 CASES

Nine cases of COVID-19 were reported in December 2020 within iSimangaliso. Nine employees tested positive and one death occurred as a result of COVID-19 (an Environmental Monitor based at Sodwana).

Employees were advised of COVID-19 protocols dealing with the necessary steps to follow if they tested positive and health and safety measures were put in place. The Health and Safety Committee was established to oversee and ensure that safety precautions were adhered to in line with the iSimangaliso COVID-19 protocols.

PPE was purchased in line with the SCM Policy and was distributed accordingly to all employees of iSimangaliso. All employees who confirmed negative returned to work cleared of COVID-19.

EMPLOYEE HEALTH AND WELLNESS PROGRAMME

iSimangaliso sought the services of an Employee Health and Wellness Programme service provider to provide the employee health and wellness services within the Entity. Wellness Day occurred on 25 March 2021. The event incorporated a multi-disciplinary screening, health promotion as well as financial education/awareness.

The services that were provided during the wellness day included: screening for all health-related issues; vital screenings, including blood pressure, cholesterol, diabetes, HIV; and a dietician assessment of four primary components for each employee: anthropometric measurement, biochemical parameters and clinical assessment. Employees were advised that an individual report would be provided for everyone who attended the screening.

COVID-19 screening was available. Seven employees attended the COVID-19 screening station and results were generated within 15 minutes of testing. No positive cases were identified. These are crucial steps towards ensuring total care and screening of employees as COVID-19 screening is not easily accessible for asymptomatic individuals and often very costly.

Biokinetics assessment and recommendations were provided to staff for physical fitness and possible lifestyle medication techniques to prevent future chronic illnesses.

PART E

FINANCIAL INFORMATION

GENERAL INFORMATION

Country of Incorporation and Domicile	South Africa
Legal Form of Entity	Established by Regulation 1193 of 24 November 2000, under the World Heritage Convention Act 49 of 1999. The iSimangaliso Wetland Park Authority is a Schedule 3A Public Entity.
Nature of Business and Principal Activities	The iSimangaliso Authority's business is to conserve the iSimangaliso Wetland Park and to create jobs and benefits for communities living in and adjacent to the Park through optimal tourism-based development. iSimangaliso is therefore in the business of conservation, local economic development and tourism.
Directors	**Non-Executive** Prof. A.T. Nzama (Chairperson) Inkosi Tembe (Deputy Chairperson) Mr N. Cawe Mr L. Lankalebalele Mr G.G. Nair Mrs L. Noge-Tungamirai Prof C.P. Small **Officials** Mr S. Nkosi – Department of Forestry, Fisheries and the Environment (DFFE) **Executive** Mr S.E. Bukhosini (CEO)
Business Address	The Dredger Harbour, St Lucia Private Bag X05, St Lucia St Lucia 3936
Bankers	First National Bank
Auditors	Auditor-General South Africa Registered Auditors
Chief Financial Officer	Mrs S.Q. Mntambo Tel: +27 35 590 1633 Email: info@isimangaliso.com
Website	www. isimangaliso.com

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

DFFE	Department of Forestry, Fisheries and the Environment
GRAP	Generally Recognised Accounting Practice
NIHSS	National Institute for the Humanities and Social Sciences
PFMA	Public Finance Management Act
PPP	Public Private Partnership
SANParks	South African National Parks

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON ISIMANGALISO WETLAND PARK AUTHORITY

Report on the Audit of the Financial Statements

Opinion

1. I have audited the financial statements of the iSimangaliso Wetland Park Authority set out on pages 61 to 112, which comprise the statement of financial position as at 31 March 2021, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Isimangaliso Wetland Park Authority as at 31 March 2021, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management ,1999 (Act No. 1 of 1999) (PFMA).

Basis for opinion

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

Emphasis of matters

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

Uncertainty relating to future outcome of exceptional litigation

7. As disclosed in note 26, the entity is a defendant in a fire-claim lawsuit. The entity has referred the claim to its legal counsel. The ultimate outcome of the matter cannot presently be determined and no provision for any liability that may result has been made in the financial statements.

Irregular expenditure

8. As disclosed in note 35 to the financial statements, the entity incurred irregular expenditure of R99,88 million, as it procured services that were not in line with the service level agreement and was not compliant with supply chain management prescripts.

Responsibilities of the accounting authority for the financial statements

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

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

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

Report of the Auditor-General to Parliament on iSimangaliso Wetland Park Authority

Report on the audit of the Annual Performance Report

Introduction and scope

13. In accordance with the Public Audit of South Africa, 2004 (Act 25 of 2004)(PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected programme presented in the Annual Performance Report. I performed procedures to identify material findings but not to gather evidence to express assurance.
14. My procedures address the usefulness and reliability of the reported performance information, which must be based on the entity's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the entity enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
15. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for programme 2: biodiversity conservation presented in pages 22 to 24 of the entity's Annual Performance Report for the year ended 31 March 2021.
16. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
17. I did not identify any material findings on the usefulness and reliability of the reported performance information for the selected programme.

Other matters

18. I draw attention to the matters adjacent.

Achievement of planned targets

19. The Annual Performance Report on pages 18 to 30 includes information on the achievement of planned targets for the year and management's explanations provided for the under and overachievement of targets.

Adjustment of material misstatements

20. I identified material misstatements in the Annual Performance Report submitted for auditing. These material misstatements were on the reported performance information of biodiversity conservation. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Report of the Auditor-General to Parliament on iSimangaliso Wetland Park Authority

Report on the audit of compliance with legislation

Introduction and scope

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

Annual financial statements

23. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework, as required by section 55(1) (a) and (b) of the PFMA. Material misstatements of disclosure items identified by the auditors in the submitted financial statement were corrected and the supporting records were provided subsequently, resulting in the financial statements receiving an unqualified audit opinion.

Procurement and contract management

24. Some contracts were awarded to bidders based on pre-qualification criteria that differed from those stipulated in the original invitation for bidding, in contravention of the 2017 preferential procurement regulation 4(1) and 4(2).

Other information

25. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected programme presented in the Annual Performance Report that have been specifically reported in this auditor's report.
26. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
27. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programme presented in the Annual Performance Report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
28. If based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact. I have nothing to report in this regard.

Internal control deficiencies

29. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report.
30. Management did not implement adequate daily and monthly controls relating to processing and reconciliation of transactions. As a result, material misstatements were identified during the audit and subsequently corrected.

Other reports

31. I draw attention to the following engagements conducted by various parties which had, or could have, an impact on the matters reported in the entity's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
32. The Internal Audit unit investigated irregular expenditure as well as fruitless and wasteful expenditure, which covered the period 1 April 2019 to 31 March 2020. The investigation was concluded on 14 December 2020 and resulted in some employees being given final written warnings. One employee resigned after the alleged financial irregularities were identified.

Auditor-general

Pietermaritzburg

30 September 2021

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Report of the Auditor-General to Parliament on iSimangaliso Wetland Park Authority

Annexure – Auditor-General's responsibility for the audit

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

Financial statements

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

Communication with those charged with governance

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

BOARD'S RESPONSIBILITIES AND APPROVAL

The members are required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the members to ensure that the annual financial statements fairly present the state of affairs of the Authority as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The members acknowledge that they are ultimately responsible for the system of internal financial control established by the Authority and place considerable importance on maintaining a strong control environment. To enable the members to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Authority and all employees are required to maintain the highest ethical standards in ensuring the Authority's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of Risk Management in the Authority is on identifying, assessing, managing and monitoring all known forms of risk across the Authority. While operating risk cannot be fully eliminated, the Authority endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The members are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The members have reviewed the Authority's cash flow forecast for the year to 31 March, 2022 and, in the light of this review and the current financial position, they are satisfied that the Authority has or has access to adequate resources to continue in operational existence for the foreseeable future.

The Authority is dependent on the Department of Forestry, Fisheries and the Environment for continued funding of operations. The annual financial statements are prepared on the basis that the Authority is a going concern and that the Government, through Department of Forestry, Fisheries and the Environment has neither the intention nor the need to liquidate or curtail materially the scale of the Authority.

The annual financial statements set out on page 61 to 112, which have been prepared on the going concern basis, were approved by the board on 31 May, 2021 and were signed on its behalf by:

Prof. A.T. Nzama (Chairperson)
Accounting Authority

iSimangaliso Wetland Park Authority
Annual Financial Statements for the year ended 31 March, 2021

Statement of Financial Position as at 31 March, 2021

Figures in Rand	Note(s)	2021	2020 Restated*
Assets			
Non-Current Assets			
Property, plant and equipment	3	663,313,830	547,392,654
Investment property	4	99,253,698	91,448,581
Intangible assets	5	1,368,127	92,749
		763,935,655	**638,933,984**
Current Assets			
Inventories	6	286,774	30,494
Receivables from exchange transactions	7	5,967,225	10,220,495
Cash and cash equivalents	8	126,296,970	284,656,972
		132,550,969	**294,907,961**
Total Assets		**896,486,624**	**933,841,945**
Liabilities			
Current Liabilities			
Trade and other payables	9	44,248,035	48,528,283
Unspent conditional grants	10	70,662,580	255,457,346
		114,910,615	**303,985,629**
Total Liabilities		**114,910,615**	**303,985,629**
Net Assets		**781,576,009**	**629,856,316**
Accumulated surplus		781,576,010	629,856,321

iSimangaliso Wetland Park Authority
Annual Financial Statements for the year ended 31 March, 2021

Statement of Financial Performance

Figures in Rand	Note(s)	2021	2020 Restated*
Revenue			
Revenue from exchange transactions			
Park revenue		11,170,715	21,806,811
Personnel costs recoveries/fees		7,488,514	4,213,736
Management fees		1,927,386	2,094,545
Administration fees		5,923,561	2,792,581
Interest received - investment	11	556,524	806,815
Other income	12	2,169,475	3,272,588
Total revenue from exchange transactions		**29,236,175**	**34,987,076**
Revenue from non-exchange transactions			
Transfer revenue			
Grants and subsidies	13	466,648,322	163,500,120
Public contributions and donations	14	4,299	179,621
Total revenue from non-exchange transactions		**466,652,621**	**163,679,741**
Total revenue		**495,888,796**	**198,666,817**
Expenditure			
Personnel costs	15	(33,316,630)	(28,210,821)
Project costs	16	(57,579,418)	(55,047,791)
Co-management agreement payments		(830,567)	(1,496,739)
Professional, consulting and legal fees	17	(21,917,647)	(8,557,990)
Depreciation, amortisation and impairment	18	(40,737,439)	(35,884,080)
Lease rentals on operating lease	19	(92,856)	(80,893)
Contracted services	20	(160,535,591)	(54,796,189)
Loss on disposal and write off of assets	21	(12,908,536)	(2,253,216)
Other operating expenses	22	(16,250,420)	(21,197,796)
Total expenditure		**(344,169,104)**	**(207,525,515)**
Surplus (deficit) for the year		**151,719,692**	**(8,858,698)**

iSimangaliso Wetland Park Authority

Annual Financial Statements for the year ended 31 March, 2021

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Opening balance as previously reported	638,638,758	638,638,758
Adjustments (Refer to note 30)		
Correction of errors	76,261	76,261
Balance at 1 April, 2019 as restated	**638,715,019**	**638,715,019**
Changes in net assets		
Deficit for the year	(8,858,698)	(8,858,698)
Total changes	(8,858,698)	(8,858,698)
Restated* Balance at 1 April, 2020	**629,856,318**	**629,856,318**
Changes in net assets		
Surplus for the year	151,719,692	151,719,692
Total changes	151,719,692	151,719,692
Balance at 31 March, 2021	**781,576,010**	**781,576,010**

Note(s)

iSimangaliso Wetland Park Authority

Annual Financial Statements for the year ended 31 March, 2021

Cash Flow Statement

Figures in Rand	Note(s)	2021	2020 Restated*
Cash flows from operating activities			
Receipts			
Park revenue		11,646,951	20,513,938
Grants	13	271,202,432	294,875,663
Interest income	11	556,524	806,815
Donations		-	88,500
Other income		341,585	555,207
		283,747,492	316,840,123
Payments			
Personnel costs		(32,022,502)	(27,419,675)
Suppliers		(251,123,385)	(146,174,213)
		(283,145,887)	(173,593,888)
Net cash flows from operating activities	24	**601,605**	**143,246,235**
Cash flows from investing activities			
Purchase of property, plant and equipment		(144,458,530)	(56,729,218)
Purchase of investment property		(13,026,451)	(1,263,806)
Purchase of other intangible assets	5	(1,476,626)	-
Net cash flows from investing activities		**(158,961,607)**	**(57,993,024)**
Net increase/(decrease) in cash and cash equivalents		**(158,360,002)**	**85,253,211**
Cash and cash equivalents at the beginning of the year		284,656,972	199,403,761
Cash and cash equivalents at the end of the year	8	**126,296,970**	**284,656,972**

iSimangaliso Wetland Park Authority
Annual Financial Statements for the year ended 31 March, 2021

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Park revenue	29,854,120	(23,604,120)	**6,250,000**	11,170,715	**4,920,715**	BC1
Personnel costs recovery	12,748,499	3,124,725	**15,873,224**	7,488,514	**(8,384,710)**	BC2
Management and Administartion fees	14,472,299	(2,057,516)	**12,414,783**	7,850,947	**(4,563,836)**	BC3
Interest revenue	900,000	(765,000)	**135,000**	556,524	**421,524**	BC4
Other income	-	-	**-**	2,169,474	**2,169,474**	BC5
Total revenue from exchange transactions	**57,974,918**	**(23,301,911)**	**34,673,007**	**29,236,174**	**(5,436,833)**	
Revenue from non-exchange transactions						
Transfer revenue						
Government grants & subsidies	177,920,825	231,372,093	**409,292,918**	466,648,322	**57,355,404**	BC6
Public contributions and donations	-	-	**-**	4,299	**4,299**	
Total revenue from non-exchange transactions	**177,920,825**	**231,372,093**	**409,292,918**	**466,652,621**	**57,359,703**	
Total revenue	**235,895,743**	**208,070,182**	**443,965,925**	**495,888,795**	**51,922,870**	
Expenditure						
Chemicals & equipment	(5,824,120)	1,917,083	**(3,907,037)**	(7,398,097)	**(3,491,060)**	BC7
Depreciation, amortisation and write off of assets	(37,264,195)	-	**(37,264,195)**	(53,645,975)	**(16,381,780)**	BC8
Personnel costs	(35,611,003)	(3,248,419)	**(38,859,422)**	(33,316,630)	**5,542,792**	BC9
Maintenance & repairs	(25,021,404)	(44,000,000)	**(69,021,404)**	(97,250,194)	**(28,228,790)**	BC10
Co-management agreement payments	(2,000,000)	-	**(2,000,000)**	(830,567)	**1,169,433**	BC11
Consultants, contractors & special services and COVID expenditure	(37,710,041)	(37,972,602)	**(75,682,643)**	(88,295,957)	**(12,613,314)**	BC12
Gate operating costs	(13,163,967)	-	**(13,163,967)**	(13,885,101)	**(721,134)**	BC13
Training and development	(8,878,277)	5,941,602	**(2,936,675)**	(5,518,945)	**(2,582,270)**	BC14
Security	(17,025,088)	(2,553,763)	**(19,578,851)**	(23,107,159)	**(3,528,308)**	BC15
Other expenses	(25,310,683)	4,736,605	**(20,574,078)**	(20,920,478)	**(346,400)**	BC16
Total expenditure	**(207,808,778)**	**(75,179,494)**	**(282,988,272)**	**(344,169,103)**	**(61,180,831)**	
Surplus before taxation	**28,086,965**	**132,890,688**	**160,977,653**	**151,719,692**	**(9,257,961)**	
Surplus for the year from operating	**28,086,965**	**132,890,688**	**160,977,653**	**151,719,692**	**(9,257,961)**	
Capital expenditure	(65,351,161)	(150,020,688)	**(215,371,849)**	(178,643,347)	**36,728,502**	BC17
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	**(37,264,196)**	**(17,130,000)**	**(54,394,196)**	**(26,923,655)**	**27,470,541**	

iSimangaliso Wetland Park Authority
Annual Financial Statements for the year ended 31 March, 2021

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Reconciliation						
Basis difference						
Capital expenditure				178,643,347		
Actual Amount in the Statement of Financial Performance				**151,719,692**		

Refer to Annexure A for detailed reasons between budget and actual amounts.

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

The Cash Flow Statement is prepared using the direct method.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

These accounting policies are consistent with the previous period.

1.1 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the Authority.

1.2 Going concern assumption

These annual financial statements have been prepared based on the expectation that the Authority will continue to operate as a going concern for at least the next 12 months. The Authority's continuing operations are reliant on the ongoing financial support of government which, amongst other things, implies that government will continue to provide iSimangaliso with adequate grants.

1.3 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Impairment testing

The Authority reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets.

Useful lives of non-current assets

Useful lives of property, plant and equipment, intangible assets and investment property.

The Authority depreciates its property, plant & equipment and investment property, and amortises its intangible assets over the estimated useful lives of the assets, taking into account the residual values of the assets at the end of their useful lives. The life of the asset is determined with due regard to asset accounting and is determined when the assets are available for use.

The estimation of residual values of assets is based on management's judgement as to whether the assets will be sold or used to the end of their useful lives, and in what condition they will be at that time.

The useful lives of assets are based on management's estimation. Management considers the impact of technology, availability of capital funding, service requirements and required return on assets in order to determine the optimum useful life expectation, where appropriate.

Budget Information

Deviations between budget and actual amounts are regarded as material differences when there is a deviation of 15% or more. All material differences are explained in Annexure A to the Annual Financial Statements.

iSimangaliso Wetland Park Authority
Annual Financial Statements for the year ended 31 March, 2021

Accounting Policies

1.4 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:
- it is probable that future economic benefits or service potential associated with the item will flow to the Authority; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the Authority is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

The iSimangaliso Wetland Park is approximately 358 000ha in extent. The land is unregistered state land with the exception of the section north of Sodwana Bay (approx. 17% of the Park) which belongs to the Ingonyama Trust Board and some 2 hectares abutting St Lucia which belongs to the Mtubatuba Municipality. In terms of GRAP 17, the land is not valued as there is no willing-buyer-willing-seller and the value cannot be reliably measured. The use-right is accounted for in terms of GRAP23, and considered a good-in-kind. GRAP23 requires that goods-in-kind be reflected as assets at fair value where these can be reliably measured. It is not possible to reliably measure this and therefore a value is not ascribed to the land. Furthermore, a number of restrictions are placed on the land under inter alia the World Heritage Convention Act. The land can only be used for conservation and it cannot be sold, leased, or encumbered in any way.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Buildings & structures	Straight line	10 to 30 years
Roads & bridges	Straight line	20 years
Fences	Straight line	15 years
Reservoirs & boreholes	Straight line	10 to 15 years
Motor & other vehicles	Straight line	5 to 12 years

Accounting Policies

1.4 Property, plant and equipment (continued)

Computer equipment	Straight line	3 to 5 years
Office equipment	Straight line	3 to 10 years
Furniture & fittings	Straight line	10 to 20 years
Operating equipment	Straight line	2 to 20 years

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the Authority. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The Authority assesses at each reporting date whether there is any indication that the Authority expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the Authority revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

The Authority separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 3).

The Authority discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 3).

1.5 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

Authority holds investment property in order to generate fees. It grants use-rights to third parties through private public partnership (PPP) agreements. Typically these PPPs transfer operational and business risk to the third party. The third party is required to insure and maintain the underlying assets and pay a PPP fee to the Authority for the use-rights.

With the exception of three properties, the properties are all managed by Ezemvelo KZN Wildlife, directly or through subcontractors. The Authority does not charge Ezemvelo KZN Wildlife a PPP fee.

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the Authority, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Where investment property is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Accounting Policies

1.5 Investment property (continued)

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Cost model

Investment property is carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided to write down the cost, less estimated residual value by equal installments over the useful life of the property, which is taken to be 30 years.

Transfers to and from investment property are made when there is a change in use. Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

Gains or losses arising from the retirement or disposal of investment property is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in surplus or deficit in the period of retirement or disposal.

The Authority discloses relevant information relating to assets under construction or development, in the notes to the annual financial statements (see note 4).

1.6 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an Authority and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the Authority intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the Authority or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the Authority; and
- the cost or fair value of the asset can be measured reliably.

The Authority assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Website	Straight line	3 to 15 years
Computer software	Straight line	2 to 15 years

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

Accounting Policies

1.6 Intangible assets (continued)

The gain or loss arising from the derecognition of intangible assets is included in surplus or deficit when the asset is derecognised.

1.7 Living and non-living resources

The iSimangaliso Authority is responsible for managing a wide range of fauna, flora, geological structures and unique scenery. Since the iSimangaliso Authority does not control conditions affecting the progeny or quantity of any species, and since its main line of business does not include trade in these assets, it does not account for any living and non-living resources.

1.8 Heritage assets

The iSimangaliso Wetland Park was the first South African World Heritage Site to be listed by UNESCO. The Park was listed on the basis of its superlative natural beauty, biodiversity and threatened species and ecological processes. The Park is 358 534 hectares including 5 ecosystems, viz marine, coastal dune, lake, swamps, and dry savannah woodlands, thickets and sand forest. The Park also includes 4 RAMSAR sites. The Authority does not attach a value to its Heritage Assets as there is no active market and the value cannot be measured reliably.

1.9 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.10 Inventories

Inventories are held for the delivery of services and includes items such as chemicals for alien plant clearing and land rehabilitation, stationery and promotional (merchandising) materials.

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;
- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the Authority.

1.11 Impairment of cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

A cash-generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Accounting Policies

1.11 Impairment of cash-generating assets (continued)

Designation

At initial recognition, the Authority designates an asset as non-cash-generating, or an asset or cash-generating unit as cash-generating. The designation is made on the basis of a Authority's objective of using the asset.

The Authority designates an asset or a cash-generating unit as cash-generating when:
- its objective is to use the asset or a cash-generating unit in a manner that generates a commercial return; such that
- the asset or cash-generating unit will generate positive cash flows, from continuing use and its ultimate disposal, that are expected to be significantly higher than the cost of the asset.

An asset used with the objective of generating a commercial return and service delivery, is designated either as a cash-generating asset or non-cash-generating asset based on whether the Authority expects to use that asset to generate a commercial return. When it is not clear whether the objective is to use the asset to generate commercial return, the Authority designates the asset as a non-cash-generating asset and applies the accounting policy on Impairment of Non-cash-generating assets, rather than this accounting policy.

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The Authority assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the Authority estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the Authority also tests a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the Authority estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the Authority applies the appropriate discount rate to those future cash flows.

Recognition and measurement (individual asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the cash-generating asset to which it relates, the Authority recognises a liability only to the extent that is a requirement in the Standard of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Accounting Policies

1.11 Impairment of cash-generating assets (continued)

Cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the Authority determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the Authority use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the Authority does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

Accounting Policies

1.11 Impairment of cash-generating assets (continued)

Reversal of impairment loss

The Authority assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the Authority estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

1.12 Impairment of non-cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Non-cash-generating assets are assets other than cash-generating assets.

Designation

At initial recognition, the Authority designates an asset as non-cash-generating, or an asset or cash-generating unit as cash-generating. The designation is made on the basis of a Authority's objective of using the asset.

The Authority designates an asset as non-cash-generating when its objective is not to use the asset to generate a commercial return but to deliver services.

Accounting Policies

1.12 Impairment of non-cash-generating assets (continued)

Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The Authority assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the Authority estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the Authority also tests a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the Authority recognises a liability only to the extent that is a requirement in the Standards of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Reversal of an impairment loss

The Authority assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the Authority estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

1.13 Revenue from non-exchange transactions

Non-exchange transactions are defined as transactions where the Authority receives value from another Authority without directly giving approximately equal value in exchange.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Accounting Policies

1.13 Revenue from non-exchange transactions (continued)

Government grants

Government grants are recognised as revenue when:
- it is probable that the economic benefits or service potential associated with the transaction will flow to the Authority,
- the amount of the revenue can be measured reliably, and
- to the extent that there has been compliance with any restrictions associated with the grant.

The Authority assesses the degree of certainty attached to the flow of future economic benefits or service potential on the basis of the available evidence. Certain grants payable by one level of government to another are subject to the availability of funds. Revenue from these grants is only recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the Authority. An announcement at the beginning of a financial year that grants may be available for qualifying entities in accordance with an agreed programme may not be sufficient evidence of the probability of the flow. Revenue is then only recognised once evidence of the probability of the flow becomes available.

Restrictions on government grants may result in such revenue being recognised on a time proportion basis. Where there is no restriction on the period, such revenue is recognised on receipt or when the Act becomes effective, which-ever is earlier.

When government remit grants on a re-imbursement basis, revenue is recognised when the qualifying expense has been incurred and to the extent that any other restrictions have been complied with.

Other grants and donations

Other grants and donations are recognised as revenue when:
- it is probable that the economic benefits or service potential associated with the transaction will flow to the Authority;
- the amount of the revenue can be measured reliably; and
- to the extent that there has been compliance with any restrictions associated with the grant.

If goods in-kind are received without conditions attached, revenue is recognised immediately. If conditions are attached, a liability is recognised, which is reduced and revenue recognised as the conditions are satisfied.

1.14 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Accounting Policies

1.14 Revenue from exchange transactions (continued)

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the Authority;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

-Park revenue
Park revenue comprises inter alia fees for tourism activities operated for gain by private parties in the Park, gate-entrance fees, and events and filming. Park revenue is recognised when touring activities have been performed. Fees for commercial activities are due in advance. Invoices are raised in respect of such fees in the last week of the preceding month in cases where there is a regular monthly charge and in advance of an ad hoc activity. Although invoicing is done in advance, no accounting entries are made at invoicing, revenue is only recognised on the fist day of the month following the invoicing. However for all Debtors that pay for the advance invoices in the month of invoicing (i.e. in advance), such payment is accounted for as income received in advance and is recognised as a liability.

-Management and Administration fees
Management and administration fees from the management of projects are recognised on a pro-rata basis over the specific period in which the service is rendered. Managament fees range from 4% to 7% whereas administration fees range from 3% to 6% of expenditure incurred on each grants.

-Personnel costs recoveries/fees
The Authority is also entitled to claim personnel costs recovery fees from grants. The fees calmed range from 5% to 7% of expenditure incurred on each grants.

1.15 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

1.16 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

Leave pay, medical aid and study loans are provided for as follows:

-**Leave Pay**
The Authority provides for estimated leave pay in full, based on the total days' leave accruing to employees at their respective total cost of employment.

-**Medical Aid**
Medical aid is mandatory for all staff and is included in the total cost of employment.

-**Study Loans**
The Authority provides study loans to staff. These are converted to grants on successful completion of each year of study and provided that the staff member concerned does not resign within a year of completion of the particular year of study.

1.17 Expenditure

Expenses are decreases in economic benefits or service potential during the reporting period in the form of outflows or consumption of assets or incurrence of liabilities that result in decreases in net assets.

Accounting Policies

1.17 Expenditure (continued)

Where an outflow of economic benefits does not result in future benefits, it is disclosed as fruitless and wasteful expenditure. The point at which an expense is recognised is dependent on the nature of the transaction or other event that gives rise to the expense. Where future economic benefits are consumed immediately or soon after acquisition, for example, contracted expenditure, projects costs and other operating expenses, the expense is recognised in the reporting period in which the acquisition of the future economic benefit occurs. Where future economic benefits are expected to be consumed over several reporting periods e.g. non-current assets, expenses (depreciation) is allocated systematically to the reporting period during which the future economic benefits are expected to be consumed; where expenditure produces no future economic benefits e.g. fines paid, an expense is recognised immediately; and where a liability is incurred without the recognition of an asset an expense is recognised simultaneously with the recognition of the liability.

Generally, expenses are accounted for on an accrual basis at fair value. Under the accrual basis of accounting expenses are recognised when incurred usually when goods are received or services are consumed. This may not be when the goods or services are actually paid for. Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable willing parties in an arm's length transaction.

Major expenses include:
- Project costs- major operating expenditure incurred in implementing projects that are funded by grants;
- Contracted services-included are costs incurred to on long-term contract basis and major categories are repair and maintain assets by external parties, security services, gate operating costs, cleaning and IT services;
- Professional fees-all expenses related to professional services rendered to the Authority;
- Losses on the disposal of non-current assets are reported separately from expenses in the Statement of Financial Performance; and
- Other operating expenses which constitute several expense items which are not individually significant.

1.18 Provisions and contingencies

Provisions are recognised when:
- the Authority has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the Authority settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating surplus.

If an Authority has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.
- the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

Accounting Policies

1.18 Provisions and contingencies (continued)

A contingent liability is:
(a) a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or

(b)a present obligation that arises from past events but is not recognised because:
-(i) it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
-(ii) the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised, but are disclosed in note 26 unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

1.19 Commitments

Items are classified as commitments when an Authority has committed itself to future transactions that will normally result in the outflow of cash.

The commitments disclosed in the disclosure note are the differences between expenditure to date and expenditure contracted for as at the reporting date. Material contracts entered into after the reporting date but prior to approval of the financial statements will be disclosed under subsequent events.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost, and
- Contracts should relate to something other than the routine, steady, state business of the Authority – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.20 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

1.21 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.22 Irregular expenditure

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including -

(a) PFMA; or
(b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
(c) any provincial legislation providing for procurement procedures in that provincial government; or
(d) Provincial instructions issued in terms of section 76 of the PFMA; or
(e) internal policies of the public entity; or
(f) any applicable legislation.

National Treasury practice note no. 4 of 2008/2009 which was issued in terms of sections 76(1) to 76(4) of the PFMA requires the following (effective from 1 April 2008):

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Accounting Policies

1.22 Irregular expenditure (continued)

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned.

If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

1.23 Segment reporting

The iSimangaliso Authority's mandate is to conserve the World Heritage values and in so doing provide eco-systems goods and services, tourism and transformation opportunities. While there are separate units in the organisation responsible for aspects of this service, management relies and uses the financial information of the business as a whole to assess performance and make decisions concerning inter alia the allocation of resources. Consequently, for purposes of GRAP 18 the businesses are considered to have one segment. There is therefore no requirement for additional notes to the financial statements in this regard. The iSimangaliso Authority operates in one geographic area viz., northern KwaZulu-Natal, in the proclaimed iSimangaliso Wetland Park. It does not distinguish between the various sections of the iSimangaliso Wetland Park in its reporting for decision making purposes.

1.24 Budget information

Entities are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by Authority shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on a accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 01-Apr-20 to 31-Mar-21.

The annual financial statements and the budget are all on accruals basis, however the budget statement includes capital expenditure and therefore a reconciliation between the statement of financial performance and the budget have been included in the annual financial statements.

Deviations between budget and actual amounts are regarded as material differences when there is a deviation of 15% or more. All material differences are explained in Annexure A to the Annual Financial Statements.

Comparative information is not required.

1.25 Related parties

A related party is a person or an Authority with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an Authority that is subject to common control, or joint control.

Related party transaction is a transfer of resources, services or obligations between the reporting Authority and a related party, regardless of whether a price is charged.

Management are those persons responsible for planning, directing and controlling the activities of the Authority, including those charged with the governance of the Authority in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the Authority.

Accounting Policies

1.25 Related parties (continued)

The Authority is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the Authority to have adopted if dealing with that individual Authority or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting Authority's legal mandate.

Where the Authority is exempt from the disclosures in accordance with the above, the Authority discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the Authority’s financial statements to understand the effect of related party transactions on its annual financial statements.

1.26 Taxation

No provision is made for taxation as the Authority is exempt from income tax as per section 10(1)(cN) of the Act of Income Tax Act, read together with definition of Public Authority. It also does not charge value-added tax as it is precluded from doing so by statute.

1.27 Risk management

The Authority transfers risk to third parties in instances where use-rights are conferred on these parties. It imposes an obligation on all such third parties to adequately insure buildings and structures allocated for their use. The remaining risk, which the Authority carries itself, is within Authority’s ability to manage.

1.28 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The Authority will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The Authority will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

Notes to the Annual Financial Statements

Figures in Rand	2021	2020

2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

The Authority has not applied the following standards and interpretations, which have been published and are mandatory for the Authority's accounting periods beginning on or after 1 April, 2021 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 104 (amended): Financial Instruments	To be determined	Unlikely there will be a material impact
• Guideline: Guideline on Accounting for Landfill Sites	To be determined	Unlikely there will be a material impact
• Guideline: Guideline on the Application of Materiality to Financial Statements	To be determined	Unlikely there will be a material impact

Notes to the Annual Financial Statements

Figures in Rand

3. Property, plant and equipment

	2021			2020		
	Cost	Accumulated depreciation and accumulated impairment	Carrying value	Cost	Accumulated depreciation and accumulated impairment	Carrying value
Buildings and structures	256,601,687	(51,146,116)	205,455,571	226,013,999	(48,689,864)	177,324,135
Roads and bridges	470,119,811	(112,850,723)	357,269,088	405,658,811	(98,534,164)	307,124,647
Fences	99,220,687	(19,000,500)	80,220,187	65,637,251	(17,935,833)	47,701,418
Reservoirs and boreholes	18,779,006	(8,007,786)	10,771,220	15,762,941	(7,325,504)	8,437,437
Motor vehicles	3,522,404	(2,369,774)	1,152,630	2,561,180	(2,034,158)	527,022
Computer equipment	2,758,754	(1,174,587)	1,584,167	1,560,423	(884,731)	675,692
Office equipment	377,906	(178,486)	199,420	377,906	(146,927)	230,979
Furniture and fittings	1,151,148	(649,358)	501,790	1,151,148	(579,453)	571,695
Operating equipment	8,505,746	(2,345,989)	6,159,757	7,402,748	(2,603,119)	4,799,629
Total	**861,037,149**	**(197,723,319)**	**663,313,830**	**726,126,407**	**(178,733,753)**	**547,392,654**

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions through purchase	Additions through construction	Donations	Write off	Depreciation	Impairment loss	Closing Balance
Buildings and structures	177,324,135	420,889	38,404,254	-	(3,831,814)	(6,735,142)	(126,751)	205,455,571
Roads and bridges	307,124,647	-	74,675,515	-	(4,670,015)	(19,861,059)	-	357,269,088
Fences	47,701,418	-	36,885,037	-	(1,301)	(4,364,967)	-	80,220,187
Reservoirs and boreholes	8,437,437	11,102	3,477,295	-	(154,394)	(1,000,220)	-	10,771,220
Motor vehicles	527,022	961,224	-	-	-	(335,616)	-	1,152,630
Computer equipment	675,692	1,198,331	-	-	-	(289,856)	-	1,584,167
Office equipment	230,979	-	-	-	-	(31,559)	-	199,420
Furniture and fittings	571,695	-	-	-	-	(69,905)	-	501,790
Operating equipment	4,799,629	2,078,430	-	4,299	(133,808)	(588,793)	-	6,159,757
	547,392,654	**4,669,976**	**153,442,101**	**4,299**	**(8,791,332)**	**(33,277,117)**	**(126,751)**	**663,313,830**

Notes to the Annual Financial Statements

Figures in Rand

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions through purchase	Additions through construction	Donations	Write off	Depreciation	Closing Balance
Buildings and structures	179,555,347	606,938	4,911,945	-	(898,012)	(6,852,083)	177,324,135
Roads and bridges	300,745,581	-	25,157,620	-	-	(18,778,554)	307,124,647
Fences	26,585,939	105,018	23,852,254	-	(1)	(2,841,792)	47,701,418
Reservoirs and boreholes	8,919,512	47,484	480,992	-	(11,210)	(999,341)	8,437,437
Motor vehicles	938,483	-	-	-	-	(411,461)	527,022
Computer equipment	331,241	450,772	-	40,221	-	(146,542)	675,692
Office equipment	169,808	92,653	-	-	-	(31,482)	230,979
Furniture and fixtures	280,731	323,082	-	50,900	(439)	(82,579)	571,695
Operating equipment	5,155,503	466,797	-	-	(311,281)	(511,390)	4,799,629
	522,682,145	**2,092,744**	**54,402,811**	**91,121**	**(1,220,943)**	**(30,655,224)**	**547,392,654**

Reconciliation of Work-in-Progress 2021

	Buildings and structures	Roads and bridges	Fences	Reservoirs and boreholes	Operating equipment	Total
Opening balance	21,319,265	19,826,590	-	767,206	2,951,645	44,864,706
Additions/capital expenditure	38,404,254	74,675,515	36,885,037	3,477,295	-	153,442,101
Transferred to completed items	(1,367,761)	(51,641,174)	(36,885,037)	-	-	(89,893,972)
Subtotal	58,355,758	42,860,931	-	4,244,501	2,951,645	108,412,835
	58,355,758	**42,860,931**	**-**	**4,244,501**	**2,951,645**	**108,412,835**

Reconciliation of Work-in-Progress 2020

	Buildings and structures	Roads and bridges	Fences	Reservoirs and boreholes	Operating Equipment	Total
Opening balance	16,407,320	4,929,699	-	286,214	2,951,645	24,574,878
Additions/capital expenditure	4,911,945	25,157,620	23,852,254	480,992	-	54,402,811
Transferred to completed items	-	(10,260,729)	(23,852,254)	-	-	(34,112,983)

Notes to the Annual Financial Statements

Figures in Rand

3. Property, plant and equipment (continued)

Subtotal	21,319,265	19,826,590	-	767,206	2,951,645	44,864,706
	21,319,265	**19,826,590**	**-**	**767,206**	**2,951,645**	**44,864,706**

iSimangaliso Wetland Park Authority
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Notes to the Annual Financial Statements

Figures in Rand	2021	2020

3. Property, plant and equipment (continued)

Expenditure incurred to repair and maintain property, plant and equipment

Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance under contracted services is as follows:

Funded from internal operations		
Buildings and structures	36,818,229	1,006,717
Fences	18,475,736	8,815,799
Reservoirs and boreholes	10,222,780	3,996,561
Roads and Bridges	32,539,383	4,152,661
Motor vehicles	9,987	126,863
Equipment	13,390	114
	98,079,505	**18,098,715**

A register containing the information of all assets is available for inspection at the registered office of the Authority.

Notes to the Annual Financial Statements

Figures in Rand

4. Investment property

	2021			2020		
	Cost	Accumulated depreciation and accumulated impairment	Carrying value	Cost	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	167,767,314	(68,513,616)	99,253,698	157,363,023	(65,914,442)	91,448,581

Notes to the Annual Financial Statements

Figures in Rand

4. Investment property (continued)

Reconciliation of investment property - 2021

	Opening balance	Additions	Impairment	Write off	Depreciation	Closing balance
Cape Vidal tourist accommodation	23,460,287	-	-	-	(1,224,070)	22,236,217
Charters Creek tourist accommodation	18,763,025	13,509,881	-	(2,269,188)	(593,282)	29,410,436
Eastern Shores hiking trails facility	918,323	-	-	-	(49,865)	868,458
False Bay tourist accommodation	405,603	-	-	(14,778)	(33,570)	357,255
Fanies Island tourist accommodation	2,704,803	-	(2,064,140)	-	(187,477)	453,186
Kosi Bay tourist accommodation	2,656,396	-	-	(1,163,413)	(219,831)	1,273,152
Mabibi tourist accommodation	3,501,350	-	-	(96,184)	(245,305)	3,159,861
Manzengwenya tourist accommodation	4,566,650	-	-	-	(253,825)	4,312,825
Maphelane tourist accommodation	1,808,488	-	-	(7,389)	(149,666)	1,651,433
Rocktail Bay tourist accommodation	695,587	-	-	-	(56,019)	639,568
Sodwana Bay tourist accommodation	17,298,557	5,544,763	-	(552,952)	(1,256,752)	21,033,616
St Lucia Estuary camp sites	3,921,727	-	-	-	(245,014)	3,676,713
uMkhuze tourist accommodation	10,747,785	-	-	(13,301)	(553,507)	10,180,977
	91,448,581	**19,054,644**	**(2,064,140)**	**(4,117,205)**	**(5,068,183)**	**99,253,697**

Reconciliation of investment property - 2020

	Opening balance	Additions	Write off	Depreciation	Closing balance
Cape Vidal tourist accommodation	24,708,145	-	(2,889)	(1,244,969)	23,460,287
Charters Creek tourist accommodation	19,091,190	1,263,806	(901,471)	(690,500)	18,763,025
Eastern Shores hiking trails facility	1,027,072	-	(54,379)	(54,370)	918,323
False Bay tourist accommodation	439,169	-	-	(33,566)	405,603
Fanies Island tourist accommodation	2,892,293	-	-	(187,490)	2,704,803
Kosi Bay tourist accommodation	2,897,164	-	(19,334)	(221,434)	2,656,396
Mabibi tourist accommodation	3,745,448	-	-	(244,098)	3,501,350
Manzengwenya tourist accommodation	4,820,353	-	-	(253,703)	4,566,650
Maphelane tourist accommodation	1,958,153	-	-	(149,665)	1,808,488
Rocktail Bay tourist accommodation	751,706	-	-	(56,119)	695,587
Sodwana Bay tourist accommodation	18,618,362	-	(54,200)	(1,265,605)	17,298,557
St Lucia Estuary camp sites	4,166,768	-	-	(245,041)	3,921,727

Notes to the Annual Financial Statements

Figures in Rand

4. Investment property (continued)

uMkhuze tourist accommodation	11,301,292	-	-	(553,507)	10,747,785
	96,417,115	**1,263,806**	**(1,032,273)**	**(5,200,067)**	**91,448,581**

Reconciliation of Investment property under construction 2021	Charters Creek	Sodwana Bay tourist accommodatio n	Total
Opening balance	2,809,384	-	2,809,384
Additions/capital expenditure	13,509,881	5,544,763	19,054,644
	16,319,265	**5,544,763**	**21,864,028**

Reconciliation of Investment property under construction 2020	Charters Creek	Total
Opening balance	1,545,578	1,545,578
Additions/capital expenditure	1,263,806	1,263,806
	2,809,384	**2,809,384**

Notes to the Annual Financial Statements

Figures in Rand	2021	2020

4. Investment property (continued)

Investment property under construction

Carrying value of investment property under construction is R21,864,028 (Prior year R 2,809,384) and is included under Charters Creek tourist accommodation

New investment property under development

- The Lokotwayo Heritage site: This is being developed in conjunction with the Bhangazi Land Claims Trust and is still in the Environmental Impact Assessment stage. The total costs of this project is expected to be in the region of R 35million.
  Funding is being sourced from the Department of Forestry, Fisheries and the Environment for the community equity.
- Charters Creek Sites: Designs have been refined and finalised. Construction of phase 1 is complete. Construction of phase 2 commenced in the current financial year. Phase 1 comprises of camp site and phase 2 a tourism lodge. R49 million has been sourced from the Department of Forestry, Fisheries and the Environment.
- Sodwana Bay Market: Construction of the projects started during the current year and funding was received from the Department of Forestry, Fisheries and the Environment. The total project Value awarded to the contractor amounts to R16 million.

Restrictions on realisability of investment property

Property cannot be alienated without the permission of the Minister of Environment, Forestry and Fisheries Affairs.

There are no contractual obligations to purchase, construct, repair or enhance investment property.

A register containing the information of all assets is available for inspection at the registered office of the Authority.

5. Intangible assets

	2021			2020		
	Cost	Accumulated amortisation and accumulated impairment	Carrying value	Cost	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	1,755,761	(405,815)	1,349,946	279,135	(210,456)	68,679
Website (internal development)	88,342	(70,161)	18,181	88,342	(64,272)	24,070
Total	**1,844,103**	**(475,976)**	**1,368,127**	**367,477**	**(274,728)**	**92,749**

Reconciliation of intangible assets - 2021

	Opening balance	Additions	Amortisation	Closing Balance
Computer software	68,679	1,476,626	(195,359)	1,349,946
Website (internal development)	24,070	-	(5,889)	18,181
	92,749	**1,476,626**	**(201,248)**	**1,368,127**

Reconciliation of intangible assets - 2020

	Opening balance	Amortisation	Closing Balance
Computer software	91,583	(22,904)	68,679
Website (internal development)	29,958	(5,888)	24,070
	121,541	**(28,792)**	**92,749**

Notes to the Annual Financial Statements

6. Inventories

Figures in Rand	2021	2020
Promotional materials	31,931	12,887
Stationery	254,843	17,607
	286,774	**30,494**
Inventories recognised as an expense during the year	186,893	397,801

Stationary inventory recognised as an expense is included as part of printing, stationary and other consumables under other operating expenses.

Inventory pledged as security

No inventory was pledged as security.

7. Receivables from exchange transactions

Figures in Rand	2021	2020
Trade debtors	1,914,761	2,386,714
Prepaid expenses	3,830,683	7,551,560
Project advances and study loans to staff	79,364	128,381
Deposits	128,032	139,455
SARS	14,385	14,385
	5,967,225	**10,220,495**

8. Cash and cash equivalents

Cash and cash equivalents consist of:

Figures in Rand	2021	2020
Bank accounts - operational	10,986,775	18,549,624
Bank accounts - conditional grants	108,224,268	255,237,029
Bank accounts - other	7,082,697	10,866,068
Petty cash	3,230	4,251
	126,296,970	**284,656,972**

9. Trade and other payables

Figures in Rand	2021	2020
Trade payables	23,440,247	11,923,672
Accrued expenses	820,098	2,337,859
Accrued leave pay	3,107,501	2,106,091
Employee related deductions	329,282	36,564
Amounts owing to donors	329,354	23,827,206
Retentions	9,930,001	1,788,479
Levies payable	4,391,795	4,687,162
Deposits on staff housing	35,560	28,836
Concessionaires' performance bonds	1,794,281	1,726,781
Advance income	69,916	65,633
	44,248,035	**48,528,283**

Notes to the Annual Financial Statements

Figures in Rand	2021	2020

10. Unspent conditional grants and receipts

Unspent conditional grants comprises of:

Unspent conditional grants		
IP Equipment & Facilities	919,952	26,007,165
NIHSS Humanities Hub	501,071	501,071
Working for Water	-	1,850,470
Oceans and Cost	2,521,473	2,668,973
Corridor Lubombo	2,922	2,922
Tourism Infrastructure	31,660,190	35,076,343
Lotto Art, Craft & Environment Programme	1,295,543	1,296,698
Working for Wetlands	80,122	-
Peace Parks Foundation	63,055	63,055
Tourism Guides	8,823	9,963
IP Equipment & Facilities 17/18	59,410	610,237
IP Infrastructure	12,229,535	137,647,766
IP Value Added Industries	12,374,427	39,442,448
Environmental Monitors	-	6,745,549
Environmental Monitors Host	1,587,487	1,751,761
Additional allocation- Infrastructure	415,925	415,925
Operation Pakisa Youth Training	273,400	1,367,000
Presidential Stimulus	6,669,245	-
	70,662,580	**255,457,346**

The nature and extent of grants recognised in the annual financial statements and the source thereof are disclosed under the reconciliation of government grants.

See note 13 for reconciliation of grants from National/Provincial Government.

All amounts received are invested in a ring-fenced investment until utilised.

11. Investment revenue

Interest revenue		
Bank	556,524	806,815

Interest income is interest earned by the Authority on operational bank accounts. All interest earned on bank balances for conditional grants is recognised as a liability under payables as amounts owing to donors.

12. Other income

Sundry income	2,169,475	3,272,588

Included in Sundry income are costs recoveries (as shown in the table below) relating to Enterprise Development of SMME's (Training) and the students bursaries programme (selected students from the local communities). The income is recognised from the levy account when the expenditure is incurred.

The amount included in Sundry income is as follows:		
Training and bursary income realised	1,165,500	2,630,482
Employment Tax Incentive	647,604	-
Rental income	324,535	210,917
Sale of maps at gates	16,950	101,185
Sundry cash income	100	243,105
Sundry non-cash income	14,785	86,900
	2,169,474	**3,272,589**

Notes to the Annual Financial Statements

Figures in Rand	2021	2020

13. Grants and subsidies

Operating grants		
Unconditional grants #	175,776,586	36,076,000
Operation Pakisa Youth Training	1,093,600	1,367,000
NIHSS Humanities Hub	-	25,000
Working for Water	20,401,470	19,194,952
Oceans and Cost	1,797,500	1,921,051
SANParks - Environmental Monitors Projects	-	442,326
Lotto Art, Craft & Environment Programme	1,154	470,011
Presidential Stimulus	66,330,755	-
Working for Wetlands	2,654,609	927,300
Working for the Coast	-	2,327,504
Tourism Guides	1,140	31,172
Environmental Monitors	22,809,193	20,714,811
Environmental Monitors Host	7,702,215	5,968,959
	298,568,222	**89,466,086**
Capital grants		
IP Equipment & Facilities	21,442,108	5,745,389
Additional allocation- Infrastructure	-	32,164,169
Tourism Infrastructure	2,970,717	1,125
IP Equipment & Facilities 17/18	470,958	1,901,337
IP Equipment & Facilities	116,128,297	33,664,461
IP Value Added Industries	27,068,020	557,553
	168,080,100	**74,034,034**
	466,648,322	**163,500,120**

Grants receipts

Grants receipts during the year are as follows:

Conditional grants received	121,416,432	258,799,663
Unconditional grants received #	149,786,000	36,076,000
	271,202,432	**294,875,663**

The Authority was authorised to utilise interest accumulated on unspent grants (Amounts owing to donors) The total interest recognised as revenue and included under unconditional grants is R25,990,586

Reconciliation of conditional grants movements:

IP Equipment & Facilities

Balance unspent at beginning of year	26,007,165	32,729,073
Conditions met - transferred to grant revenue	(21,442,107)	(5,745,389)
Conditions met - transferred to management fees	(1,500,940)	(402,096)
Conditions met - transferred to administration fees	(643,226)	(172,327)
Conditions met - transferred to personnel costs recoveries	(1,500,940)	(402,096)
	919,952	**26,007,165**

Conditions still to be met - remain liabilities (see note 10).

The grant is funded by Department of Forestry, Fisheries and the Environment.

Purpose of grant:
Marketing/branding materials & equipment. Facilities and boundary upgrade (electrified game fencing); Furnishing of meet & greet; purchase of field vehicles and anti-poaching equipment, office upgrade

Notes to the Annual Financial Statements

Figures in Rand	2021	2020

13. Grants and subsidies (continued)

NIHSS Humanities Hub

Balance unspent at beginning of year	501,071	526,071
Conditions met - transferred to grant revenue	-	(25,000)
	501,071	**501,071**

Conditions still to be met - remain liabilities (see note 10).

The grant is funded by National Institute of Human and Social Science.

Purpose of grant:
Social science funding to implement a social hub to foster a spirit of collaborative knowledge production and dissemination amongst communities, civil society and different academic disciplines.

Working for Water

Balance unspent at beginning of year	1,850,470	(7,951,594)
Current-year receipts	18,551,000	32,988,214
Conditions met - transferred to grant revenue	(20,401,470)	(19,194,952)
Conditions met - transferred to management fees	-	(1,432,630)
Conditions met - transferred to administration fees	-	(613,984)
Conditions met - transferred to personnel costs recoveries	-	(1,944,584)
	-	**1,850,470**

Refer to note 10 unspent for grant in 2020

The grant is funded by Department of Forestry, Fisheries and the Environment.

Purpose of grant:
Restoration of iSimangaliso land, through the empowerment of neighbouring communities, by clearing invasive alien plants.

Oceans and Cost

Balance unspent at beginning of year	2,668,973	990,024
Current-year receipts	1,650,000	3,600,000
Conditions met - transferred to grant revenue	(1,797,500)	(1,921,051)
	2,521,473	**2,668,973**

Conditions still to be met - remain liabilities (see note 10).

The grant is funded by Department of Forestry, Fisheries and the Environment.

Purpose of grant:
To manage the marine protected area.

Corridor Lubombo

Balance unspent at beginning of year	2,922	2,922

Conditions still to be met - remain liabilities (see note 10).

The project is funded by Department of Forestry, Fisheries and the Environment.

Purpose of grant:
Lubombo route development and marketing.

Notes to the Annual Financial Statements

Figures in Rand	2021	2020

13. Grants and subsidies (continued)

Tourism Infrastructure

Balance unspent at beginning of year	35,076,343	5,077,468
Current-year receipts	-	30,000,000
Conditions met - transferred to grants revenue	(2,970,716)	(1,125)
Conditions met - transferred to management fee	(207,871)	-
Conditions met - transferred to administration fee	(148,479)	-
Conditions met - transferred to personnel costs recoveries	(89,087)	-
	31,660,190	**35,076,343**

Conditions still to be met - remain liabilities (see note 10).

The grant is funded by Department of Forestry, Fisheries and the Environment.

Purpose of grant:
Infrastructure Development Programme for Charters Creek upgrade

Lotto Art, Craft & Environment Programme

Balance unspent at beginning of year	1,296,698	435,074
Current-year receipts	-	1,331,635
Conditions met - transferred to revenue	(1,155)	(470,011)
	1,295,543	**1,296,698**

Conditions still to be met - remain liabilities (see note 10). Refer to note for conditional grants receivable in prior year.

The Authority was awarded a grant by the National Lotteries Board for Youth Environmental Education, Art Skills and Craft Skills. The contract was concluded on 15 July 2010. Since inception of the project, contracts totalling R6,001,851 (since 2011/12 to 2019/20: R5,623,606) have been awarded

Purpose of grant:
Youth Environmental education, Art skills & Economic Development Programme and craft programme.

Expenditure for the year was as follows:		
- Youth Environmental Education	-	212,736
- Art Skills	-	145,675
- Craft Skills	-	111,600
	-	**470,011**

Working for Wetlands

Current-year receipts	3,000,000	927,300
Conditions met - transferred to grant revenue	(2,654,609)	(927,300)
Conditions met - transferred to management fee	(185,688)	-
Conditions met - transferred to administration fee	(79,581)	-
	80,122	**-**

The grant is funded by Department of Forestry, Fisheries and the Environment.

Purpose of grant:
Restore functioning of degraded wetlands system.

Peace Parks Foundation

Balance unspent at beginning of year	63,055	63,055

Notes to the Annual Financial Statements

Figures in Rand	2021	2020

13. Grants and subsidies (continued)

Conditions still to be met - remain liabilities (see note 10).

The project is funded by Peace Parks Foundation.

Purpose of grant:
Special scientific research studies for the Transfrontier Conservation with Mozambique

Working for the Coast

Balance unspent at beginning of year	-	(3,632,852)
Current-year receipts	-	6,200,000
Conditions met - transferred to grant revenue	-	(2,327,504)
Conditions met - transferred to management fee	-	(126,799)
Conditions met - transferred to administration fee	-	(32,263)
Conditions met - transferred to personnel costs recoveries	-	(80,582)
	-	**-**

The grant is funded by Department of Forestry, Fisheries and the Environment.

Purpose of grant:
Coast clean-up, maintenance of ablution blocks, maintenance of boardwalk, jetties and viewing decks and monitoring of beach.

Tourism Guides

Balance unspent at beginning of year	9,963	41,135
Conditions met - transferred to grants revenue	(1,140)	(31,172)
	8,823	**9,963**

Conditions still to be met - remain liabilities (see note 10).

The project is funded by Department of Tourism.

Purpose of grant:
To develop the capacity of tourist guides to enhance the overall visitor experience provided at the iSimangaliso Wetland Park.

IP Equipment & Facilities 17/18

Balance unspent at beginning of year	610,237	2,834,591
Conditions met - transferred to grants revenue	(470,958)	(1,901,337)
Conditions met - transferred to management fee	(32,887)	(133,020)
Conditions met - transferred to administration fee	(14,095)	(56,977)
Conditions met - transferred to personnel costs recoveries	(32,887)	(133,020)
	59,410	**610,237**

Conditions still to be met - remain liabilities (see note 10).

The grant is funded by Department of Forestry, Fisheries and the Environment.

Purpose of grant:
IT equipment ,Gate furniture & equipment , Park furniture,office improvements, Signage. Dredge spoil removal

IP Infrastructure

Balance unspent at beginning of year	137,647,766	62,067,696
Current-year receipts	-	111,296,094
Conditions met - transferred to revenue	(116,128,297)	(33,664,462)
Conditions met - transferred to administration fee	(3,483,725)	(398,110)

Notes to the Annual Financial Statements

Figures in Rand	2021	2020
13. Grants and subsidies (continued)		
Conditions met - transferred to personnel costs recoveries	(5,806,209)	(1,653,452)
	12,229,535	**137,647,766**

Conditions still to be met - remain liabilities (see note 10).

The grant is funded by Department of Forestry, Fisheries and the Environment.

Purpose of grant:
Charters Creek tourism development, office building, roads, fence and building maintenance and signage.

SANParks - Environmental Monitors

	2021	2020
Current-year receipts	-	442,326
Conditions met - transferred to revenue	-	(442,326)
	-	**-**

The grant is funded by Department of Forestry, Fisheries and the Environment.

Purpose of grant:
To fund the environmental monitors.

IP Value Added Industries

	2021	2020
Balance unspent at beginning of year	39,442,448	40,000,000
Conditions met - transferred to revenue	(27,068,021)	(557,552)
	12,374,427	**39,442,448**

Conditions still to be met - remain liabilities (see note 10).

The grant is funded by Department of Forestry, Fisheries and the Environment.

Purpose of grant:
Roads rehabilitation, housing, field ranger camp, libraries and ablution at schools using value add materials and development of craft market.

Environmental Monitors

	2021	2020
Balance unspent at beginning of year	6,745,549	-
Current-year receipts	17,215,432	28,700,000
Conditions met - transferred to revenue	(22,809,193)	(20,714,811)
Conditions met - transferred to administration fee	(1,151,788)	(1,239,640)
	-	**6,745,549**

The grant is funded by Department of Forestry, Fisheries and the Environment.

Purpose of grant:
To fund the environmental monitors

Environmental Monitors Host

	2021	2020
Balance unspent at beginning of year	1,751,761	-
Current-year receipts	8,000,000	8,000,000
Conditions met - transferred to revenue	(7,702,215)	(5,968,959)
Conditions met - transferred to administration fee	(462,059)	(279,280)
	1,587,487	**1,751,761**

Notes to the Annual Financial Statements

Figures in Rand	2021	2020

13. Grants and subsidies (continued)

Conditions still to be met - remain liabilities (see note 11).

The grant is funded by Department of Forestry, Fisheries and the Environment.

Purpose of grant:
To fund the environmental monitors.

Additional allocation- Infrastructure

Balance unspent at beginning of year	415,925	-
Current-year receipts	-	32,580,094
Conditions met - transferred to revenue	-	(32,164,169)
	415,925	**415,925**

Conditions still to be met - remain liabilities (see note 10).

The grant is funded by Department of Forestry, Fisheries and the Environment.

Purpose of grant:
Infrastructure refurbishment and coast care.

Operation Pakisa Youth Training

Balance unspent at beginning of year	1,367,000	-
Current-year receipts	-	2,734,000
Conditions met - transferred to revenue	(1,093,600)	(1,367,000)
	273,400	**1,367,000**

Conditions still to be met - remain liabilities (see note 10).

The grant is funded by Department of Forestry, Fisheries and the Environment.

Purpose of grant
To assist in youth training.

Presidential Stimulus

Current-year receipts	73,000,000	-
Conditions met - transferred to revenue	(66,330,755)	-
	6,669,245	**-**

Conditions still to be met - remain liabilities (see note 10).

The grant is funded by Department of Forestry, Fisheries and the Environment.

Purpose of grant
To maintain infrastructure assets within the park.

14. Public contributions and donations

Donations in cash	-	88,500
Donations in kind	4,299	91,121
	4,299	**179,621**

When donations related to rare and endangered species fund are received, they are transferred to the rare and endangered species fund account. These are recognised as revenue in the period in which they are received.

Notes to the Annual Financial Statements

	2021	2020 Restated*
15. Personnel costs		
Basic salary	30,198,659	25,505,487
Leave expense	1,326,181	768,503
Travel reimbursive	1,031,354	1,162,628
Skills development levy	248,976	319,590
Payroll processing	51,041	53,147
Recruitment	699	170,209
Workmens compensation	197,261	131,819
Training	261,840	89,957
Other costs related to personnel	619	9,481
	33,316,630	**28,210,821**
16. Project costs		
Project costs comprises:		
- Chemicals, materials & equipment hire and uniforms	5,650,597	7,479,482
-Marine compliance monitoring	1,747,500	1,747,500
- Management and administration fees	-	742,857
- Wages and coast care cleaning	50,181,321	45,077,952
	57,579,418	**55,047,791**
17. Professional, consulting and legal fees		
Professional and consulting	15,783,276	7,546,250
Legal fees	6,134,371	1,011,740
	21,917,647	**8,557,990**
18. Depreciation, amortisation and impairment		
Depreciation, amortisation and impairment comprises:		
- Depreciation on property, plant & equipment	33,277,117	30,655,222
- Depreciation on Investment property	5,068,183	5,200,066
- Amortisation on Intangible assets	201,248	28,792
- Impairment on on property, plant & equipment	126,751	-
- Impairment on on investment property	2,064,140	-
	40,737,439	**35,884,080**
19. Lease rentals on operating lease		
Equipment		
Contractual amounts	92,856	80,893

Equipment rental comprises payments made for operating leases of photocopiers. The contracts in respect of photocopiers lapse on 23 October 2020. Refer to commitment note for contractual commitments disclosure.

Notes to the Annual Financial Statements

Figures in Rand	2021	2020

20. Contracted services

Contracted services comprises of:		
Repairs and maintenance to assets: Refer to note 3	97,250,194	18,098,715
Cleaning services signage and visitors facilities	26,036,704	14,131,522
Gate management and access control costs	13,885,101	14,387,836
Security	23,107,159	7,957,015
IT support	256,433	221,101
	160,535,591	**54,796,189**

21. Loss on disposal and write off of fixed assets

Loss on disposal and write off of fixed assets comprises:		
- Property, plant & equipment	8,791,332	1,220,943
- Investment property	4,117,205	1,032,273
	12,908,537	**2,253,216**

22. Other operating expenses

Advertising and publicity	305,132	61,954
Audit fees - internal	1,034,394	1,699,235
Auditors remuneration	1,205,014	1,451,243
Bank charges	175,497	233,803
Board expenses	1,693,249	1,349,979
Computer expenses	98,796	22,396
Donations	14,649	3,000
Electricity, water, sewer and rates	691,540	1,248,893
Game purchases and management	103,820	276,478
Insurance	143,925	165,949
Issue of maps	10,670	25,000
License fees	604,236	278,500
Marketing and promotion	1,296,774	477,792
Postage and courier	940	1,791
Printing, stationary and inventory consumed	530,194	1,128,917
Minor assets expensed	6,047	27,504
Staff refreshments, consumables and cleaning	144,258	199,997
Telephone and fax	976,680	328,506
Training	5,518,945	8,020,287
Travel and catering expenses	337,350	2,753,126
Wages - monitors	-	442,326
Workshops & meetings	1,358,310	1,001,120
	16,250,420	**21,197,796**

23. Auditors' remuneration

Fees	1,205,014	1,451,243

Notes to the Annual Financial Statements

Figures in Rand	2021	2020

24. Cash generated from operations

Surplus (deficit)	151,719,692	(8,858,698)
Adjustments for:		
Depreciation and amortisation	40,737,439	35,884,080
Loss on disposal of assets	12,908,536	2,253,216
Donations in kind	(4,299)	(91,121)
Changes in working capital:		
Inventories	(256,280)	70,038
Receivables from exchange transactions	4,253,270	(8,840,524)
Other receivables from non-exchange transactions	-	11,584,446
Trade and other payables	(23,961,987)	554,561
Unspent conditional grants and receipts	(184,794,766)	110,690,237
	601,605	**143,246,235**

*Only movement in operating payables was adjusted in working capital. All payables relating to acquisition of assets were adjusted for in cash paid to acquire assets.

25. Commitments

Authorised capital expenditure

Approved and contracted for		
• Building and structures	8,217,928	27,968,602
• Boreholes drilling	2,941,713	6,419,008
• Roads	26,897,239	39,114,275
• Investment property	45,887,663	-
Total capital commitments	**83,944,543**	**73,501,885**

Total capital commitments		
Total approved and contracted for	83,944,543	73,501,885

Authorised capital expenditure

The commitment expenditure relates to infrastructure contracts that have been entered into with suppliers. These contracts will be financed through project grants already received and allocated for future years as per allocation letter from DFFE.

Operating leases - as lessee (expense)

Operating lease payments represent rentals payable by the Authority for photocopiers. The contracts in respect of photocopiers lapse on 23 October 2020. No contingent rent is payable.

The future rental commitments are:

Minimum lease payments		
Payable during next financial year	-	51,535

Notes to the Annual Financial Statements

Figures in Rand	2021	2020

26. Contingencies

The Authority had the following contingent liabilities:		
Construction contract	12,038,123	12,038,123
Fire Claim	35,067,037	35,067,037
	47,105,160	**47,105,160**

Land claims
A number of land claims have been settled on land controlled by the Authority in respect of which co-management agreements have been concluded. The agreements do not permit occupation or use of Park assets and there are no recurring fixed financial obligations for iSimangaliso.

Construction contract
Sanyati, a construction company that contracted to iSimangaliso, was liquidated in July 2012. The Authority took the view that it would not recover any monies due to it by Sanyati and wrote the amounts in question off in previous years. Subsequently, Sanyati's liquidator raised a claim for work measured post liquidation, and disputed penalties levied by the Authority against Sanyati for non-achievement of labour targets. The liquidator's claim has, however, not been pursued and, in the Authority's view, may have become prescribed. Nonetheless, the Sanyati liquidator called for the issue of a final account and a final payment certificate, indicating that its claim might not, in fact, have prescribed. In the circumstances, the Authority considers it prudent to treat a potential claim from the liquidator as a contingent liability.

Fire Claim
The Western Shores section of iSimangaliso has incorporated forestry land belonging to Siyaqubeka (SQF) by agreement. In August 2012, two fires broke out in park and forestry areas. SQF issued summons in 2015 for damages to its Dukuduku and Nyalazi plantations initially in the amounts of R705,188 and R14,342,237 respectively. After March 2015, SQF amended its pleadings and increased the claim to R3,056,150 for Dukuduku and R32,010,887 for Nyalazi. The matter has been referred to counsel. The Authority has been advised that claims involving contributory negligence may run for up to 5 years. The amount of the claim is reflected as a contingent liability.

Notes to the Annual Financial Statements

Figures in Rand	2021	2020

27. Related parties

Relationships	
Parent department	Department of Forestry, Fisheries and the Environment (DFFE)
Controlled by DFFE	-South African National Parks -Biodiversity Institute -South African Weather Services

Identity of related parties
The Authority's parent department is the Department of Forestry, Fisheries and the Environment (DFFE). The entities under the control of the DFFE are South African Biodiversity Institute, South African National Parks and South African Weather Services. The Authority receives an annual allocation from DFFE, which it uses to finance its operations. From time to time it also receives additional grants from the Expanded Public Works Programme (EPWP) managed by DFFE.

Related party balances

	2021	2020
Amounts included in payables regarding related parties		
DFFE-Amounts owing to donors (interest on project funds)	-	23,308,756
Approved allocation of funding with related parties		
DFFE-Operations for the next financial year	123,089,000	116,672,000
COVID-19 relief funding to cover operating costs	-	39,000,000

Related party transactions

	2021	2020
Transfers from related party		
DFFE-Grants received	271,202,432	293,101,702
SANParks-Grants received	-	442,326

Key management information

Class	Description	Number
Non-executive board members	All independent	8
Executive board members	CEO	1
Executive management	Departmental heads	4

Key management-related activities
No loans or payments were made to management of iSimanagliso Wetland Park Authority during the year, nor were any material transactions entered into with them.

Notes to the Annual Financial Statements

Figures in Rand

27. Related parties (continued)

Remuneration of management

Board members

2021

	Meeting attendance fees and preparation	Allowances/ Re-imbursements	Total
Non-Executive Directors			
Prof A T Nzama (Chairperson)	278,973	4,565	283,538
Inkosi MI Tembe (Deputy Chair	182,760	3,960	186,720
Mrs N Cawe	123,093	13,423	136,516
Mr L Lankalebalele	136,164	16,918	153,082
Mr GG Nair	102,141	4,309	106,450
Mrs L Noge-Tungamirai	102,141	6,316	108,457
Prof CP Small	94,284	-	94,284
	1,019,556	**49,491**	**1,069,047**

2020

	Meeting attendance fees	Allowances/ Re-imbursements	Total
Non-Executive Directors			
Prof A T Nzama (Chair effective 1 March 2020)'	37,443	6,572	44,015
Inkosi MI Tembe (Deputy Chair effective 1 March 2020)	7,556	-	7,556
Mrs N Cawe	5,238	-	5,238
Mr L Lankalebalele	5,238	-	5,238
Mr GG Nair	5,238	-	5,238
Mrs L Noge-Tungamirai	5,238	-	5,238
Prof CP Small	5,238	-	5,238
Mr P N B Zwane (Chair up to 29 Feb 2020)	146,780	7,336	154,116
Ms B Schreiner (Vice Chair up to 29 Feb 2020)	59,126	-	59,126

Notes to the Annual Financial Statements

Figures in Rand

27. Related parties (continued)

iNkosi Z T Gumede	7,857	10,368	18,225
Mrs T Mhlongo	26,190	2,736	28,926
Mrs D S Nene	49,761	-	49,761
Mr S Roopa	44,343	2,515	46,858
	405,246	**29,527**	**434,773**

Remuneration paid to non-executive board member is included in board expense in the Statement of Financial Performance.

Executive Directors and Senior management

2021

Name	Basic salary	Allowances & Reimbursive expenses	Medical Aid	Provident Fund/ Retirement annuity	Other statutory contributions	Total
Chief Executive Officer	1,857,426	96,720	65,019	68,553	14,556	2,102,274
Chief Financial Officer	169,447	9,050	-	5,682	2,014	186,193
Executive Manager Biodiversity	1,379,385	118,116	49,026	5,675	11,999	1,564,201
Executive Manager SED	1,116,279	414,643	24,554	49,584	11,132	1,616,192
Executive Manager Tourism	1,060,962	428,903	62,755	51,078	11,230	1,614,928
	5,583,499	**1,067,432**	**201,354**	**180,572**	**50,931**	**7,083,788**

2020

Name	Basic salary	Allowances	Medical Aid	Other statutory contributions	Total
Chief Executive Officer	1,832,820	194,372	37,834	21,527	2,086,553
Chief Financial Officer	1,373,541	74,257	-	16,104	1,463,902
Executive Manager Biodiversity	1,327,307	135,940	53,168	16,373	1,532,788
Executive Manager SED (9 months)	845,631	366,129	-	12,196	1,223,956
Executive Manager Tourism (8 months)	739,929	275,639	-	10,727	1,026,295

Notes to the Annual Financial Statements

Figures in Rand

27. Related parties (continued)

	6,119,228	**1,046,337**	**91,002**	**76,927**	**7,333,494**

Remuneration paid to executive directors is included in personnel costs in the Statement of Financial Performance.

An interim Chief Financial Officer (CFO) was then appointed during July 2020 till end of February 2021, after which a full time CFO was appointed.

28. Heritage assets

The iSimangaliso Wetland Park is 358 534 hectares in extent. The five major ecosystems found in iSimangaliso provide habitat for a significant diversity of African biota. These ecosystems are:

- The marine ecosystem, characterised by a warm sea, the southernmost extension of coral reefs in Africa, submarine canyons and long sandy beaches
- The coastal dune system, consisting of linear dunes up to 180m in height, sub-tropical forests, grassy plains and wetlands
- Lake systems, consisting of two estuarine-linked lakes (St Lucia and Kosi) and four large freshwater lakes
- The uMkhuze and iMfolozi swamps, with swamp forest, extensive reed and papyrus wetlands
- The inland western shores, with ancient shoreline terraces and dry savannah woodland.

This diversity provides important habitats for a large number of species, including those that are rare, threatened or endemic. The species' lists for iSimangaliso are the most extensive in the region, and population sizes of most species are viable. Of the over 6,500 plant and animal species known to occur in the Park, populations of those with conservation importance include 11 species that are endemic to the Park, 56 species endemic to KwaZulu-Natal, and 108 species endemic to South Africa. 467 Species are listed as threatened in South Africa. In the past, little was known about the status and viability of many rare, threatened and endemic species in the Park, particularly the lower vertebrate and invertebrate species. But studies on a number of these species are currently underway.

Notes to the Annual Financial Statements

Figures in Rand	2021	2020

28. Heritage assets (continued)

The Park is situated on the southernmost extremity of the Mozambique coastal plain and, as a result, hosts numerous species not found elsewhere in South Africa. This adds to the value and importance of this unique area from a South African species-conservation perspective. The presence of some of these species north of our borders, cannot detract from the importance of conserving the South African populations, as very little information is generally available on their conservation status and distribution in other parts of southern and central Africa. iSimangaliso is clearly a critical habitat for a range of species from Africa's marine, wetland and savannah environments.

iSimangaliso also has four Ramsar sites*, an accreditation that recognises the ecological significance of those sites', their function as wetlands and their importance as resources of economic, cultural, scientific and recreational value. The sites are:

- St Lucia Lake System: on the coast, between the iMfolozi Swamps from south of the iMfolozi River to the uMkhuze River in the north. The site was designated on 2 October 1986 (Ramsar Site # 345)
- Turtle Beaches/Coral Reefs of Tongaland: on the coast, stretching from just south of Cape Vidal northwards to the border of Mozambique. The site was designated on 2 October 1986 (Ramsar Site # 344)
- Kosi Bay Lake System: on the coast south of Mozambique on the Maputaland Coastal Plain. The site was designated on 28 June 1991 (Ramsar Site #527);
- Lake Sibaya: on the coast, north of the Cape Vidal Reserve and South of Sodwana Bay. The site was designated on 28 June 1991 (Ramsar Site # 528).

The remarkable ecological diversity and significance of iSimangaliso is, therefore, unique, not only on the African continent, but also from a global perspective. For example, available information suggests that no other locality in the world harbours such a wide range of wetland types in a single protected area. Of the 32 marine/coastal and inland natural-wetland forms recognised by the Ramsar Convention, no fewer than 23 of these forms occur within the Park.

The financial value of the Park's heritage assets cannot be reliably measured as there is no active market.

*A Ramsar site is a wetland protected under the 1971 Ramsar Convention on Wetlands of International Importance.

29. Change in estimate

Property, plant and equipment

The useful life of property, plant and equipment was revised in the current year after management noted that some assets have more useful life than originally estimated. The effect of this revision has reduced depreciation charges for the current period by R 690,915 and increased depreciation charges for future by the same amount.

Notes to the Annual Financial Statements

Figures in Rand	2021	2020

30. Prior period errors

Error 1

During the year, invoices relating to 2020 financial year that were not accrued were identified. These invoices were corrected retrospectively. The net effect of the adjustments on each class of asset are shown below:

Statement of financial position

Increase in property, plant and equipment (roads)	-	1,487,813
Increase in property, plant and equipment (reservoirs and boreholes)	-	47,484
Trade and other payables(accrued expenses)	-	(1,510,644)
Trade and other payables (retentions)	-	(148,782)
Decrease in unspent conditional grants (IP Infrastructure 18/21)	-	1,606,838

Notes to the Annual Financial Statements

Figures in Rand	2021	2020

30. Prior period errors (continued)

Statement of financial performance		
Increase in grants revenue (IP Infrastructure 18/21)	-	(1,487,813)
Increase in administration fees income	-	(44,634)
Decrease in employee costs (increase in charge out to programmes recoveries)	-	(74,391)
Increase in professional fees expense	-	3,340
Increase in legal fees expense	-	120,789

Error 2

The authority presented bank charges for projects under project cost in prior years. However, this was noted to be in contravention of GRAP 1 and the option selected by the authority to disclose expenses by nature as there are bank charges already under other operating expenses. The bank charges under project costs were reclassified to other operating expenses and this resulted in a decrease of R18,121 and an increase in other operating expenses by the same amount.

Repairs and mainatanance amounting to R8,909,014 were also reclassified from project costs and presented under contracted services in order to present all expenses of the same nature together.

Employee costs were incorrectly presented net of recoveries from of R4,139,345 in the prior year. This was corrected by presenting recoveries as seperate in come.

Furher, some computer equpment assets were incorrecly depreciated at lower rates than the accounting policy. The the total depreciation expense adjustment in pior year amounted to R14,239, and a further R10,239 relating to opening accumulated depreciationn for prior year:

Some equipment assets with origional cost of R150,224 and closing carrying value as at 31 March 2020 of R70,553 were incorectly not included in the asset register and financial statements. These assets were adjusted for and included in the asset register retrospectively.

The correction of the error results in adjustments as follows:

Statement of financial position		
Increase in opening retained income	-	(76,261)
Increase in accumulated depreciation of property, plant and equipment	-	(104,149)
Increase in cost of property, plant and equipment	-	150,224
	-	**(30,186)**

Statement of financial performance		
Increase in personnel costs recoveries	-	(4,139,345)
Increase in personel costs	-	4,139,345
Decrease in project costs (maintenance)	-	(8,909,014)
Decrease in project costs (Wages and coast care cleaning)	-	(18,121)
Increase in contracted services costs (maintenance)	-	8,909,014
Increase in operating expenses (bank charges)	-	18,121
Increase in depreciation expense (property, plant and equipment)	-	30,186
	-	**30,186**

Error 3

The cash flow statement was incorrectly presented as it did not take into account payables relating to capital related assets. Cash flow from acquisition of assets was not adjusted for payables at beginning and year end. The net adjustments to acquisition of property, plant and equipment assets was R1,768,955

Project costs of R1,747,500 for marine compliance monitoring were included under chemicals, materials and equipment hire within project costs. The error was corrected by disclosing the expense separately within project costs. The total of project costs expenses was not affected by this error.

Notes to the Annual Financial Statements

Figures in Rand	2021	2020

30. Prior period errors (continued)

Capital commitments for Mabibi road construction were also overstated due to cut off in error number 1 above of R1,487,813, and an additional error of R455,572. The error was corrected by reducing capital commitments by the total of R1,943,385.

31. Prior-year adjustments

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by prior-year adjustments:

Statement of financial position: Extract

2020

	Note	As previously reported	Correction of error	Restated
Property, plant and equipment	3	545,811,283	1,581,371	547,392,654
Trade and other payables	9	(46,868,857)	(1,659,426)	(48,528,283)
Unspent conditional grants	10	(257,064,183)	1,606,838	(255,457,345)
Accumulated Surplus		(628,327,538)	(1,528,783)	(629,856,321)
		(386,449,295)	**-**	**(386,449,295)**

Statement of financial performance: Extract

2020

	Note	As previously reported	Correction of error	Re-classification	Restated
Grants and subsidies		(162,012,308)	(1,487,813)	-	(163,500,121)
Administration fees		(2,747,946)	(44,634)	-	(2,792,580)
Personnel costs recoveries/fees		-	(74,391)	(4,139,345)	(4,213,736)
Personnel costs	15	24,071,476	-	4,139,345	28,210,821
Project costs	16	63,974,926	-	(8,927,135)	55,047,791
Professional, consulting and legal fees	17	8,433,860	124,129	-	8,557,989
Depreciation expense	18	35,853,895	30,185	-	35,884,080
Contracted services	20	45,887,175	-	8,909,014	54,796,189
Other operating expenses	22	21,179,675	-	18,121	21,197,796
Net adjustments		**34,640,753**	**(1,452,524)**	**-**	**33,188,229**

Cash flow statement: Extract

2020

	As previously reported	Correction of error	Restated
Cash flow from operating activities			
Cash paid to suppliers	(147,943,168)	1,768,955	(146,174,213)
Cash flow from investing activities			
Purchase of property, plant and equipment	(54,960,263)	(1,768,955)	(56,729,218)

Disclosures

The following prior period errors adjustments occurred:

Notes to the Annual Financial Statements

Figures in Rand	2021	2020

31. Prior-year adjustments (continued)

Commitments	As previously reported	Correction of error	Restated
Capital commitments-Roads	41,057,660	(1,943,385)	39,114,275

Notes to the Annual Financial Statements

Figures in Rand	2021	2020

32. Risk management

Liquidity risk

The Authority's risk to liquidity is a result of the funds available to cover future commitments. The Authority manages liquidity risk through an ongoing review of future commitments.

The table below shows the Authority's financial liabilities at the statement of financial position date. The amounts disclosed in the table are the undiscounted cash flows as all liabilities are due within 12 months and the impact of discounting is not significant.

Financial instrument		
Trade and other payables	44,248,035	48,528,283
Unspent conditional grants	70,662,580	255,457,346
	114,910,615	**303,985,629**

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, receivables from exchange transactions and receivables from non-exchange transactions. The Authority only deposits cash with major banks 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. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board.

Cash at bank is held with one of the major banks in South Africa.

These assets are not hedged for credit risk, with the exception of Trade debtors included within receivables from exchange transactions. All operators within the park are required to deposit Concessionaires' performance bonds that are held as security by the Authority. These are included as part of trade and other payables.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument		
Receivables from exchange transactions	5,967,225	10,220,495
Cash and cash equivalents	126,296,970	284,656,972
Debtors past due		
>120 days	823,325	936,739
>90 days	101,276	157,036
>60 days	219,958	145,719
>30 days	286,152	330,400
	1,430,711	**1,569,894**

Included in debtors past due are government debtors totalling R482,338 (Prior year R291,301). The risk associated with government debtors is considered low. government debt owing for more than 120 days of R349,370 (Prior year R231,660) is in respect of utilities payable by Ezemvelo KZN Wildlife.

Other risks

Interest rate risk

Surplus cash earns interest and the rate is exposed to fluctuations in the Repo rate. However, as the Authority has no significant interest-bearing assets, the Authority's income and operating cash flows are substantially independent of changes in market interest rates. Hence the risk is considered low as deposits are held with major South African bank. The Authority does not invest in equity instruments.

Notes to the Annual Financial Statements

Figures in Rand	2021	2020

33. Going concern

As at 31 March, 2021, the Authority had accumulated surplus of R 781,576,010 and that the Authority's current assets exceed its current liabilities by R17,640,354

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the Authority to continue as a going concern is dependent on a number of factors. The most significant of these is that the government will continue to procure funding for the ongoing operations for the Authority. Note to related part transactions provides grant allocated by the government to fund the future operations of the entity.

34. Fruitless and wasteful expenditure

	2021	2020
Opening balance	265,775	-
Fruitless and wasteful expenditure incurred in current year	838	186,774
Fruitless and wasteful expenditure incurred in prior year but identified in current year	-	79,001
Less: Amounts written off and awaiting condonment	(144,251)	-
	122,362	**265,775**

Current year fruitless expenditure of R838 relates to interest on late payment to suppliers.

During the prior year, fruitless expenditure incurred of R186,774 is made up of R42,523 that relates to travel and accommodation reservation that was either cancelled or not utilised and expenditure was incurred by the Authority and a further R144,251 that was incurred as a result of overpayments to service providers whose scope of work was reduced but still paid the full price as per original quotation.

A further R79,001 fruitless expenditure incurred in 2019 financial year but identified in 2020 financial year relates to SARS penalties due to late payment of employees tax.

The R144,251 that was incurred as a result of overpayment to service providers whose scope of work was reduced was approved for write off by board during the 2021 financial year.

35. Irregular expenditure

	2021	2020
Opening balance	4,792,036	7,596,400
Add: Irregular Expenditure - incurred during the year	99,884,482	4,792,036
Less: Amounts written off and awaiting condonment	(6,687,979)	(7,596,400)
	97,988,539	**4,792,036**

During the 2020 financial year, goods and services were procured from service providers whose tax matters were not compliant at the time of appointment. This resulted in total irregular expenditure during the year of R4,792,036.

During the current year, services continued to be procured from the same service providers due to contractual agreements and additional R1,895,943 was incurred.

Additional irregular expenditure amounting to R6,348,501 was incured in the current year due to services that were procured from suppliers who did not meet the pre-qualifying evaluation criteria and R91,640,038 due to construction work that was awarded to service provider, which was not in line with the contract signed and bid invitation.

All irregular expenditure incurred in prior years was approved for write off in the current year.

36. Events after the reporting date

The Authority is currently in the process of taking over the daily operation of some tourism facilities currently being operated by Ezemvelo KZN Wildlife. The expected takeover will result in the Authority generating some revenue from accommodation through operating these properties, and cleaning and maintenance costs will also increase.


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'THE TIDE HAS TURNED'