



iSimangaliso  
*Wetland Park*



**CONSERVATION WITH THE PEOPLE  
FOR THE PEOPLE**



**ANNUAL REPORT 2021/2022**





“The Park is now South Africa’s second largest protected area, incorporating the country’s largest MPA – also the only Transfrontier MPA as it joins Mozambique’s protected waters.”

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## 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](mailto:info@isimangaliso.com)

**FACEBOOK:** iSimangaliso Wetland Park

**WEBSITE ADDRESS:** [www.isimangaliso.com](http://www.isimangaliso.com)

**EXTERNAL AUDITOR:** Auditor-General of South Africa

**BANK:** First National Bank

# LIST OF ACRONYMS AND ABBREVIATIONS

<b>AFS</b>	Annual Financial Statements	<b>IT</b>	Information Technology
<b>AG</b>	Auditor-General	<b>KZN</b>	KwaZulu-Natal
<b>APP</b>	Annual performance plan	<b>MLRA</b>	Marine Living Resources Act, 1998 (Act 18 of 1998)
<b>APO</b>	Annual plan of operation	<b>MoU</b>	Memorandum of understanding
<b>ARC</b>	Audit Risk Committee	<b>MPA</b>	Marine Protected Area
<b>BEE</b>	Black economic empowerment	<b>MTEF</b>	Medium-Term Expenditure Framework
<b>B-BBEE</b>	Broad-based black economic empowerment	<b>MTSF</b>	Medium-Term Strategic Framework
<b>CCMA</b>	Commission for Conciliation, Mediation and Arbitration	<b>NDLTF</b>	The National Lottery Distribution Trust Fund
<b>CEO</b>	Chief Executive Officer	<b>NDP</b>	National Development Plan
<b>CFO</b>	Chief Financial Officer	<b>NGO</b>	Non-Governmental Organisation
<b>CPI</b>	Consumer price index	<b>NPO</b>	Non-Profit Organisation
<b>DAFF</b>	Department of Forestry and Fisheries	<b>PAA</b>	National Environmental Management: Protected Areas Act, 2003 (Act 57 of 2003)
<b>DEA</b>	Department of Environmental Affairs	<b>PARK</b>	iSimangaliso Wetland Park
<b>DEFF</b>	Department of Environment, Forestry and Fisheries	<b>PFMA</b>	Public Finance Management Act, 1999 (Act 1 of 1999)
<b>DTI</b>	Department of Trade and Industry	<b>PPE</b>	Personal Protective Equipment
<b>DWS</b>	Department of Water and Sanitation	<b>PR</b>	Public Relations
<b>EAP</b>	Economically Active Population	<b>RAMSAR</b>	Convention on Wetlands of International Importance Especially as Water Fowl Habitat 1971
<b>EIA</b>	Environmental Impact Assessment	<b>RLCC</b>	Regional Land Claims Commission
<b>EZEMVELO</b>	Ezemvelo KZN Wildlife	<b>SAPS</b>	South African Police Service
<b>FY</b>	Financial Year	<b>SCM</b>	Supply chain management
<b>GDP</b>	Gross Domestic Product	<b>SEC</b>	Social Ethics Committee
<b>GEF</b>	Global Environment Facility	<b>SEED</b>	Socio-Economic Environment Development
<b>HR</b>	Human Resources	<b>SMME</b>	Small, medium and micro-enterprise
<b>IDP</b>	Integrated Development Plan	<b>TFCA</b>	Trans-frontier conservation area
<b>ISA</b>	International Standards on Auditing	<b>UNESCO</b>	United Nations Educational, Scientific, and Cultural Organization
<b>IMP</b>	Integrated Management Plan	<b>VUCA</b>	Volatility, uncertainty, complexity, ambiguity
<b>iSimangaliso</b>	iSimangaliso Wetland Park Authority	<b>WHCA</b>	World Heritage Convention Act 1999, (Act No 1 of 1999)





**Ms BARBARA CREECY, MP**  
Minister of Environment, Forestry  
and Fisheries

It is a pleasure to present the 2021/2022 Annual Report for iSimangaliso Wetland Park Authority, South Africa's first World Heritage Site and a public entity of the Department of Forestry, Fisheries and the Environment.

In working to achieve and maintain international renown as a conservation area that espouses sustainable tourism and benefit sharing with local communities, this Annual Report tells the story of an entity which is on track to achieving that target.

## MESSAGE FROM THE MINISTER OF FORESTRY, FISHERIES, AND THE ENVIRONMENT

During the year under review, I approved iSimangaliso's Integrated Management Plan (IMP) 2022-2031 which builds on the previous IMP (2017-2021). It sets out the parameters for the conservation and protection of the world heritage values, and the integration of conservation, tourism development, and local economic development of historically disadvantaged communities in and around the Wetland Park. The 10-year implementation Plan provides the integrated management tools for iSimangaliso, including spatial planning measures such as zonation. I have no doubt that the IMP will provide the strategic direction required during the implementation of some of the critical targets on the iSimangaliso's Annual Performance Plan.

One of the topical issues I had to attend to during the financial year was the breaching of the St Lucia Estuary mouth. Following the breach of the mouth I received an open letter from a group of scientists requesting an independent investigation into the breach and its effects as this action directly contravened the recommendations of the GEF report. An independent panel was appointed to conduct this investigation. Amongst the findings of the panel, was that the breach was justified by a number of ecological reasons, including the effects of the prolonged closure of the system from the sea; the concern over accumulated sediment in the system; the presence of alien invasive species; a decrease in biodiversity within the system and a decrease in the nursery function of the estuary. Most heartening during the process was the inputs from farmers, fishers, tour operators, ratepayers, the local municipality and numerous other community groups. The Department and the iSimangaliso Wetland Park Authority have committed to ensuring that the recommendations made by the panel will be implemented.



Towards the end of the 2021/22 financial year I attended the iSimangaliso Investment Summit. I was deeply encouraged by the support of the private sector and other stakeholders' commitment to walk this journey of improving the Park with us. I am mindful of the challenges iSimangaliso will face in its endeavours of turning around this pristine conservation area from being grant dependent to being self-reliant. I however remain optimistic based on its performance.

Among the important achievements in the past years has seen iSimangaliso beginning to reap conservation benefits with the communities living adjacent to the Park. This vision requires concerted effort and working closely with stakeholders and local communities towards the same goal.

iSimangaliso Wetland Park is not only about the preservation and conservation of our world heritage values, but it is also an important catalyst for economic development. We have been working closely with the communities living adjacent to iSimangaliso. The park's management policy has been adapted to promote business development and improve the literacy rate for the two districts by assisting needy learners to enrol at tertiary institutions.

In terms of existing co-management agreements, a community beneficiation scheme has been developed which will see communities benefiting not only in terms of revenue generation, but also in terms of game sales, game ownership and equity in tourism operations within the Park.

This approach has widely been welcomed by communities and is viewed as a transformative strategy which will change the lives of the community. It also positions the organisation to tap into the biodiversity economy space which possess significant potential for conservation agencies and communities.

In the past year, 3 675 jobs have been created through, for instance, youth programmes, construction and maintenance projects and the Environmental Programmes that employed 241 SMMEs in projects worth R277,3 Million.

I am also encouraged by the overall performance of iSimangaliso and its commitment to deliver on its targets. Like the previous financial year, iSimangaliso has delivered 100% on its targets in its Annual Performance Plan. This is despite challenges and constraints brought about by Covid-19 pandemic.

The 2021/20222 Annual Report for the iSimangaliso Wetland Park complies with all statutory reporting requirements of the Public Finance Management Act (PFMA) and National Treasury Regulations.



**Ms Barbara Creecy, MP**

Minister of Environment, Forestry and Fisheries

## FOREWORD BY THE CHAIRPERSON



**Prof. A.T. Nzama**

Chairperson, iSimangaliso Wetland Park Authority Board

It is that time of the year when we look back and reflect on the road travelled by iSimangaliso Wetland Park Authority towards the realisation of its vision and mission 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.

iSimangaliso Wetland Park is located in the Province of KwaZulu-Natal in the District of Umkhanyakude, one of the impoverished communities in the country with a high level of unemployment. Its location demands it to be the catalyst for local economic development. It is with this understanding that iSimangaliso opted to focus its energy on advancing cooperation between iSimangaliso and the communities. The current administration advocates for people-centred and conservation-based tourism.

The mission of the iSimangaliso Board is to guide and support the Entity towards the fulfilment of its mandate per the strategic objectives of the government while achieving its commercial objectives. The Board is also responsible for corporate governance including determining the strategic direction and control. The Board is subdivided into 3 committees, each committee had 6 meetings on average during this financial year.

These committees are the Audit and Risk Committee, Conservation and Tourism Committee Human Resources, and Social and Ethics Committee.

The Board approved 37 policies and procedures during the period under review. All these policies are in line with various pieces of legislation such as the Basic Conditions of Employment Act, Labour Relations Act, Skills Development Act, Occupational Health and Safety Act etc. These policies will help improve the Entity's governance and improve compliance.

We welcome the Minister's intervention and the report of the panel of experts appointed by the Minister to conduct the "Review of the Scientific Basis for Breaching of the Mouth of Lake St Lucia Estuary" The Board will work with the management to ensure that the recommendations are implemented.

The uncharacteristic civil disturbance in KwaZulu-Natal during the month of July 2021 created a lot of uncertainties. The civil disturbance and looting attracted global media coverage, which negatively affected South Africa's image as an attractive investment destination. After extensive consultation, the Investment Summit planned for August 2021 had to be postponed to March 2022.

Although these events affected tourism in general and the plans of the Entity, the situation later stabilised and the Entity was able to continue with its program of action.

Hosting of the Investment Summit is part of the implementation of the commercialisation strategy of the Entity. The commercialisation strategy is aimed at turning around the financial position of iSimangaliso and making it to be a more sustainable organisation less dependent on government purse.

The Entity continues to enjoy strategic partnerships with stakeholders such as the local municipalities, the traditional leadership structures, various community structures and strategic partners such as KZN tourism, and Ezemvelo.

I wish to Congratulate the Executive management team and staff for again being able to successfully achieve 100% delivery on its Annual Performance targets. This has been achieved despite the challenging environment as a result of the Covid19 pandemic and unforeseen circumstances such as the civil unrest which affected most areas of KwaZulu Natal Province.



**Prof. A.T. Nzama**

Chairperson, iSimangaliso Wetland Park Authority Board

## BOARD MEMBERS

FOR THE YEAR ENDED 31 MARCH 2022



**PROF A.T. NZAMA**  
CHAIRPERSON



**INKOSI M.I. TEMBE**  
DEPUTY CHAIRPERSON



**MR L. LANKALEBALELA**



**MR G. NAIR**



**PROF. C.P. SMALL**



**Ms. N. CAWE**



**Ms. NOGE-TUNGAMIRAI**





## CHIEF EXECUTIVE OFFICER'S OVERVIEW

Mr S.E. Bukhosini

Chief Executive Officer

The iSimangaliso Wetland Park is undoubtedly one of South Africa's amazing destination. This is a view which was endorsed by the UNESCO back in 1999 when it inscribed iSimangaliso as the World Heritage Site. This sentiment has been echoed by many visitors who have visited the iSimangaliso to enjoy various offerings and rated it as one of the must-see destinations in the world. These accolades give impetus and drives the Management Authority to always do its level best towards the realisation of the vision and mission of iSimangaliso and conserve this South Africa's jewel, working together with the people.

The iSimangaliso Wetland Park's vision is to create a world-renowned World Heritage Park. Our conservation strategy continues to be one of the 'rewilding' of iSimangaliso, which powerfully links conservation to the development and empowerment of local communities. We protect, preserve and present to our visitors to experience iSimangaliso wonders. The communities living adjacent the Park are one of the critical stakeholders that iSimangaliso always engage with to ensure their participation and reaping benefits from the existence of the park.

iSimangaliso has four departments which are central to day-to-day operations, these are Corporate Support Services, Biodiversity Conservation, Tourism and Business Development, and Socio-Economic Environment Development. During the year under review the iSimangaliso once more achieved 100% on its Annual Performance Plan targets.

We, the Executive Management, the Board, and the Minister agreed to work tirelessly in making sure that conservation serves as a catalyst in creating opportunities that will make stakeholders, and communities living in and adjacent to these protected areas to participate in the economy of the park. The Entity managed to create opportunities and appoint around 241 SMME's and have also developed and equip them with the ability to do business in other areas, not only to trade with iSimangaliso but also to trade with other organs of state and other private entities. What is even more encouraging is to see the same SMME's employing fellow members of the communities where they come from. For instance, 98 subcontractors have been employed for the removal of alien invasive plants and each subcontractor employs an average of 12 people for the duration of the year. Our people today have hope that they are going to face the next day with confidence that there will be food on their table. The same principle has been applied to the infrastructure projects especially in projects where there are labour intensive opportunities.

In the ecotourism section the Entity is also doing well. The Park revenue has increased significantly from R10,4 million to R17,2 million. The work towards the implementation of the commercialisation business model is well on course. iSimangaliso hosted an Investment Summit on the 25th of March 2022. The aim was to showcase and present potential tourism product offerings and investment envelopes to all prospective business investors.

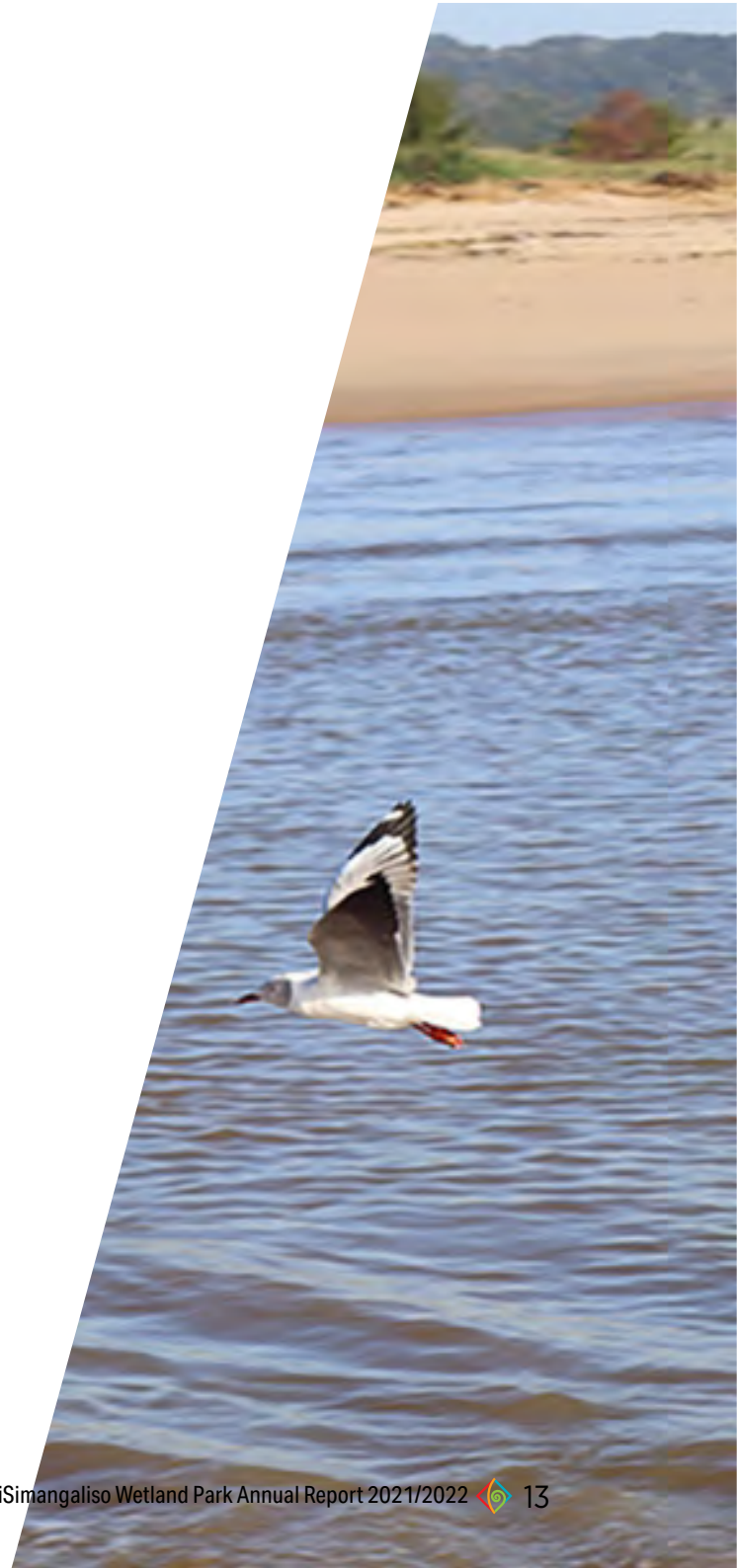
Commercialization seeks to generate revenue for the Park while addressing the fair presentation and distribution of the tourism investment opportunities that have always been perceived to have been benefiting a few. The summit presented an opportunity for iSimangaliso to showcase its biological wealth and ignite interest to potential investors.

In terms of Stakeholders Relations, the Entity is in a healthy state. Managing relations with communities and stakeholders is a very dynamic process. Pockets of challenges are experienced here and there because it is unrealistic to solve all of them but generally the Entity is doing very well. The results that are being realised now in terms of conservation, reduced poaching, snares etc, is because of the direct engagements that iSimangaliso have with the leadership structures such as the Traditional Leaders (Amakhosi), People and Parks, and various other structures. This has solidified relations and has brought iSimangaliso to be an organisation that it is now.

I wish to express my appreciation to the members of the Board and the Minister without whom iSimangaliso wouldn't have managed to again deliver 100% on its Annual Performance Plan, the participation and inputs from our partners and stakeholders is highly treasured, and to the Staff and Management team who are the engine behind iSimangaliso success story, the place where wonders never end.



**Mr Sibusiso Bukhosini**  
Chief Executive Officer



# 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 AFS Audited Isiqu Accountants

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 GRAP 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 external auditors 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 2022.

Yours faithfully



**Sibusiso Bukhosini**  
Chief Executive Officer  
Date



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



# STRATEGIC OVERVIEW

## 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



## LEGISLATIVE AND OTHER MANDATES

### LEGISLATIVE 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.

ISIMANGALISO'S  
**GENERAL INFORMATION**



**MR S.E BUKHOSINI**  
CHIEF EXECUTIVE OFFICER



**Ms S.Q. MNTAMBO**  
CHIEF FINANCE OFFICER



**MR S SIBIYA**  
EXECUTIVE MANAGER  
BIODIVERSITY  
CONSERVATION



**MR J NGUBANE**  
EXECUTIVE MANAGEMENT  
TOURISM AND BUSINESS  
DEVELOPMENT



**MR C. KHUMALO**  
EXECUTIVE MANAGER  
TRANSFORMATION  
(SOCIO AND ECONOMIC  
DEVELOPMENT)



**VACANT**  
EXECUTIVE MANAGER  
CORPORATE SUPPORT  
SERVICE



## **PART B:**

### **PERFORMANCE INFORMATION**

#### **PROGRAMME 1: CORPORATE SUPPORT SERVICES**

# 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 us to execute our 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.



## CORPORATE SUPPORT (FINANCE)

PROGRAMME 1: CORPORATE SUPPORT SERVICES								
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/2021	AUDITED ACTUAL PERFORMANCE 2021/2022	PLANNED ANNUAL TARGET 2021/2022	ACTUAL ACHIEVEMENT 2021/2022	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/2022	REASONS FOR DEVIATIONS
Compliance with legislation, effective financial management and key risks mitigated to minimize potential adverse consequences	Unqualified audit opinion	Unqualified audit opinion	Unqualified audit opinion	Unqualified audit opinion	Unqualified audit opinion	Unqualified audit opinion	Not Applicable	Not Applicable
	Percentage Expenditure of the budget	95%	107%	102%	95%	102%	7%	The over-expenditure is due to additional funding that came after budget review of R27 million.
Compliance with legislation, effective financial management and key risks mitigated to minimize potential adverse consequences	Average number of days: Trade Creditor payment	30 Days	5 Days	18 Days	30 Days	18 Days	Not Applicable	Not Applicable
Compliance with legislation, effective financial management and key risks mitigated to minimize potential adverse consequences	Average number of days: Trade Creditor payment	60 Days	37 Days	15 Days	60 Days	15 Days	Not Applicable	Not Applicable

## CORPORATE SUPPORT (FINANCE)

PROGRAMME 1: CORPORATE SUPPORT SERVICES								
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/2021	AUDITED ACTUAL PERFORMANCE 2021/2022	PLANNED ANNUAL TARGET 2021/2022	ACTUAL ACHIEVEMENT 2021/2022	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/2022	REASONS FOR DEVIATIONS
Compliance with legislation, effective financial management and key risks mitigated to minimize potential adverse consequences	Percentage Compliance with key statutory requirements	100%	100%	100%	100%	100%	Not Applicable	Not Applicable
Compliance with legislation, effective financial management and key risks mitigated to minimize potential adverse consequences	Percentage implementation of the procurement plan	100%	100%	100%	100%	100%	Not Applicable	Not Applicable
Compliance with legislation, effective financial management and key risks mitigated to minimize potential adverse consequences	80% BEE spend on majority black owned suppliers as a percentage of qualifying expenditure	80%	91%	98%	80%	98%	18%	The entity conducted a workshop to empower local suppliers to participate in SCM also this quarter the entity started using new approved National Treasury threshold.
An adequately skilled and capacitated workforce which is transformed and representative of South Africa' race and gender demographics	Workplace Skills Plan submitted to SETA within prescribed time	Workplace Skills Plan submitted to SETA within prescribed time	Workplace Skills Plan submitted to SETA within prescribed time	Workplace Skills Plan submitted to SETA within prescribed time	Workplace Skills Plan submitted to SETA within prescribed time	Workplace Skills Plan submitted to SETA within prescribed time	Not Applicable	Not Applicable

## CORPORATE SUPPORT (FINANCE)

PROGRAMME 1: CORPORATE SUPPORT SERVICES								
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/2021	AUDITED ACTUAL PERFORMANCE 2021/2022	PLANNED ANNUAL TARGET 2021/2022	ACTUAL ACHIEVEMENT 2021/2022	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/2022	REASONS FOR DEVIATIONS
An adequately skilled and capacitated workforce which is transformed and representative of South Africa' race and gender demographics	100% of performance contracts concluded	100% of performance contracts concluded	100% of performance contracts concluded	100% of performance contracts concluded	100% of performance contracts concluded	100% of performance contracts concluded	Not Applicable	Not Applicable
An adequately skilled and capacitated workforce which is transformed and representative of South Africa' race and gender demographics	1 annual assessment conducted, and recommendations implemented	1 annual assessment conducted, and recommendations implemented	1 annual assessment conducted, and recommendations implemented	1 annual assessment conducted, and recommendations implemented	1 annual assessment conducted, and recommendations implemented	1 annual assessment conducted, and recommendations implemented	Not Applicable	Not Applicable
Effective information communication and technology systems which are supportive of the organization's core business	ICT governance framework approved.	ICT governance framework approved.	ICT governance framework approved.	ICT governance framework approved.	ICT governance framework approved.	ICT governance framework approved.	Not Applicable	Not Applicable

## SUMMARY OF KEY HIGHLIGHTS

- The entity conducted a workshop to empower local suppliers to participate in SCM, also started using new approved National Treasury threshold.







**PERFORMANCE INFORMATION**  
PROGRAMME 2: BIODIVERSITY CONSERVATION

## 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.



## BIODIVERSITY CONSERVATION

PROGRAMME 2: BIODIVERSITY CONSERVATION								
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/2021	AUDITED ACTUAL PERFORMANCE 2021/2022	PLANNED ANNUAL TARGET 2021/2022	ACTUAL ACHIEVEMENT 2021/2022	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/2022	REASONS FOR DEVIATIONS
Biodiversity threats mitigated and Park World Heritage Site maintained	Green Energy Programme Strategy developed and approved	Green Energy Programme Strategy developed and approved	Not Applicable	Green Energy Programme Strategy developed and approved	Green Energy Programme Strategy developed and approved	Green Energy Programme Strategy developed and approved	Not Applicable	Not Applicable
Biodiversity threats mitigated and Park World Heritage Site maintained	Estuary monitoring programme implemented	Estuary monitoring programme implemented	Not Applicable	Estuary monitoring programme implemented	Estuary monitoring programme implemented	Estuary monitoring programme implemented	Not Applicable	Not Applicable
Biodiversity threats mitigated and Park World Heritage Site maintained	Number of KwaZulu Natal Nature Conservation Board & iSimangaliso Wetland Park Authority MANCO meetings	4 meetings per annum	5 meetings per annum	4 meetings per annum	4 meetings per annum	4 meetings per annum	Not Applicable	Not Applicable
Biodiversity threats mitigated and Park World Heritage Site maintained	Number of compliance monitoring audits conducted	12	12	13	12	13	1	In the 3 <sup>rd</sup> quarter, the construction of the Mkhuze Hangar was not planned but came about from an initiative/ donation/ offer to base an aircraft in

## BIODIVERSITY CONSERVATION

PROGRAMME 2: CORPORATE SUPPORT SERVICES								
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/2021	AUDITED ACTUAL PERFORMANCE 2021/2022	PLANNED ANNUAL TARGET 2021/2022	ACTUAL ACHIEVEMENT 2021/2022	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/2022	REASONS FOR DEVIATIONS
								the Mkhuze section of the Park for law enforcement purposes which benefits the Park immensely, thus we had to undertake necessary protocols to review, decide and monitor the project during construction in line with our processes to ensure infrastructure development is undertaken according to legislation and environmental best practice. It must be noted that the building of such infrastructure is not part of the infrastructure plan thus was not part of the planned environmental audits but was necessary to be undertaken due to the nature of the infrastructure
Biodiversity threats mitigated and Park World Heritage Site maintained	Number of environmental monitors deployed in the Park	120	130	120	120	130	10	The over achievement was due to the extra 10 Enforcement Environmental Monitors who are seconded to the Department of Forestry, Fisheries and the Environment

## BIODIVERSITY CONSERVATION

PROGRAMME 2: BIODIVERSITY CONSERVATION								
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/2021	AUDITED ACTUAL PERFORMANCE 2021/2022	PLANNED ANNUAL TARGET 2021/2022	ACTUAL ACHIEVEMENT 2021/2022	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/2022	REASONS FOR DEVIATIONS
Biodiversity threats mitigated and Park World Heritage Site maintained	Number of hectares of invasive alien plants treated	30000 ha	56 956,05 ha	64 843.17 ha	30000 ha	64 843.17 ha	34 843,17 ha	Funding allocation increased from R21 million to R34,4 million hence exceeding the annual target of hectares.
Biodiversity threats mitigated and Park World Heritage Site maintained	Number of cubic meters of earthworks in wetland rehabilitation project	2000 m <sup>3</sup> per annum	2000 m <sup>3</sup> per annum	3506.40 m <sup>3</sup>	2000 m <sup>3</sup> per annum	3506.40 m <sup>3</sup>	1506,40 m <sup>3</sup>	Over achievement . was as a result of the entity obtaining more funding than initially anticipated from the Department.
Biodiversity threats mitigated and Park World Heritage Site maintained	Number of kilometres of coastline cleaned	320km	320km	320km	320km	320km	Not Applicable	Not Applicable
Biodiversity threats mitigated and Park World Heritage Site maintained	Percentage of applications for developments in the buffer zone commented on and feedback provided within prescribed timeframe	100%	100%	100%	100%	100%	Not Applicable	Not Applicable
Biodiversity threats mitigated and Park World Heritage Site maintained	Percentage of applications for developments in the buffer zone commented on and feedback provided within prescribed timeframe	100%	100%	100%	100%	100%	Not Applicable	Not Applicable

## BIODIVERSITY CONSERVATION

### PROGRAMME 2: CORPORATE SUPPORT SERVICES

OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/2021	AUDITED ACTUAL PERFORMANCE 2021/2022	PLANNED ANNUAL TARGET 2021/2022	ACTUAL ACHIEVEMENT 2021/2022	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/2022	REASONS FOR DEVIATIONS
Biodiversity threats mitigated and Park World Heritage Site maintained	Number of hectares burnt in controlled burning programme	1250 ha per annum	1250 ha per annum	1250 ha per annum	1250 ha per annum	1250 ha per annum	Not Applicable	Not Applicable

### SUMMARY OF KEY HIGHLIGHTS



In July 2021 iSimangaliso Wetlands Park and Ezemvelo KZN Wildlife introduced a compulsory wheel and wheel arch spraying at gate entries to combat the spread of foot and mouth disease into their protected areas.

These measures were introduced to curb the possible spread of the disease to the game stock in these protected areas. Foot and mouth disease is a severe, highly contagious viral disease of livestock that may result in a significant economic impact. The disease affects cattle, swine, sheep, goats, and other cloven-hoofed ruminants. The Foot and Mouth disease is under control.

## SUMMARY OF KEY HIGHLIGHTS



### LAKE ST LUCIA ESTUARY

Interventions to improve the state of the lake St. Lucia continued in this financial year, following the nudging of the system to help the lake St Lucia connect to the sea. This was done with the intention of addressing the social and economic challenges which were raised by various stakeholders but unfortunately after 6 months the mouth closed naturally. The mouth re-opened naturally on the 14<sup>th</sup> of April 2022 and iSimangaliso is continuing to closely observe the estuary in line with its Integrated Management plan which is an official approved guiding document. iSimangaliso is aware that the issue of the mouth is a contentious matter and has been in consultation with a wide range of stakeholders, including key scientific experts, tourism operators, conservation managers, NGOs, rural community representatives, fishers, farmers, and business owners regarding this matter.



The recommendation of the symposium and opening of the mouth was later opposed by another interest group who wrote to Minister of Forestry, Fisheries, and the Environment, Ms Barbara Creecy airing their discernment of the decision. Minister appointed a panel of experts to investigate and submit the report to her. The report was submitted to the Minister and she subsequently launched the report in St Lucia in the presences of all interest groups.



## SUMMARY OF KEY HIGHLIGHTS



### IN CREATING JOB OPPORTUNITIES, THE ENTITY ACHIEVED THE TARGETS IN THE FOLLOWING AREAS EXCEEDINGLY:

- Funding allocation increased from R21 million to R34,4 million hence exceeding the annual target of number of hectares of invasive alien plants treated. The target was 30 000ha but the entity doubled the target achieving 64 843.17 ha
- Number of cubic meters of earthworks in wetland rehabilitation project. Target number of cubic meters was 2000 m<sup>3</sup> per annum but 3506.40 m<sup>3</sup> was achieved
- Number of environmental monitors deployed in the Park, the target was 120 the entity achieved 130.



## **PERFORMANCE INFORMATION**

PROGRAMME 3: TOURISM AND BUSINESS DEVELOPMENT

## 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.



## TOURISM AND BUSINESS DEVELOPMENT

PROGRAMME 3: TOURISM AND BUSINESS DEVELOPMENT								
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/2021	AUDITED ACTUAL PERFORMANCE 2021/2022	PLANNED ANNUAL TARGET 2021/2022	ACTUAL ACHIEVEMENT 2021/2022	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/2022	REASONS FOR DEVIATIONS
A world renowned World Heritage Park	Percentage of Ezemvelo KZN Wildlife managed tourism infrastructure upgraded	50%	Not Applicable	57%	50%		7%	Over achievement was as a result of the entity obtaining more funding than initially anticipated from the Department.
A world renowned World Heritage Park	Percentage of tourism and commercialization strategy implemented	40%	Not Applicable	40%	40%	40%	Not Applicable	Not Applicable
A world renowned World Heritage Park	Number of collaterals developed as marketing tools	3	3	11	3	11	8	The over achievement of the collaterals was due to a pro bono airtime from Peoples weather.
A world renowned World Heritage Park	Number of digital engagements for tourism trade conducted	3	6	6	3	6	3	The three digital engagements were opportunistic and initiated by the third party.
A world renowned World Heritage Park	Number of special events to promote the Park as a destination of choice conducted	3	6	6	3	6	3	The three additional special events were initiated by our partners and not us, so they were opportunistic.

## TOURISM AND BUSINESS DEVELOPMENT

PROGRAMME 3: TOURISM AND BUSINESS DEVELOPMENT								
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/2021	AUDITED ACTUAL PERFORMANCE 2021/2022	PLANNED ANNUAL TARGET 2021/2022	ACTUAL ACHIEVEMENT 2021/2022	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/2022	REASONS FOR DEVIATIONS
A world renowned World Heritage Park	Editorials published / broadcasted	6	20	19	6		13	The additional 13 editorials were published by independent media after the investment summit.
A world renowned World Heritage Park	Media Junkets Hosted	4		5	4	5	1	The additional media junket that involved Ukhozi DJ was organised by a third party and opportunistic.
A world renowned World Heritage Park	Newsflashes & Press Releases	20	16	22	20	22	2	Marketing of the summit increased media interest.
A world renowned World Heritage Park	Social Media posts done across three platforms (Facebook, Twitter, Instagram)	500	568	533	500	533	33	The entity intensified the social media posts as an information dissemination and marketing platform about the Park.

## TOURISM AND BUSINESS DEVELOPMENT

PROGRAMME 3: TOURISM AND BUSINESS DEVELOPMENT								
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/2021	AUDITED ACTUAL PERFORMANCE 2021/2022	PLANNED ANNUAL TARGET 2021/2022	ACTUAL ACHIEVEMENT 2021/2022	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/2022	REASONS FOR DEVIATIONS
A world renowned World Heritage Park	Number of paying visitor entries	180 000	161 876	216 683	180 000	216 683	36 683	The increase in the number of paying visitors was a result of an aggressive marketing campaign after the regulations were relaxed.
A world renowned World Heritage Park	Number of non-paying entries to the park	115 000	132 032	126 577	115 00	126 577	11 577	The increase in the number of non-paying visitors was a result of an aggressive awareness campaign after the regulations were relaxed.
A world renowned World Heritage Park	Revenue to the Park	R33.5 million (Revised figure is R23 859 948.60)	R11 317 442,87	R 33,343,210	R33.5 million (Revised figure is R23 859 948.60)	R 33,343,210	R 9,483,216,40	The increase in revenue generation was a result of additional budget for infrastructure projects which increased management fees.
A world renowned World Heritage Park	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% implementation of Park estate maintenance plan	100% implementation of Park estate maintenance plan	Not Applicable	Not Applicable

## SUMMARY OF KEY HIGHLIGHTS



iSimangaliso Wetland Park hosted a business investment summit on the 25th of March 2022. The aim was to showcase and present potential tourism product offerings and investment envelopes worth multi-millions of rands to local and international prospective business investors. At the investment summit, iSimangaliso's managed provide potential domestic and foreign investors, as well as intermediaries, with information on tourism investment opportunities within iSimangaliso Wetland Park. These investments will help improve the state of this world-renowned tourism destination and contribute towards the development of communities living in and adjacent to the park in various ways as the iSimangaliso Wetland Park is now South Africa's second largest protected area.

The Commercialisation Strategy seeks to generate revenue for the park while addressing the fair presentation and distribution of the tourism investment opportunities that will ensure that the Park's tourism potential is unleashed and visitor expectations are met and exceeded. The main objectives of the commercialisation strategy include revenue generation for the institution, loss minimisation or savings on existing operations, optimal utilisation of under-performing assets, job creation, black empowerment, infrastructure upgrades and tourism promotion. The summit was attended and addressed by the Minister of Forestry, Fisheries and Environment Ms. Barbara Creecy, MEC of Department of Economic Development, Tourism and Environmental Affairs in KZN, Mr. Ravi Pillay and the CEO of iSimangaliso Wetland park Mr. Sibusiso Bukhosini.

## SUMMARY OF KEY HIGHLIGHTS



## IN THIS PROGRAMME THE ENTITY EXCEEDINGLY ACHIEVED TARGETS IN THE FOLLOWING AREAS:

- The target number of special events to promote the Park as a destination of choice was 3, the entity doubled the target by achieving 6. Opportunistic special events were used to market the Park and the investment summit to weigh the appetite of the prospective investors.
- The target number of non-paying entries to the Park was 115 000, the entity achieved 126 577







## **PERFORMANCE INFORMATION**

PROGRAMME 4: TRANSFORMATION (SOCIO-ECONOMIC  
AND ENVIRONMENT DEVELOPMENT)

## 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.



## SOCIO-ECONOMIC ENVIRONMENT DEVELOPMENT

PROGRAMME 4: SOCIO-ECONOMIC ENVIRONMENT DEVELOPMENT								
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/2021	AUDITED ACTUAL PERFORMANCE 2021/2022	PLANNED ANNUAL TARGET 2021/2022	ACTUAL ACHIEVEMENT 2021/2022	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/2022	REASONS FOR DEVIATIONS
Improved socio-economic benefits and condition of communities around the Park	Number of People and Parks meetings attended	4	Not Applicable	6		6	2	Two extra meetings were held to conduct stakeholder consultation for the community beneficiation scheme.
Improved socio-economic benefits and condition of communities around the Park	Number of amakhosi forum meetings attended	2	Not Applicable	3	2	3	1	One extra amakhosi forum meetings was held to conduct stakeholder consultation for the community beneficiation scheme.
Improved socio-economic benefits and condition of communities around the Park	Number of amakhosi forum meetings attended	24	Not Applicable	25	24	25	1	One extra amakhosi council meeting was held to conduct stakeholder consultation for the community beneficiation scheme.
Improved socio-economic benefits and condition of communities around the Park	Number of Land claims & co-management meetings undertaken	8	Not Applicable	10	8	10	2	Two extra land claims & co- management meetings undertaken with the Regional Land Claims Commissioner.
Improved socio-economic benefits and condition of communities around the Park	Number of Municipalities and Ward council meetings attended	12	Not Applicable	12	12	12	Not Applicable	Not Applicable

## SOCIO-ECONOMIC ENVIRONMENT DEVELOPMENT

PROGRAMME 4: SOCIO-ECONOMIC ENVIRONMENT DEVELOPMENT								
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/2021	AUDITED ACTUAL PERFORMANCE 2021/2022	PLANNED ANNUAL TARGET 2021/2022	ACTUAL ACHIEVEMENT 2021/2022	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/2022	REASONS FOR DEVIATIONS
Improved socio-economic benefits and condition of communities around the Park	Number of meetings of other community groups across the Park attended	70	Not Applicable	72	70	72	2	Two extra meetings were reactive to challenges during the projects implementation.
Improved socio-economic benefits and condition of communities around the Park	Community beneficiation scheme developed and approved	Community beneficiation scheme developed and approved	Not Applicable	Community beneficiation scheme developed and approved	Community beneficiation scheme developed and approved	Community beneficiation scheme developed and approved	Not Applicable	Not Applicable
Improved socio-economic benefits and condition of communities around the Park	Unauthorized land encroachment strategy developed and approved	Unauthorized land encroachment strategy developed and approved	Not Applicable	Unauthorized land encroachment strategy developed and approved	Unauthorized land encroachment strategy developed and approved	Unauthorized land encroachment strategy developed and approved	Not Applicable	Not Applicable
Improved socio-economic benefits and condition of communities around the Park	Percentage of female beneficiaries Supported	57%	Not Applicable	196%	57%	196%	140%	More female beneficiaries were supported due to additional budget to projects.
Improved socio-economic benefits and condition of communities around the Park	Percentage of Youth beneficiaries supported	58%	Not Applicable	161%	58%	161%	103%	More youth beneficiaries were supported due to additional budget to projects.

## SOCIO-ECONOMIC ENVIRONMENT DEVELOPMENT

PROGRAMME 4: SOCIO-ECONOMIC ENVIRONMENT DEVELOPMENT								
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/2021	AUDITED ACTUAL PERFORMANCE 2021/2022	PLANNED ANNUAL TARGET 2021/2022	ACTUAL ACHIEVEMENT 2021/2022	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/2022	REASONS FOR DEVIATIONS
Improved socio-economic benefits and condition of communities around the Park	Number of full-time equivalent jobs	550	343	561	550	561	11	More jobs were created due to additional budget to projects.
Improved socio-economic benefits and condition of communities around the Park	Number of beneficiaries who successfully completed accredited training (NQF)	1141	877	1322	1141	1322	181	Additional budget was received from DFFE.
Improved socio-economic benefits and condition of communities around the Park	Number of beneficiaries who successfully completed non-accredited training	450	1273	1569	450	1569	1091	Additional budget was received from DFFE.
Improved socio-economic benefits and condition of communities around the Park	Number of people participating in skills development programmes (IP Infrastructure, Tourism, life guides and environmental monitors)	200	285	286	200	286	86	Additional budget was received from DFFE.
Improved socio-economic benefits and condition of communities around the Park	Number of people participating in rural enterprise programme (business services, training, mentoring, guiding and grants)	100	114	118	100	118	18	Additional funding was received from our strategic NGO partner to implement the rural enterprise programme.

## SOCIO-ECONOMIC ENVIRONMENT DEVELOPMENT

PROGRAMME 4: SOCIO-ECONOMIC ENVIRONMENT DEVELOPMENT								
OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/2021	AUDITED ACTUAL PERFORMANCE 2021/2022	PLANNED ANNUAL TARGET 2021/2022	ACTUAL ACHIEVEMENT 2021/2022	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/2022	REASONS FOR DEVIATIONS
Improved socio-economic benefits and condition of communities around the Park	Percentage of bursary students who pass their registered modules yearly	75%	83%	95%	75%	95%	20%	Not Applicable
Improved socio-economic benefits and condition of communities around the Park	Number of schools visited by iSimangaliso and partners for environmental awareness	30	30	35	30	35	5	There were additional requests from schools.
Improved socio-economic benefits and condition of communities around the Park	Number of youth (rhino) ambassadors participating in environmental awareness activities	50	27	63	50	63	13	There were additional requests from youth (rhino) ambassadors to participate in environmental awareness activities.
Improved socio-economic benefits and condition of communities around the Park	Number of leadership structures participating in environmental awareness and capacity building	2	1	2	2	2	Not Applicable	Not Applicable
Improved socio-economic benefits and condition of communities around the Park	25% of stakeholder relations survey recommendations implemented	25% of stakeholder relations survey recommendations implemented	Not Applicable	25% of stakeholder relations survey recommendations implemented	25% of stakeholder relations survey recommendations implemented	25% of stakeholder relations survey recommendations implemented	Not Applicable	Not Applicable
Improved socio-economic benefits and condition of communities around the Park	Number of events celebrating key environmental calendar days (e.g. heritage, Wetland)	1	1	2	1	2	1	The entity was invited to participate in the Wetland Day celebration which was organised by the community.

## SUMMARY OF KEY HIGHLIGHTS



## LAUNCH OF (HUBS) COMMUNITY RESOURCES CENTRES

In its endeavour to deliver on its mandate, iSimangaliso worked with partners such as Wild Oceans and Ezemvelo KZN Wildlife to achieve various projects. The hubs are intended to be a valuable resource centre for the community that aims to provide support for key initiatives such as building ocean awareness, training, micro-enterprise development, employment opportunities for youth, support for community involvement in conservation activities and tourism opportunities, facilitate access to amenities (e.g. library, play area for children, cell-phone charging stations, printers, computers, and internet access), promote craft production and sales, and demonstrate projects linked to nature-based solutions and climate-smart agriculture. To manage the HUBs 9 people have been employed as permanent staff. During construction this project, it benefited 74 individuals with training, employment (stipend) and business start-up resources. The 74 individuals are both from Mabibi and KwaDapha and the are mostly youth except for only 6 individuals who don't meet the definition of youth according to government policy. This project during construction benefited 49 young women.



## IN THIS PROGRAMME THE ENTITY EXCEEDINGLY ACHIEVED TARGETS IN THE FOLLOWING AREAS:

As part of stakeholders engagement with Community leadership, iSimangaliso attended 3 Amakhosi forum meetings amongst other things discussed in these meetings was the community beneficiation scheme. The entity has also attended 12 Municipality, Ward Council meeting and 25 amakhosi council meetings to improve socio-economic benefits and condition of communities around the Park.



## SUMMARY OF KEY HIGHLIGHTS



### IN THIS PROGRAMME THE ENTITY EXCEEDINGLY ACHIEVED TARGETS IN THE FOLLOWING AREAS:

- Percentage of female beneficiaries supported, target was 57%, the entity achieved 196%. More female beneficiaries were supported due to additional budget to projects.
- Number of full-time equivalent jobs target was 550, the entity achieved 561. More jobs were created due to additional budget to projects.
- Number of beneficiaries who successfully completed accredited training (NQF), target was 1141, the entity achieved 1322. Additional budget was received from DFFE.
- Number of people participating in skills development programmes (IP Infrastructure, Tourism, life guards and environmental monitors), target was 200 the entity achieved 286



iSimangaliso Percentage of bursary students who pass their registered modules yearly, target was 75% the entity achieved 95%. The number of schools visited by iSimangaliso and partners for environmental awareness target was 30, the entity achieved 35



**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 BEE 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 a regular 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 report by the Directors 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 OF ENTITIES)	OTHER COMMITTEES OR TASK TEAMS (E.G: AUDIT COMMITTEE / MINISTERIAL TASK TEAM)	NO. OF MEETINGS ATTENDED
Prof. Antonia Thandi Nzama	Chairperson	March 2020		<ol style="list-style-type: none"> <li>1. PhD (Geography) – Southern Illinois University, USA (specialising in Geography, and Tourism)</li> <li>2. MSc (Environmental Management) – Southern Illinois University, USA</li> <li>3. MA (Geography) – University of Zululand</li> <li>4. MEd –University of Free State</li> <li>5. BEd –University of Zululand</li> <li>6. BA Hons (Geography) – University of Zululand</li> <li>7. BPaed (Geography, Biology and Education) – University of Zululand</li> <li>8. Secondary Teacher's Diploma (Biology and Geography) – University of Zululand</li> </ol>	Academia		National Portfolio Committee on Environment, Forest and Fisheries	6
Inkosi Mabhudu Israel Tembe	Deputy Chairperson	March 2020		<ol style="list-style-type: none"> <li>1. Computer Studies – Hartfield Business College</li> <li>2. Leadership and Good Governance Certificate – UKZN</li> </ol>	Traditional Leadership		<ol style="list-style-type: none"> <li>1. Audit and Risk Committee</li> <li>2. Human Resources, Social and Ethics Committee</li> </ol>	6
Mr Leon Lankalebalela		March 2020		<ol style="list-style-type: none"> <li>1. B. Comp (Accounting) – UNISA</li> <li>2. B. Comp Hons – UNISA</li> <li>3. Management Diploma - SIMA</li> </ol>	Finance		<ol style="list-style-type: none"> <li>1. Audit and Risk Committee</li> <li>2. Human Resources, Social and Ethics Committee</li> </ol>	6
Prof. Christopher Peter Small		March 2020		<ol style="list-style-type: none"> <li>1. BSc in Zoology and Advanced Biology – University of Witwatersrand</li> <li>2. BSc Hons in Ecology – Potchefstroom University for Christian Higher Education</li> <li>3. Master's in business leadership – UNISA</li> </ol>	Conservation		1. Conservation and Tourism Committee	6

## 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 OF ENTITIES)	OTHER COMMITTEES OR TASK TEAMS (E.G: AUDIT COMMITTEE / MINISTERIAL TASK TEAM)	NO. OF MEETINGS ATTENDED
Mr Gonasagren Ganesh Nair		March 2020		<ol style="list-style-type: none"> <li>1. Basic Training Course for Environmental Enforcement – University of Pretoria</li> <li>2. Basic Training Course for Environmental Inspection – University of Pretoria</li> <li>3. Introductory Course in Marine Protected Area management – Nelson Mandela Metropolitan</li> <li>4. EMI Docket Management Course – Environmental Affairs</li> <li>5. Introductory Course in Management of Estuaries in South Africa – Water Research Commission</li> </ol>	Conservation		Conservation and Tourism Committee	6
Ms Nomagcisa Cawe		March 2020		<ol style="list-style-type: none"> <li>1. BA Humanities – University of Botswana and Swaziland</li> <li>2. LLB – University of Natal</li> <li>3. LLM Property Law – University of Witwatersrand</li> </ol>	Legal		<ol style="list-style-type: none"> <li>1. Conservation and Tourism Committee</li> <li>2. Human Resources, Social and Ethics Committee</li> </ol>	6
Ms Letlhogonolo Tungamirai		March 2020		<ol style="list-style-type: none"> <li>1. IT Programming Diploma – CTU Training Solutions</li> <li>2. Master Network Engineering Diploma – Torque IT</li> <li>3. Management Advancement Programme – Wits Business School</li> <li>4. Postgraduate Diploma in Management – Wits Business School</li> <li>5. Master of Business Administration (MBA) – Wits Business School</li> </ol>	Management		<ol style="list-style-type: none"> <li>1. Conservation and Tourism Committee</li> <li>2. Human Resources, Social and Ethics Committee</li> </ol>	5

## COMMITTEES

COMMITTEE	NO. OF MEETINGS HELD	NO. OF MEMBERS	NAMES 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	5	5	Mr Leon Lankalebalela Ms Nomagcisa Cawe Ms Badova Jobe Ms Letlhogonolo Tungamirai Inkosi Mabhudu Tembe
Conservation and Tourism Committee	6	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	TOTAL
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 each year of operation.

## GOVERNING BODIES

### AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2022

The Audit Committee concurs and accepts the conclusions of the external auditor on the AFS and is of the opinion that the audited AFS be accepted and read together with the report of the auditor.



Ms N.Q. Mzimela  
**Chairperson of the Audit Committee**  
**iSimangaliso Wetland Park Authority**

## AUDIT RISK COMMITTEE

The ARC is responsible for overseeing audit and risk functions, internal controls and the financial reporting process. The committee consists of several independent non-executive members who possess the necessary expertise and qualifications. Other members include the Deputy Chairperson of the Board as well as one other Board member.

## INTERNAL AUDIT

The internal audit function provides an independent, objective appraisal and evaluation of the risk management processes, internal controls and governance processes, and identifies corrective actions and enhancements to these.

The internal audit function is outsourced. These audits are carried out in accordance with a three-year rolling plan that is updated annually and is based on the risks identified in the risk management process.

## RISK MANAGEMENT

The policy on risk management embraces all significant risks that might undermine the Authority's achievement of its business objectives. In addition to regular reports by the executive, the Accounting Authority and the Board also receive assurance from the internal auditors and ARC on risk and internal control.

The Accounting Authority, the Board and the ARC are of the opinion that appropriate risk management policies and practices are in place, and that adequate systems and expertise are applied to achieve compliance with those policies and procedures.

Mechanisms for managing risk include, where appropriate, the transfer of risk to third parties (for example, through public-private partnerships), the maintenance of an appropriate mix of self-insurance and commercial insurance for risks that the Organisation retains, internal controls, and business continuity planning, among others.

## ENVIRONMENTAL MANAGEMENT

The Authority abides primarily by the National Environmental Management Act: Protected Areas Act, and the World Heritage Convention Act as key legislation. The day-to-day wildlife and biodiversity management is carried out by Ezemvelo KZN Wildlife in accordance with a management agreement between it and the Authority, pursuant to the regulations under the World Heritage Convention Act.

The Authority's environmental programmes conform to international best practice and are in line with the Park's inscription as a World Heritage Site, which was based on its outstanding ecological beauty and biodiversity.

## SOCIAL MANAGEMENT

The Authority has adopted Government's B-BBEE policies and has implemented a system based on dti's Codes of Good Practice and, where appropriate, on the Tourism Charter. Prospective tourism enterprises in the Park are appraised in terms of a BEE scorecard and include local communities as mandatory equity partners in their operations and as preferred service providers in their procurement plans.

The Park also implements special community development programmes. Further, contractors for infrastructure and maintenance contracts are required to comply with 30% of the contract value being sub-contracted to local black SMMEs.

## SOCIAL AND ENVIRONMENTAL RISK

iSimangaliso is situated in an area beset with high levels of unemployment and poverty, and people living in and around the Park see it as a source of economic benefit, both directly in the form of employment, and indirectly through the use of its natural resources for income generation.

To manage this reality, the Authority implements special community development programmes in areas such as craft production, interpretation of culture, tourism training, art, life skills, HIV/AIDS awareness and entrepreneurship. It also sources people from neighbouring communities in the execution of its construction and land rehabilitation programmes and provides alternatives to unsustainable practices that impact negatively on the ecology.

The Authority actively participates in crime prevention forums in the area.

At a macro level, the Authority monitors the impact of climate change on the natural resources in the Park. It has also raised funds for monitoring the hydrology of Lake St Lucia.



## COMMUNICATIONS

The Authority maintains a policy of open communication with its stakeholders on matters of interest and concern. Every effort is made to ensure that the information furnished to stakeholders conforms to the criteria of openness, substance over form, relevance, clarity, effectiveness, transparency and objectivity.

The Authority publishes regular newsflashes in the form of electronic information sheets, which keep stakeholders apprised of developments. It also maintains a website. Quarterly progress reports on performance and the annual report are uploaded onto the website. Public consultations and meetings are held to keep community groups, environmental NGOs, relevant public institutions and private parties informed about iSimangaliso, the challenges and opportunities it faces and the activities it undertakes. Regular meetings are held with land claimants and traditional councils. The Authority participates in several intergovernmental committees and forums.

## SAFETY

The Authority abides by occupational health and safety laws and regulations. Staff and contractors working in the Park are trained on how to deal with dangerous game and how to use and dispose of toxic chemicals, especially in the Park's alien vegetation clearing programme. They are also contractually obliged to conform to these prescripts.

## INFORMATION AND COMMUNICATIONS TECHNOLOGY (ICT)

The Authority's Strategic Planning Framework guides the Strategic ICT Plan within the Authority, which, in turn, provides an ICT roadmap to ensure that ICT investment is aligned with the business strategy. Future core business applications identified include financial management, document management, content management and a MIS system.

Due to the current structure and size of the Organisation, the Authority has outsourced most of the ICT functions. The broad ICT services rendered and supported through the entire Organisation cover areas such as desktop and server management, network administration and maintenance, email and internet management as well as website management.

## ORGANISATIONAL STRUCTURE

The Authority has five operating units:

- Socio-economic and Environment Development
- Biodiversity Conservation
- Tourism and Business Development
- Corporate Support Services and Finance

The Socio-economic and Environment Development Unit is responsible for developing and implementing sustainable development strategies, local economic development and implementing training programmes for communities. Furthermore, it is responsible for stakeholder engagement and management.

The Biodiversity Conservation Unit establishes conservation policy and oversees estate management and the implementation of conservation aspects of a management agreement with Ezemvelo KZN Wildlife.

The Tourism and Business Development Unit handles tourism and related development, while Support Services coordinates policy planning and research, communications, human resources, and IT functions, among others. The staffing of new positions in the revised units is ongoing.

The Finance Unit is responsible for SCM and financial management.

All units are required to develop and implement BEE strategies pertaining to their functional areas.

A joint management committee, representing the Authority and Ezemvelo KZN Wildlife, addresses Park management matters.

## REMUNERATION

The Authority is a total-cost-to-company employer. It is not subject to Public Service scales and remunerates its employees in accordance with the prevailing dictates of the market. Remuneration for Board members and Board committees is regulated by directives from National Treasury. Disclosure of remuneration to managers, as required by Treasury, is made in note 30 to the AFS.



**PART D:**

**HUMAN RESOURCE MANAGEMENT**

## HUMAN RESOURCES MANAGEMENT

### 1. HUMAN RESOURCES OVERVIEW

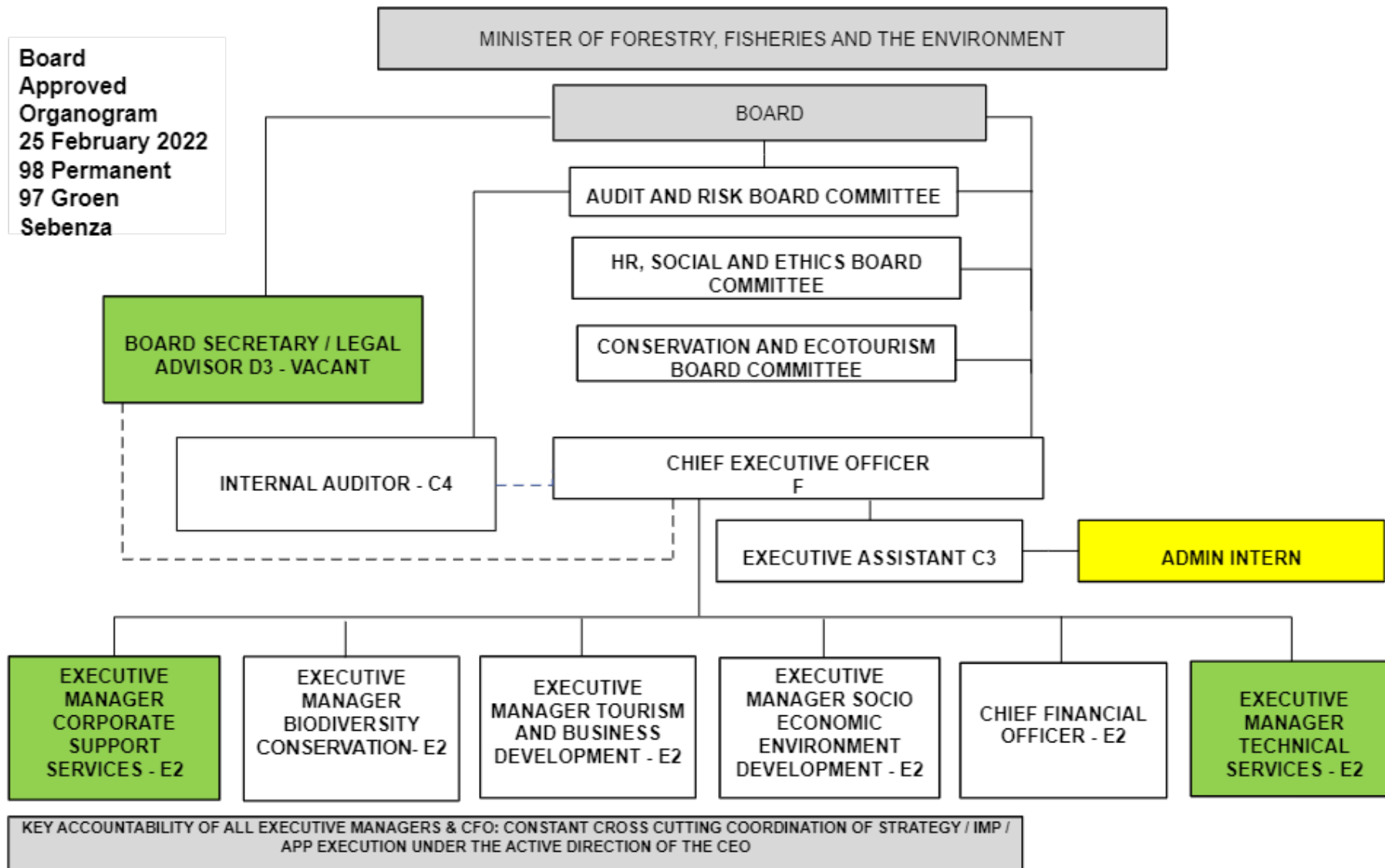
Human Resources Department at iSimangaliso falls under Program one (1): Corporate Support Services. HR Department provides efficient and effective Human resources management functions that support the achievement of the Authority's strategic objectives.

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

### 2. BOARD APPROVED STAFF ESTABLISHMENT / ORGANOGRAM

The board approved structure consists of 98 permanent positions. Out of the 98 positions, 51 positions are vacant, and 47 positions are permanently filled. Out of 51 vacant positions 48 are unfunded and 3 are funded and will be filled during the financial year 2022/23. The following is a macro structure of the Entity.

Board Approved Organogram 25 February 2022  
 98 Permanent  
 97 Groen  
 Sebenza



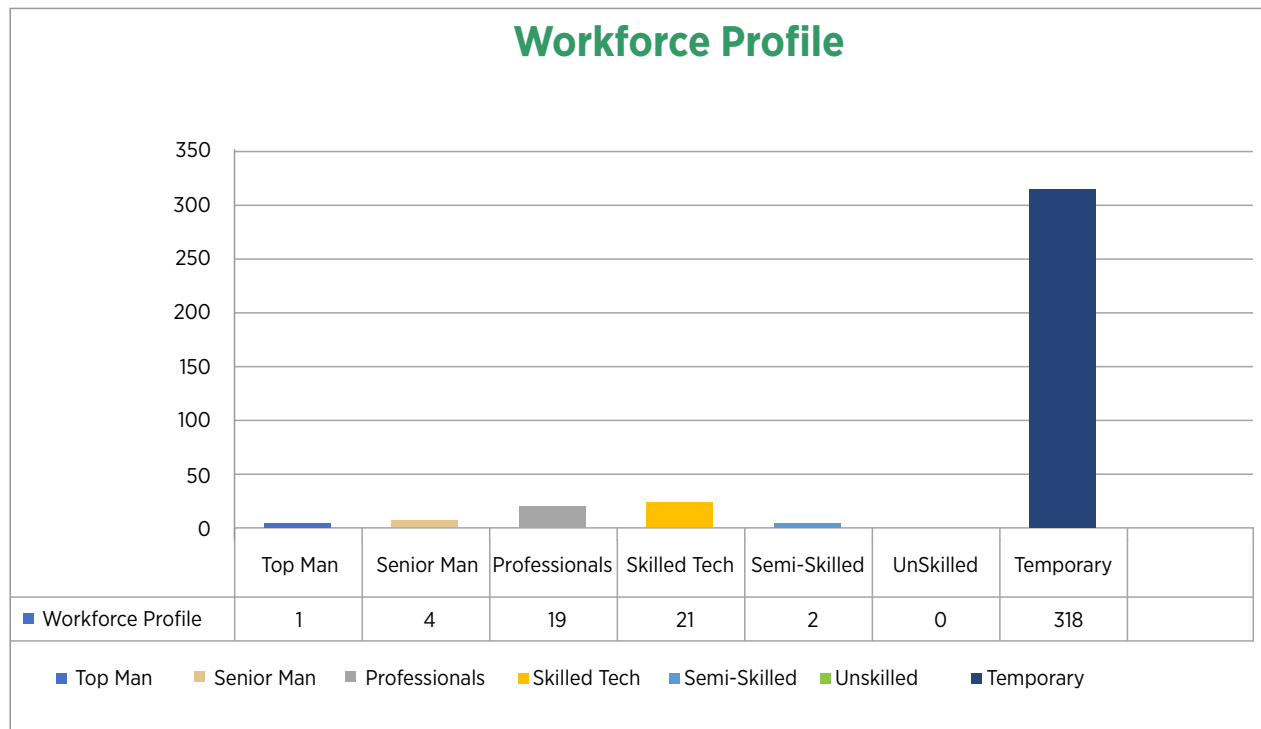
**10 positions in the "Macro" structure + 1 Groen Sebenza Intern**

### 3. WORKFORCE PROFILE AS OF 31 MARCH 2022

The Entity had 365 employees in total, 47 permanently employed and 318 temporary employees. The temporary employees are made up of Environmental Monitors, Environmental Monitors Administrators, Rhino Monitors and Groen Sebenza Interns.

OCCUPATIONAL LEVELS	JOB GRADE	MALE				FEMALE				FOREIGN NATIONALS		TOTAL
		A	C	I	W	A	C	I	W	MALE	FEMALE	
Top management	<b>F1</b>	1	0	0	0	0	0	0	0	0	0	1
Senior management	<b>E2</b>	3	0	0	0	1	0	0	0	0	0	4
Professionally qualified and experienced specialists and mid-management	<b>D3</b>	1	0	0	0	3	0	0	0	0	0	4
	<b>D2</b>	6	0	0	2	6	0	0	0	1	0	15
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	<b>C5</b>	2	0	0	0	0	0	0	0	0	0	2
	<b>C4</b>	5	0	0	0	2	0	0	0	0	0	7
	<b>C3</b>	6	0	0	0	4	0	0	0	0	0	10
	<b>C2</b>	0	0	0	0	2	0	0	0	0	0	2
	<b>C1</b>	0	0	0	0	0	0	0	0	0	0	0
Semi-skilled and discretionary decision making	<b>B4</b>	0	0	0	0	2	0	0	0	0	0	2
	<b>B2</b>	0	0	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	<b>A1</b>	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL PERMANENT</b>		24	0	0	2	20	0	0	0	1	0	47
Temporary Employees		147	0	0	0	171	0	0	0	0	0	318
<b>TOTAL</b>		171	0	0	2	191	0	0	0	1	0	365
<b>EAP PROVINCIAL</b>		45.7%	0.7%	5.2%	2.4%	40.4%	0.8%	3.2%	1.6%			
<b>ACTUALS</b>		47%	0%	0%	0.55%	52%	0%	0%	0%	0.3%	0%	100%

## Workforce Profile



## 3.3 GROEN SEBENZA INTERNSHIP PROGRAMME

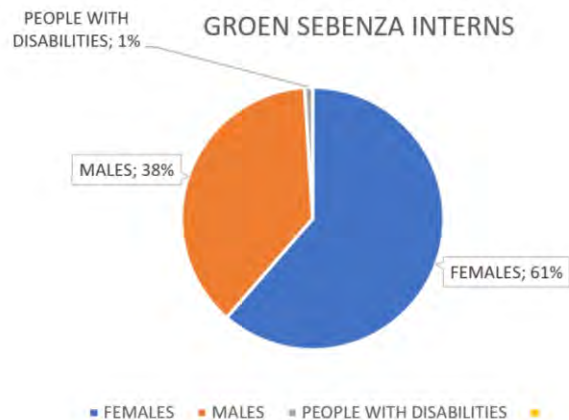
iSimangaliso introduced Groen Sebenza Internship Programme during the financial year 2021/22. The programme is funded by the National Department of Forestry, Fisheries and Environment as part of the Job Creation. The main objective of the programme is to train and mentor matriculants and graduates through host Institutions amongst which iSimangaliso is included. The Programme aims to bring young South Africans from previously disadvantaged backgrounds and together with experienced biodiversity professionals to learn, grow and eventually gain the competence and confidence to embark on rewarding and meaningful careers prioritizing careers in Biodiversity, strengthening its iSimangaliso relationships with communities neighbouring the park. As of 31<sup>st</sup> March 2022, iSimangaliso managed to employ Interns through which 62% are females, 38% are males and 1% is people with disabilities. In terms of placement, 52% of Interns were placed at iSimangaliso and 48% at various iSimangaliso Stakeholders such as Ezemvelo KZN Wildlife, COGTA, Amakhosi and Municipalities within the park.

## 3.1 ENVIRONMENTAL MONITORS PROGRAMME

The Environmental Monitors Programme is about the employment and training of Human Resources. Environmental Monitors were employed to curb poaching and guard against biodiversity loss. Their duties involve patrolling (security services, anti-poaching, monitoring, and environmental education. Environmental Monitors administrators were employed to perform the administration duties for the environmental monitors programme. the programme is funded by the Department of Forestry, Fisheries, and the Environment.

## 3.2 RHINO MONITORS PROGRAMME

Rhino Monitors provide support to the law enforcement operations in the iSimangaliso Wetland Park Authority.



### 3.4 GROEN SEBENZA INDUCTION PROGRAMME

Groen Sebenza Interns were inducted from 14 March 2022 to 18 March 2022. The Induction Programme covered iSimangaliso Wetland Park Programmes as follows.

- An Overview of iSimangaliso Wetland Park Authority
- Strategy and Annual Performance Plan
- Corporate Support Services
- Biodiversity Conservation Programme
- Tourism and Business Development
- Socio-Economic-Environment Development
- Conditions of Service
- Policies and Procedures
- Park Visit – Interns got an opportunity to visit the Park to learn and understand what the Park is all about and to know the activities undertaken throughout the park.



### INTERNS WERE GIVEN AN OPPORTUNITY TO PRESENT THEIR FEEDBACK ON THE TRAINING RECEIVED

- The Intern's response was positive, in that they appreciated the opportunity of knowing the Entity
- They were confident that they will successfully succeed in their field of work.
- They became motivated and felt welcomed within the Entity
- They appreciated the opportunity of knowing the Park and its activities
- They were confident that they will be able to apply the knowledge gained during the induction programme.

## 4. STATUTORY REQUIREMENTS

The following table represents the submissions made in line with the statutory requirements during the year 2021.

Name of the Report	Nature of Submission	Submission Date	Where was it Submitted to?	Legislative Requirement
Employment Equity Report	Online	15/01/2022	Department of Labour	Employment Equity Act, 55 of 1998
Workplace Skills Plan 2022/23	Online	29/04/2022	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	31/05/2022	Department of Labour	Compensation for Occupational injuries and Diseases Act, No 130 of 1993
EMP201 Monthly Employer PAYE, SDL and UIF Declaration	Online	31/01/2022 28/02/2022 31/03/2022	SARS	Skills Development Levy Act 6 of 1999
EMP501 PAYE, SDL and UIF Declaration Mid-Year and Annual	Online	31/05/2022	SARS	Unemployment Insurance Fund Act 63 of 2001 Income Tax Act 28 of 1997

## 5. PROTECTION OF PERSONAL INFORMATION ACT (POPIA) COMPLIANCE

iSimangaliso is complying with legislation. The registration with the Information Regulator was done and the registration certificate was received. The CEO was appointed as the Chief Information Officer, ICT Manager and Communications Manager as Deputy Information Officers. All employees were trained on POPIA. This was done to ensure that employees are aware of what POPIA is and what needs to be done in terms of the act itself and regulations. The Privacy Policy was developed, communicated and approved by the Board on 30 March 2022.

## 6. POLICIES AND PROCEDURES

The Board approved 37 policies and procedures on the 30th of March 2022. All these policies are in line with various pieces of legislation such as 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 pieces of legislation.



## 7. APPOINTMENT OF EMPLOYEES

Four (4) permanent employees were employed during the financial year 2021/22 as follows:

Occupational Level	Job Title	Job Grade	Female	Male	Status of the Position
Skilled Technical	Project Manager	D2	1	0	Permanent
Skilled Technical	Finance Manager	D2	1	0	Permanent
Skilled Technical	Supply Chain officer	C3	0	1	Permanent
Skilled Technical	Assets Management Officer	C3	0	1	Permanent

## 8. TRAINING AND DEVELOPMENT

iSimangaliso trained its employees on various training and development programs. Bursaries were offered to staff for their educational opportunities with tertiary institutions. Training helps employees to develop a deeper understanding of their role, improve their performance and learn new skills.

### 8.1 WORKPLACE SKILLS PLAN

Workplace Skills Plan was developed and submitted to SETA on 29<sup>th</sup> April 2021. The Training and development needs identified for the Year 2021/22 were specified on the WSP.

### 8.2 ANNUAL TRAINING REPORT 2021

The following table represent the type of learning intervention attended, number of employees trained, gender and occupations of employee who attended the training. These following training and development needs were specified in the Workplace Skills Plan submitted on 29<sup>th</sup> April 2021.

No.	TYPE OF LEARNING INTERVENTION	NUMBER EMPLOYEES TRAINED IN THIS INTERVENTION- FEMALE	NUMBER EMPLOYEES TRAINED IN THIS INTERVENTION- MALE	TOTAL TRAINED
1.	Employment Equity	4	3	7
2.	Report Writing	4	1	5
3.	GIS System	-	1	1
4.	Arc GIS Advances	-	1	1
5.	Report Writing	1	3	4
6.	Presentation Skills	3	-	3
7.	Tourism Marketing Management	2	-	2
8.	Fleet Management	3	2	5
9.	GRAP- Accounting Standards	1	-	1
10.	Conflict Management	1	2	3
11.	Performance Management	2	2	4
12.	Finance For Financial Manager	2	2	4
14.	Microsoft Package	-	2	2

No.	TYPE OF LEARNING INTERVENTION	NUMBER EMPLOYEES TRAINED IN THIS INTERVENTION- FEMALE	NUMBER EMPLOYEES TRAINED IN THIS INTERVENTION- MALE	TOTAL TRAINED
15.	Occupational health Safety	3	2	5
16.	First Aid Training	1	1	2
17.	Fire Fighting Training	1	-	1
18.	ICT Workshop	7	5	12
19.	Bid Committee Training	2	5	7

### 8.3 BURSARIES AWARDED TO iSIMANGALISO EMPLOYEES

iSimangaliso awarded bursaries to its three (3) employees. One of the qualifying criteria for bursaries include studying a course that is directly relevant to iSimangaliso's mandate. Employees who qualified for bursaries signed a legally binding agreement between the employer and the employee. The following table represent the field of study each employee is studying towards, the tertiary institution, the bursary amounts, the duration of study, and employees who were awarded the bursaries.

Job Title	Gender	Department	Field of Study	Funding Required	Duration of Study
Executive Assistant to EM Tourism & Business Development	Female	Tourism & Business Development	Higher Certificate in Marketing	R22 450.00	1 Year - part time
Senior Manager Stakeholder Engagement	Female	Socio-Economic Environment Development	BA Honours in Development Studies	R23 239.00	1 Year - part time
Land Care Contract Manager	Male	Biodiversity Conservation	Bachelor of Public Administration in Human Settlement Management	R5 820.00	3rd Year - part time

## 9. THE PATERSON GRADING SYSTEM

iSimangaliso Wetland Park Authority undertook the Job Evaluation and Grading process with the aim of ensuring that all positions are appropriately graded, and anomalies and inconsistencies are eliminated in the existing positions that are on the Board approved structure. iSimangaliso uses the Paterson Grading System. The Paterson System grades jobs according to how many decisions a worker must make in his or her job, and how important these decisions are in the running of the overall unit, branch, or industry. Paterson Grading System has six levels of decision-making, called Bands. In each band there are sub-bands or sub-grades. To allocate a sub-band in the band there are factors that are taken into consideration. The description of Job Bands / Grades is outlined in the table below.

BROAD BAND	BAND DESCRIPTOR			
	PATERSON PLUS	PATERSON DECISION LEVELS	TYPICAL ROLES	OCCUPATIONAL LEVEL
<b>F – Band</b>	<b>Policy Decisions:</b> Setting the organisational vision.	Policy Decisions	Board Level. Executives of large major national and multi-national corporations	Top management
<b>E – Band</b>	<b>Programming Decisions:</b> Tactical; turning vision and strategy into business plans	Programming Decision	Executives of subsidiary organisations to large major national and multi-national corporations. Executives of medium to intermediate single unit sized organisations.	Senior management
<b>D – Band</b>	<b>Interpretive or Probabilistic Decisions:</b> Works within business plans and budgets, interprets elements of the budgets	Interpretive or Probabilistic Decisions	Executives of small to medium size organisations. Management roles Professionally Qualified Subject Matter Experts and Experienced Specialists.	Professionally qualified and experienced specialists and mid-management
<b>C – Band</b>	<b>Process or Systems Decisions:</b> Skilled work, where a professional or technical qualification AND experience is required	Routine Decisions	Skilled, Technical and Academically Qualified Employees. Junior Management, Supervisors, Foremen, Superintendents.	Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents
<b>B – Band</b>	<b>Operative or Sub-System Decisions:</b> Semi-skilled work where knowledge AND experience are required, limited procedures	Automatic Decisions	Clerks, Operators, Drivers, Administrative Roles.	Semi-skilled and discretionary decision making
<b>A – Band</b>	<b>Defined Decisions:</b> Basic skilled work takes place within procedures	Defined Decisions	General Workers, Assistants, Cleaners.	Unskilled and defined decision making

The workshops were conducted to provide awareness to staff in relation to the project objectives, clearly outlining the purpose, desired outcome, the approach and the benefits of the job evaluation and grading process. Job Description questionnaires were distributed to staff for them to be able to provide information in relation to their positions in terms of its purpose, qualifications, skills, and experience required as well as duties and responsibilities for each job. Interviews were conducted with staff occupying the positions confirming to the Key Performance Areas for each position and the information on the Job Description questionnaire.

Interview responses were consolidated and comprehensive analysis for each position with job weightings analysed was undertaken. Information on the Job Description Questionnaires as well as Senior Managers contribution was taken into consideration. Omissions and inconsistencies were identified. All positions were reviewed, and job descriptions / Job Profiles were updated for all staff in all programs. Benchmarking process was undertaken. Evaluation and grading for each position on the Board approved structure was undertaken. A final report consisting of the Job Grading results was consolidated and submitted to the CEO and Executive. Changes were made to 16 positions. All the work conducted was communicated to staff. The implementation of the final results was effective from 1<sup>st</sup> July 2022.

## 10. EMPLOYEE RELATIONS

### 10.1 DISCIPLINARY HEARING

There were two disciplinary hearings during the period. In terms of iSimangaliso Wetland Park Authority Disciplinary Code and Procedure, the two employees allegedly committed an offence, gross negligence by disregarding the Supply Chain Management processes, thus subjecting the Entity to fruitless and wasteful expenditure.

Occupational Level	Job Grade	Gender	Race	No. of Employees	Occupational Level	Disciplinary Charges	Sanction
Professionally qualified	D2	Male	White	1	Gross Negligence	01/04/2021	Final Written Warning. The employee was also ordered to pay the costs involved amounting to <b>R72 125.70</b>
Skilled Technical	C4	Male	African	1	Gross Negligence	13/04/ 2021 & 13/05/ 2021	Final Written Warning

### 10.2 PRECAUTIONARY SUSPENSION

- 10.1.1. Two permanent employees were put on precautionary suspension with full pay pending investigation into allegations of financial misconduct. Letters were served to them on 12 January 2022.
- 10.1.2. Investigation is in compliance with section 85 of the Public Finance Management Act No. 1 of 1999 read with Regulations issued in terms of the Government Gazette No 22141 dated 9 March 2001.

### 11. EMPLOYEE HEALTH AND WELLNESS PROGRAMME

Employee Assistance is offered to Employees on life challenges they face. Several referrals occurred during the period to Psychologists, Social Workers, Dept Counsellors. Confidentiality is maintained in all Employee related challenges.

#### 11.1 EMPLOYEE HEALTH AND WELLNESS FOR GROEN SEBENZA INTERNS

The Groen Sebenza Interns were inducted on the employee health and wellness programme. The topics covered included:

- Financial Management
- Gender based violence
- Medico-legal services
- The importance of eating healthy and fitness exercises
- Primary health care and various health related conditions
- Professional Medical Services – Specialist referrals
- Support Services – face to face individual/ family/ group counselling, psychological intervention, health education

The Interns understands the importance of budgeting, how to overcome the issues of Gender Based Violence (GBV). The Interns got to learn about the importance of eating healthy and exercising for their fitness and how to overcome the issues of mental health conditions. They know that whenever they experience stress related issues affecting work or home that they will be able to get counselling through iSimangaliso Wellness Programme. They got an opportunity to exercise and to practice what they have been taught on daily basis.



### 11.1 ENDING YEAR 2021 ON A WELLNESS NOTE

iSimangaliso Staff ended 2021 year on a wellness note with a Wellness Day being held on 10<sup>th</sup> December 2021.



### 11.3 CEO MR. SE BUKHOSINI'S STAFF BRIEFING

The CEO got an opportunity to communicate and provide information to staff in relation to Entity on 10<sup>th</sup> December 2021. The items that were communicated to staff were Commercialization and Investment Summit, Entity's budget under covid situation, Auditor General Report, Clean audit for the financial year 2022/23, Job Evaluation feedback, Employee Benefits: Medical aid, Pension Fund. update on the infrastructure development and update on Employee Health and Wellness Programme. Staff appreciated an opportunity to communicate with the CEO and to know what is happening within the Entity.



## **12. OCCUPATIONAL HEALTH AND SAFETY IN THE WORKPLACE**

The Health and Safety Committee by law is required to meet once a quarter. This is in line with Occupational Health and Safety Act. The Health and Safety Committee of iSimangaliso complied with legislation during the year 2021/22 and have met in all the quarters to discuss Occupational Health and Safety matters that affect the Entity including the Covid-19. The Committee reviewed the Covid-19 protocol in line with adjusted level 4 regulations. The protocol is updated from time to time to be in line with regulations

## **13. COVID 19 AND VACCINATION FOR ISIMANGALISO STAFF**

On all the cases reported, staff recovered and there were no deaths reported due to Covid. The importance of vaccination was communicated to staff. Employees have been encouraged to vaccinate and were and are assisted whenever they require assistance in terms of registration. The Health and Safety Precautionary Measures are communicated to staff. Covid-19 Protocol was developed for iSimangaliso and is in line with regulations. It is updated from time to time whenever there are changes in regulations. Each time there is a case reported deep cleaning and fogging was conducted. HR iSimangaliso is continuing with encouraging employees to vaccinate.

# LUTHULI MUSEUM





**PART E:**

**FINANCIAL INFORMATION**



Auditor-General of South Africa  
**iSimangaliso Wetland Park  
Authority**

**Audit report for the year ending  
31 March 2022**

## iSimangaliso Wetland Park Authority

Annual Financial Statements for the year ended 31 March 2022

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

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<b>DFFE</b>	Department of Forestry, Fisheries and the Environment
<b>GRAP</b>	Generally Recognised Accounting Practice
<b>NIHSS</b>	National Institute for the Humanities and Social Sciences
<b>PFMA</b>	Public Finance Management Act
<b>PPP</b>	Public Private Partnership

## iSimangaliso Wetland Park Authority

Annual Financial Statements for the year ended 31 March 2022

### General Information

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<b>Country of incorporation and domicile</b>	South Africa
<b>Legal form of entity</b>	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.
<b>Nature of business and principal activities</b>	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.
<b>Directors</b>	<i>Non-Executive</i> Prof A T Nzama (Chairperson) Inkosi Tembe (Deputy Chairperson) Ms N Cawe Mr L Lankalebalele Mr GG Nair Mrs L Noge-Tungamirai Prof CP Small <i>Officials</i> Mr S Nkosi - Department of Forestry, Fisheries and the Environment (DFFE) <i>Executive</i> Mr S.E Bukhosini (CEO)
<b>Business address</b>	The Dredger Harbour, St Lucia Private Bag X05, St Lucia St Lucia 3936
<b>Bankers</b>	First National Bank
<b>Auditors</b>	Auditor-General South Africa Registered Auditors
<b>Chief Financial officer</b>	Mrs SQ Mntambo
<b>Contact number</b>	+27 35 590 1633
<b>Email address and Website</b>	info@isimangaliso.com <a href="https://isimangaliso.com">https://isimangaliso.com</a>

## iSimangaliso Wetland Park Authority

Annual Financial Statements for the year ended 31 March 2022

### Report of the auditor-general to Parliament on the 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 79 to 138, which comprise the statement of financial position as at 31 March 2022, 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 2022, 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.

#### Restatement of corresponding figures

7. As disclosed in note 35 and 36 to the financial statements, the corresponding figures for 31 March 2021 were restated as a result of an error in the financial statements of the entity at, and for the year ended, 31 March 2022.

#### Uncertainty relating to future outcome of exceptional litigation

8. As disclosed in note 29, 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.

#### 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 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 24 to 31 of the entity's annual performance report for the year ended 31 March 2022.
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 below.

#### **Achievement of planned targets**

19. The annual performance report on pages 18 to 47 includes information on the achievement of planned targets for the year and management's explanations provided for the under and over achievement 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.

## iSimangaliso Wetland Park Authority

Annual Financial Statements for the year ended 31 March 2022

### 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:

#### Procurement and contract management

23. Some of the quotations were awarded to suppliers based on pre-qualification criteria that differed from those stipulated in the original invitation for quotations, in contravention of the 2017 Preferential Procurement Regulation 4 (1) and 4(2). Similar non-compliance was also reported in the prior year.

### Other information

24. 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.
25. 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.

26. 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.
27. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue and amended report as appropriate. However, if it is corrected this will not be necessary.

### Internal control deficiencies

28. I considered internal control relevant to my audit of the financial statements, 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.
29. Management did not adequately monitor compliance with applicable laws and regulations relating to procurement and contract management as evidenced by the non-compliance reported.

Auditor - General

Pietermaritzburg

31 July 2022



### **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 auditors 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, 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.

## iSimangaliso Wetland Park Authority

Annual Financial Statements for the year ended 31 March 2022

### 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 information.

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 2023 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 4 to 59, which have been prepared on the going concern basis, were approved by the board on 30 May 2022 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 2022

**Statement of Financial Position as at 31 March 2022**

Figures in Rand	Note(s)	2022	2021 Restated*
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	3	651 591 779	644 071 961
Investment property	4	116 318 489	96 768 309
Intangible assets	5	1 611 913	1 209 284
		<b>769 522 181</b>	<b>742 049 554</b>
<b>Current Assets</b>			
Inventories	6	280 741	286 774
Receivables from exchange transactions	7	4 296 287	5 767 698
Receivables from non-exchange transactions	8	29 200 000	550 000
VAT receivable	9	103 591 430	86 889 743
Cash and cash equivalents	10	62 810 842	126 296 970
		<b>200 179 300</b>	<b>219 791 185</b>
<b>Total Assets</b>		<b>969 701 481</b>	<b>961 840 739</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	11	34 179 578	39 805 514
Unspent conditional grants	12	82 796 069	70 614 037
		<b>116 975 647</b>	<b>110 419 551</b>
<b>Total Liabilities</b>		<b>116 975 647</b>	<b>110 419 551</b>
<b>Net Assets</b>		<b>852 725 834</b>	<b>851 421 188</b>
Accumulated surplus		852 725 834	851 421 189

## iSimangaliso Wetland Park Authority

Annual Financial Statements for the year ended 31 March 2022

### Statement of Financial Performance

Figures in Rand	Note(s)	2022	2021 Restated*
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Park revenue	13	17 261 741	10 470 303
Personnel costs recoveries/fees		5 801 677	7 515 453
Management fees		3 990 611	1 941 353
Administration fees		4 857 776	5 937 330
Interest received - investment	14	299 003	556 524
Other income	15	1 147 691	356 371
<b>Total revenue from exchange transactions</b>		<b>33 358 499</b>	<b>26 777 334</b>
<b>Revenue from non-exchange transactions</b>			
<b>Transfer revenue</b>			
Grants and subsidies	16	277 305 209	467 209 101
Public contributions and donations	17	-	4 299
<b>Total revenue from non-exchange transactions</b>		<b>277 305 209</b>	<b>467 213 400</b>
<b>Total revenue</b>		<b>310 663 708</b>	<b>493 990 734</b>
<b>Expenditure</b>			
Personnel costs	18	(43 951 433)	(40 451 574)
Project costs	19	(61 432 954)	(49 217 456)
Co-management agreement payments		(1 143 000)	(830 567)
Professional, consulting and legal fees	20	(20 251 587)	(19 201 764)
Depreciation, amortisation and impairment	21	(42 786 622)	(40 651 212)
Lease rentals on operating lease	22	(79 911)	(80 745)
Debt impairment		(792 010)	-
Contracted services	23	(109 700 386)	(142 841 196)
Loss on disposal and write off of assets	24	(6 014 753)	(12 908 536)
Other operating expenses	25	(23 206 408)	(14 951 286)
<b>Total expenditure</b>		<b>(309 359 064)</b>	<b>(321 134 336)</b>
<b>Surplus for the year</b>		<b>1 304 644</b>	<b>172 856 398</b>

**iSimangaliso Wetland Park Authority**

Annual Financial Statements for the year ended 31 March 2022

**Statement of Changes in Net Assets**

<b>Figures in Rand</b>	<b>Accumulated surplus</b>	<b>Total net assets</b>
Opening balance as previously reported	629 856 318	629 856 318
Adjustments (Refer to note 33)		
Correction of errors	48 708 473	48 708 473
<b>Balance at 01 April 2020 as restated</b>	<b>678 564 791</b>	<b>678 564 791</b>
Changes in net assets		
Surplus for the year	172 856 398	172 856 398
Total changes	172 856 398	172 856 398
<b>Restated* Balance at 01 April 2021</b>	<b>851 421 190</b>	<b>851 421 190</b>
Changes in net assets		
Loss for the year	1 304 644	1 304 644
Total changes	1 304 644	1 304 644
<b>Balance at 31 March 2022</b>	<b>852 725 834</b>	<b>852 725 834</b>

## iSimangaliso Wetland Park Authority

Annual Financial Statements for the year ended 31 March 2022

### Cash Flow Statement

Figures in Rand	Note(s)	2022	2021 Restated*
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Park revenue		16 834 777	10 946 538
Grants	16	275 487 307	273 901 173
Interest income	14	211 989	369 277
Other income		496 860	341 585
		<b>293 030 933</b>	<b>285 558 573</b>
<b>Payments</b>			
Personnel costs		(42 997 280)	(38 509 843)
Suppliers		(230 258 085)	(271 324 273)
		(273 255 365)	(309 834 116)
<b>Net cash flows from operating activities</b>	27	<b>19 775 568</b>	<b>(24 275 543)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(55 015 546)	(122 085 580)
Purchase of investment property		(28 246 150)	(10 695 537)
Purchase of other intangible assets	5	-	(1 303 343)
<b>Net cash flows from investing activities</b>		<b>(83 261 696)</b>	<b>(134 084 460)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(63 486 128)</b>	<b>(158 360 002)</b>
Cash and cash equivalents at the beginning of the year		126 296 970	284 656 972
<b>Cash and cash equivalents at the end of the year</b>	10	<b>62 810 842</b>	<b>126 296 970</b>

## iSimangaliso Wetland Park Authority

Annual Financial Statements for the year ended 31 March 2022

### Statement of Comparison of Budget and Actual Amount

<b>Budget on Accrual Basis</b>						
	<b>Approved budget</b>	<b>Adjustments</b>	<b>Final Budget</b>	<b>Actual amounts on comparable basis</b>	<b>Difference between final budget and actual</b>	<b>Reference</b>
Figures in Rand						
<b>Statement of Financial Performance</b>						
<b>Revenue</b>						
<b>Revenue from exchange transactions</b>						
Park revenue	18 279 740	(3 256 516)	15 023 224	17 261 741	<b>2 238 517</b>	BC1
Personnel costs recovery	7 843 200	(4 066 857)	3 776 343	5 801 677	<b>2 025 334</b>	BC2
Management and Administration fees	10 510 060	(5 449 678)	5 060 382	8 848 387	<b>3 788 005</b>	BC3
Interest revenue	900 000	-	900 000	299 003	<b>(600 997)</b>	BC4
Other income	-	-	-	1 147 691	<b>1 147 691</b>	BC5
<b>Total revenue from exchange transactions</b>	<b>37 533 000</b>	<b>(12 773 051)</b>	<b>24 759 949</b>	<b>33 358 499</b>	<b>8 598 550</b>	
Revenue from non-exchange transactions						
<b>Transfer revenue</b>						
Government grants & subsidies	226 583 740	47 659 670	<b>274 243 410</b>	277 305 209	<b>3 061 799</b>	BC6
<b>Total revenue</b>	<b>264 116 740</b>	<b>34 886 619</b>	<b>299 003 359</b>	<b>310 663 708</b>	<b>11 660 349</b>	
<b>Expenditure</b>						
Chemicals & equipment, project training and coast care	(98 981 000)	-	<b>(98 981 000)</b>	(79 370 422)	<b>19 610 578</b>	BC7
Depreciation, amortisation and write off of assets	(40 335 168)	(1 856 398)	<b>(42 191 566)</b>	(48 801 375)	<b>(6 609 809)</b>	BC8
Personnel costs	(34 136 000)	(8 740 664)	<b>(42 876 664)</b>	(43 951 433)	<b>(1 074 769)</b>	BC9
Maintenance & repairs	(10 880 780)	(43 415 390)	<b>(54 296 170)</b>	(63 478 572)	<b>(9 182 402)</b>	BC10
Co-management agreement payments	(1 500 000)	-	<b>(1 500 000)</b>	(1 143 000)	<b>357 000</b>	BC11
Consultants, contractors & special services and COVID	(14 657 515)	(5 994 041)	<b>(20 651 556)</b>	(19 939 233)	<b>712 323</b>	BC12
Gate operating costs	(14 387 836)	10 141 874	<b>(4 245 962)</b>	(11 258 353)	<b>(7 012 391)</b>	BC13
Training and development	(2 231 725)	-	<b>(2 231 725)</b>	(2 484 517)	<b>(252 792)</b>	BC14
Security	(21 571 110)	1 925 872	<b>(19 645 238)</b>	(22 757 142)	<b>(3 111 904)</b>	BC15

## iSimangaliso Wetland Park Authority

Annual Financial Statements for the year ended 31 March 2022

### Statement of Comparison of Budget and Actual Amount

Budget on Cash Basis						
Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Debt Impairment	-	-	-	(792 010)	<b>(792 010)</b>	BC16
Other expenses	(25 435 606)	13 052 128	<b>(12 383 478)</b>	(15 383 008)	<b>(2 999 530)</b>	
<b>Total expenditure</b>	(264 116 740)	<b>(34 886 619)</b>	<b>(299 003 359)</b>	<b>(309 359 065)</b>	<b>(10 355 706)</b>	
<b>Surplus before taxation</b>	-	-	-	<b>1 304 643</b>	<b>1 304 643</b>	
<b>Surplus for the year from operating</b>	-	-	-	<b>1 304 643</b>	<b>1 304 643</b>	BC17
Capital expenditure	-	-	-	(76 274 001)	<b>(76 274 001)</b>	
<b>Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement</b>	-	-	-	<b>(74 969 358)</b>	<b>(74 969 358)</b>	
<b>Reconciliation</b>						
<b>Basis difference</b>						
Capital expenditure				76 274 001		
<b>Actual Amount in the Statement of Financial Performance</b>				<b>1 304 643</b>		

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

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.

### 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.

## Accounting Policies

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
Transport assets	Straight line	5 to 12 years
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



## Accounting Policies

### 1.4 Property, plant and equipment (continued)

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 two 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.

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.

## Accounting Policies

### 1.5 Investment property (continued)

#### Cost model

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.

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.

## **Accounting Policies**

### **1.9 Leases (continued)**

#### **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 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.

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

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

#### **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.

#### **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.

#### **Value in use**

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

The present value of the remaining service potential of a non-cash-generating assets is determined using the following approach:

## Accounting Policies

### 1.11 Impairment of non-cash-generating assets (continued)

#### Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the current reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the Authority would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

#### 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.

### 1.12 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

### 1.12 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, whichever 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.

### 1.13 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.

#### 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:

- **Gate-entrance fees.** The Authority charges gate entrance fees per person entering the gate.
- **Activities:** This includes inter alia revenue from events, filming and permits. The Authority has agreements with private parties to access the park for tourism activities for which monthly fee is charged. The Authority earn further revenue from adhoc events and filming activities within the park.
- **Concession Fee:** These are fees for tourism operations operated for gain by private parties within the Park. Private companies are allowed to operate within the park, whereby they can occupy tourism accommodation for rental to visitors and the authority enters agreement with private companies to pay a fee.

## Accounting Policies

### 1.13 Revenue from exchange transactions (continued)

- **Levies charged at gates:** The Authority charges levies per each person entering the park and management allocates the fees received towards community building activities at their discretion.

Park revenue from gate entrance and levies is recognised when visitors access the park and is paid for in cash upon entry. Park revenue from commercial activities and concession fee is due at the end of the month following which activities are performed. Invoices are raised in respect of such fees during the last week of performing activities in cases where there is a regular monthly charge and in advance of an ad hoc activity.

#### - 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 project is implemented. Management 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 claimed range from 5% to 10% of expenditure incurred on each grants.

### 1.14 Investment income

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

### 1.15 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.

### 1.16 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.

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.

## Accounting Policies

### 1.16 Expenditure (continued)

Major expenses include:

- **Project costs**- major operating expenditure incurred in implementing projects that are funded by grants;
- **Contracted services**- included are costs incurred 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.

### 1.17 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.

A contingent liability is:

(a) a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or nonoccurrence 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 29 unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

### 1.18 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

## Accounting Policies

### 1.18 Commitments (continued)

- 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.

### 1.19 Comparative figures

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

### 1.20 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.

### 1.21 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.

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.

### 1.22 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.



## Accounting Policies

### 1.23 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 accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 01 Apr 2021 to 31 Mar 2022.

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.

### 1.24 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.

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.

### 1.25 Taxation

#### Income Tax

No provision is made for income tax 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.

#### Value-Added Tax (VAT)

The Authority was registered as a VAT vendor effective August 2021. Previously the Authority was disallowed to register for VAT as its activities were deemed not to meet the definition of enterprise as per VAT Act.

The Authority accounts for VAT on accrual basis and VAT returns are due on a monthly basis.

### 1.26 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.

## iSimangaliso Wetland Park Authority

Annual Financial Statements for the year ended 31 March 2022

### Accounting Policies

#### 1.27 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.

## iSimangaliso Wetland Park Authority

Annual Financial Statements for the year ended 31 March 2022

### Notes to the Annual Financial Statements

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#### 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 01 April 2022 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
<ul style="list-style-type: none"><li>• GRAP 104 (amended): Financial Instruments</li><li>• Guideline: Guideline on Accounting for Landfill Sites</li><li>• Guideline: Guideline on the Application of Materiality to Financial Statements</li></ul>	<ul style="list-style-type: none"><li>• To be determined</li><li>• To be determined</li><li>• To be determined</li></ul>	<ul style="list-style-type: none"><li>• Unlikely there will be a material impact</li><li>• Unlikely there will be a material impact</li><li>• Unlikely there will be a material impact</li></ul>

## iSimangaliso Wetland Park Authority

Annual Financial Statements for the year ended 31 March 2022

### Notes to the Annual Financial Statements

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#### 3. Property, plant and equipment

	2022			2021		
	Cost	Accumulated depreciation and accumulated impairment	Carrying value	Cost	Accumulated depreciation and accumulated impairment	Carrying value
Buildings and structures	257 429 662	(56 916 566)	200 513 096	250 055 342	(51 143 285)	198 912 057
Roads and bridges	483 975 413	(133 248 062)	350 727 351	461 170 359	(112 787 412)	348 382 947
Fences	99 222 330	(21 267 462)	77 954 868	94 409 595	(19 000 500)	75 409 095
Reservoirs and boreholes	18 784 346	(8 845 797)	9 938 549	19 195 941	(8 007 786)	11 188 155
Transport assets	5 393 220	(2 806 023)	2 587 197	3 522 404	(2 369 774)	1 152 630
Computer equipment	2 992 548	(1 551 137)	1 441 411	2 703 726	(1 170 002)	1 533 724
Office equipment	393 926	(210 637)	183 289	377 906	(178 486)	199 420
Furniture and fittings	1 151 148	(719 175)	431 973	1 151 148	(649 358)	501 790
Operating equipment	10 618 127	(2 804 082)	7 814 045	9 137 072	(2 344 929)	6 792 143
<b>Total</b>	<b>879 960 720</b>	<b>(228 368 941)</b>	<b>651 591 779</b>	<b>841 723 493</b>	<b>(197 651 532)</b>	<b>644 071 961</b>

#### Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions through purchase	Additions through construction	Write off	Depreciation	Closing Balance
Buildings and structures	198 912 057	-	9 540 096	(1 234 935)	(6 704 122)	200 513 096
Roads and bridges	348 382 947	-	24 570 005	(408 201)	(21 817 400)	350 727 351
Fences	75 409 095	-	10 006 007	(1 157 922)	(6 302 312)	77 954 868
Reservoirs and boreholes	11 188 155	-	1 405 732	(1 436 487)	(1 218 851)	9 938 549
Transport assets	1 152 630	1 870 816	-	-	(436 249)	2 587 197
Computer equipment	1 533 724	310 548	-	(1 198)	(401 663)	1 441 411
Office equipment	199 420	16 020	-	-	(32 151)	183 289
Furniture and fittings	501 790	-	-	-	(69 817)	431 973
Operating equipment	6 792 143	115 000	1 682 741	(21)	(775 818)	7 814 045
<b>Total</b>	<b>644 071 961</b>	<b>2 312 384</b>	<b>47 204 581</b>	<b>(4 238 764)</b>	<b>(37 758 383)</b>	<b>651 591 779</b>

## iSimangaliso Wetland Park Authority

Annual Financial Statements for the year ended 31 March 2022

### Notes to the Annual Financial Statements

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#### 3. Property, plant and equipment (continued)

##### 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	365 990	31 912 808	-	(3 831 814)	(6 732 311)	(126 751)	198 912 057
Roads and bridges	307 124 647	-	65 726 063	-	(4 670 015)	(19 797 748)	-	348 382 947
Fences	47 701 418	-	32 073 945	-	(1 301)	(4 364 967)	-	75 409 095
Reservoirs and boreholes	8 437 437	11 102	3 894 230	-	(154 394)	(1 000 220)	-	11 188 155
Transport assets	527 022	961 224	-	-	-	(335 616)	-	1 152 630
Computer equipment	675 692	1 143 303	-	-	-	(285 271)	-	1 533 724
Office equipment	230 979	-	-	-	-	(31 559)	-	199 420
Furniture and fixtures	571 695	-	-	-	-	(69 905)	-	501 790
Operating equipment	4 799 629	1 951 207	758 549	4 299	(133 808)	(587 733)	-	6 792 143
	<b>547 392 654</b>	<b>4 432 826</b>	<b>134 365 595</b>	<b>4 299</b>	<b>(8 791 332)</b>	<b>(33 205 330)</b>	<b>(126 751)</b>	<b>644 071 961</b>

##### Reconciliation of Work-in-Progress 2022

	Buildings and structures	Roads and bridges	Fences	Reservoirs and boreholes	Operating equipment	Total
Opening balance	51 864 312	33 652 048	-	4 661 436	3 710 194	93 887 990
Additions/capital expenditure	9 540 096	24 570 005	10 006 007	1 405 732	1 682 742	47 204 582
Transferred to completed items	(9 721 794)	(46 641 122)	(10 006 007)	(4 765 588)	(2 441 291)	(73 575 802)
Expenditure written off	(314 578)	-	-	(1 301 580)	-	(1 616 158)
	<b>51 368 036</b>	<b>11 580 931</b>	<b>-</b>	<b>-</b>	<b>2 951 645</b>	<b>65 900 612</b>

##### 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	31 912 808	65 726 064	32 068 155	3 894 230	758 549	134 359 806
Transferred to completed items	(1 367 761)	(51 900 606)	(32 068 155)	-	-	(85 336 522)
	<b>51 864 312</b>	<b>33 652 048</b>	<b>-</b>	<b>4 661 436</b>	<b>3 710 194</b>	<b>93 887 990</b>

## iSimangaliso Wetland Park Authority

Annual Financial Statements for the year ended 31 March 2022

### Notes to the Annual Financial Statements

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#### 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	25 193 215	31 895 570
Fences	32 550 188	16 374 322
Reservoirs and boreholes	3 615 052	9 060 050
Roads and Bridges	2 075 818	28 913 635
Transport assets	35 545	8 851
Equipment	8 754	11 867
	<b>63 478 572</b>	<b>86 264 295</b>

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

#### 4. Investment property

	2022			2021		
	Cost	Accumulated depreciation and accumulated impairment	Carrying value	Cost	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	<b>182 406 307</b>	<b>(66 087 818)</b>	<b>116 318 489</b>	<b>165 281 925</b>	<b>(68 513 616)</b>	<b>96 768 309</b>

## iSimangaliso Wetland Park Authority

Annual Financial Statements for the year ended 31 March 2022

### Notes to the Annual Financial Statements

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#### 4. Investment property (continued)

Reconciliation of investment property - 2022	Opening balance	Additions	Write off	Depreciation	Closing balance
Cape Vidal tourist accommodation	22 236 217	-	-	(1 223 255)	21 012 962
Charters Creek tourist accommodation	27 648 278	19 801 448	(163 933)	(511 632)	46 774 161
Eastern Shores hiking trails facility	868 458	-	-	(49 839)	818 619
False Bay tourist accommodation	357 255	-	-	(32 202)	325 053
Fanies Island tourist accommodation	453 186	-	(412 772)	(40 414)	-
Kosi Bay tourist accommodation	1 273 152	-	-	(114 795)	1 158 357
Mabibi tourist accommodation	3 159 861	-	-	(237 218)	2 922 643
Manzengwenya tourist accommodation	4 312 825	-	-	(253 527)	4 059 298
Maphelane tourist accommodation	1 651 433	-	-	(148 903)	1 502 530
Rocktail Bay tourist accommodation	639 568	-	(583 484)	(56 084)	-
Sodwana Bay tourist accommodation	20 310 386	6 205 589	(213 791)	(1 228 485)	25 073 699
St Lucia Estuary camp sites	3 676 713	-	-	(244 872)	3 431 841
uMkhuze tourist accommodation	10 180 977	-	(389 716)	(551 931)	9 239 330
	<b>96 768 309</b>	<b>26 007 037</b>	<b>(1 763 696)</b>	<b>(4 693 157)</b>	<b>116 318 493</b>

Reconciliation of investment property - 2021	Opening balance	Additions	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	11 747 723	(2 269 188)	(593 282)	27 648 278
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	4 821 533	(552 952)	(1 256 752)	20 310 386
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
	<b>91 448 581</b>	<b>16 569 256</b>	<b>(6 181 345)</b>	<b>(5 068 183)</b>	<b>96 768 309</b>

## iSimangaliso Wetland Park Authority

Annual Financial Statements for the year ended 31 March 2022

### Notes to the Annual Financial Statements

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#### 4. Investment property (continued)

Reconciliation of Investment property under construction 2022	Charters Creek	Sodwana Bay tourist accommodation	Total
Opening balance	16 319 265	5 544 763	21 864 028
Additions/capital expenditure	19 801 448	6 205 589	27 007 037
	<b>36 120 713</b>	<b>11 750 352</b>	<b>47 871 065</b>

Reconciliation of Investment property under construction 2021	Charters Creek	Sodwana Bay tourist accommodation	Total
Opening balance	2 809 384	-	2 809 384
Additions/capital expenditure	11 747 723	4 821 533	16 569 256
	<b>14 557 107</b>	<b>4 821 533</b>	<b>19 378 640</b>

#### Investment property under construction

Carrying value of investment property under construction is R44,904,298 (Prior year R21,864,028) and is included under Charters Creek tourist accommodation and Sodwana Bay.

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 and phase 2 is currently in progress. Phase 1 comprises of camp site and phase 2 a tourism lodge. R49 million was 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 Department of Forestry, Fisheries and the Environment.

There are no contractual obligations to purchase investment property.

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

## iSimangaliso Wetland Park Authority

Annual Financial Statements for the year ended 31 March 2022

### Notes to the Annual Financial Statements

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#### 5. Intangible assets

	2022			2021		
	Cost	Accumulated amortisation and accumulated impairment	Carrying value	Cost	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	1 575 779	(712 222)	863 557	1 582 478	(391 375)	1 191 103
Website and App	750 000	(1 644)	748 356	88 342	(70 161)	18 181
<b>Total</b>	<b>2 325 779</b>	<b>(713 866)</b>	<b>1 611 913</b>	<b>1 670 820</b>	<b>(461 536)</b>	<b>1 209 284</b>

#### Reconciliation of intangible assets - 2022

	Opening balance	Additions	Amortisation	Write off	Closing Balance
Computer software	1 191 103	-	(327 544)	(2)	863 557
Website and App	18 181	750 000	(7 537)	(12 288)	748 356
	<b>1 209 284</b>	<b>750 000</b>	<b>(335 081)</b>	<b>(12 290)</b>	<b>1 611 913</b>

#### Reconciliation of intangible assets - 2021

	Opening balance	Additions	Amortisation	Closing Balance
Computer software	68 679	1 303 343	(180 919)	1 191 103
Website and App	24 070	-	(5 889)	18 181
	<b>92 749</b>	<b>1 303 343</b>	<b>(186 808)</b>	<b>1 209 284</b>



## iSimangaliso Wetland Park Authority

Annual Financial Statements for the year ended 31 March 2022

### Notes to the Annual Financial Statements

Figures in Rand	2022	2021
<b>6. Inventories</b>		
Chemicals, protective clothing and consumables	23 586	-
Promotional materials	178 103	31 931
Stationery	79 052	254 843
	<b>280 741</b>	<b>286 774</b>
Inventories recognised as an expense during the year	422 555	186 893
Stationery inventory recognised as an expense is included as part of printing, stationary and other consumables under other operating expenses.		
<b>Inventory pledged as security</b>		
No inventory was pledged as security.		
<b>7. Receivables from exchange transactions</b>		
Trade debtors	1 546 434	1 914 761
Prepaid expenses	2 496 122	3 631 156
Project advances and study loans to staff	106 118	79 364
Deposits	147 613	128 032
SARS	-	14 385
	<b>4 296 287</b>	<b>5 767 698</b>
<b>Trade receivables consists as follows:</b>		
Gross trade receivables	2 338 444	1 914 761
less allowance for impairment	(792 010)	-
	<b>1 546 434</b>	<b>1 914 761</b>
<b>Trade and other receivables impaired</b>		
As of 31 March 2022, trade and other receivables of R 1 434 075 (2021: R -) were impaired and provided for.		
The amount of the provision was R (792 010) as of 31 March 2022 (2021: R -).		
<b>Reconciliation of provision for impairment of trade and other receivables</b>		
Provision for impairment	792 010	-

## iSimangaliso Wetland Park Authority

Annual Financial Statements for the year ended 31 March 2022

### Notes to the Annual Financial Statements

Figures in Rand	2022	2021
<b>8. Receivables from non-exchange transactions</b>		
Grants and subsidies	29 200 000	550 000
<b>Grants receivable comprises of:</b>		
Fencing grant	27 000 000	-
Oceans and coast	2 200 000	550 000
	<b>29 200 000</b>	<b>550 000</b>

Refer to note16 for detailed grants reconciliation

### 9. VAT receivable

VAT	103 591 430	86 889 743
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The authority was registered for VAT during the current year, effective 01 August 2021. VAT returns are due monthly on accrual basis.

### 10. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank accounts - operational	16 658 799	10 986 775
Bank accounts - conditional grants	43 350 642	108 224 268
Bank accounts - other	2 795 682	7 082 697
Petty cash	5 719	3 230
	<b>62 810 842</b>	<b>126 296 970</b>

#### Cash and cash equivalents pledged as collateral

There is no cash and cash equivalents pledged as security by the Authority.

## iSimangaliso Wetland Park Authority

Annual Financial Statements for the year ended 31 March 2022

### Notes to the Annual Financial Statements

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#### 10. Cash and cash equivalents (continued)

The entity had the following bank accounts

##### Account number / description

	31 March 2022	31 March 2021	31 March 2020	31 March 2022	31 March 2021	31 March 2020
	<b>Bank statement balances</b>			<b>Cash book balances</b>		
Operational accounts						
FNB - GSLW PA - No 1 (Main) Cheque account 62032964472	8 281 692	7 788 765	17 534 925	8 281 692	7 788 765	17 534 925
FNB - GSLW PA - Gates Revenue Cheque account 62133210906	7 768 107	2 603 296	1 011 360	7 768 107	2 603 296	1 011 360
FNB - GSLW PA - Call Account Call account 62165119910	584 349	569 146	1 251	584 349	569 146	1 251
FNB - Project Advances Cheque account 62189967783	24 650	25 567	2 088	24 650	25 567	2 088
	<b>Bank statement balances</b>			<b>Cash book balances</b>		
Conditional grants						
FNB - IP Equip & Facilities - No 4 Cheque account 62488499982	429 565	13 749 511	43 692 807	429 565	13 749 511	43 692 807
FNB - IP Infrastructure 15/18 Cheque account 62607825596	196 857	196 274	272 496	196 857	196 274	272 496
FNB - Coast Care Project Cheque account 62238909123	1 089 005	1 869 287	3 005 560	1 089 005	1 869 287	3 005 560
FNB - Tourism Upgrade Cheque account 62243875856	29 559	37 245 964	35 051 177	29 559	37 245 964	35 051 177
FNB-W 4W-No 6 Cheque account 62057125629	3 053 420	10 312	2 139 514	3 053 420	10 312	2 139 514
FNB- IP Infrastructure 12/15 Cheque account 62376442267	21 260	22 207	8 152 373	21 260	22 207	8 152 373
FNB - IP Infrastructure 18/21 Cheque account 62790912333	5 543 034	18 105 860	68 869 539	5 543 034	18 105 860	68 869 539
FNB - Working for Wetlands Cheque account 62307553819	400 806	18 109	16 383	400 806	18 109	16 383
FNB - IP Equipment & Facilities 17/18 Cheque account 62711073750	219 487	1 215 533	1 204 083	219 487	1 215 533	1 204 083
FNB - Infrastructure - Special Projects Cheque account 62790914389	289 157	23 737 013	41 079 105	289 157	23 737 013	41 079 105

## iSimangaliso Wetland Park Authority

Annual Financial Statements for the year ended 31 March 2022

### Notes to the Annual Financial Statements

Figures in Rand	2022			2021		
<b>10. Cash and cash equivalents (continued)</b>						
<b>The entity had the following bank accounts</b>						
<b>Account number / description</b>	<b>31 March 2022</b>	<b>31 March 2021</b>	<b>31 March 2020</b>	<b>31 March 2022</b>	<b>31 March 2021</b>	<b>31 March 2020</b>
	<b>Bank statement balances</b>			<b>Cash book balances</b>		
FNB - Environmental Monitors Project Cheque account 62812070671	11 649 112	2 662 622	48 037 500	11 649 112	2 662 622	48 037 500
FNB - Environmental Monitors Host Cheque account 62814398063	1 690 329	1 677 525	1 722 271	1 690 329	1 677 525	1 722 271
FNB - Presidential Grant Cheque account 62875106017	18 284 092	6 142 858	-	18 284 092	6 142 858	-
FNB - Lotto Funding Cheque account 62298571483	443 284	1 558 486	1 980 519	443 284	1 558 486	1 980 519
FNB - Tourism Guides Cheque account 62669001209	11 675	12 709	13 704	11 675	12 709	13 704
	<b>Bank statement balances</b>			<b>Cash book balances</b>		
Other accounts						
FNB - Levies/Bonds Cheque account 62376455723	2 243 573	6 408 026	9 698 957	2 243 573	6 408 026	9 698 957
FNB - Rare Endangered Species Fund Cheque account 62718358618	544 795	667 547	1 160 176	544 795	667 547	1 160 176
FNB - Mfusi Trust Call account 62229462255	7 314	7 124	6 936	7 314	7 124	6 936
	<b>Bank statement balances</b>			<b>Cash book balances</b>		
Petty cash						
Cash on hand	-	-	-	3 005	3 002	4 161
FNB - Petty Cash Cheque account 62189745775	2 715	227	90	2 715	227	90
<b>Total</b>	<b>62 807 837</b>	<b>126 293 968</b>	<b>284 652 814</b>	<b>62 810 842</b>	<b>126 296 970</b>	<b>284 656 975</b>

## iSimangaliso Wetland Park Authority

Annual Financial Statements for the year ended 31 March 2022

### Notes to the Annual Financial Statements

Figures in Rand	2022	2021
<b>11. Trade and other payables</b>		
Trade payables	11 859 972	23 705 352
Accrued expenses	642 893	905 008
Accrued leave pay	3 263 519	3 107 501
Employee related deductions	1 775 019	976 885
Amounts owing to donors	326 584	312 444
Retentions	14 270 453	8 898 567
Deposits on staff housing	42 626	35 560
Concessionaires' performance bonds	1 861 781	1 794 281
Advance income	66 635	69 916
Other deposits	70 096	-
	<b>34 179 578</b>	<b>39 805 514</b>
<b>12. Unspent conditional grants and receipts</b>		
<b>Unspent conditional grants comprises of:</b>		
Unspent conditional grants		
IP Equipment & Facilities	25 307	745 915
NIHSS Humanities Hub	501 071	501 071
Oceans and Cost Corridor Lubombo	2 639 524	3 071 473
Tourism Infrastructure	2 922	2 922
Lotto Art, Craft & Environment Programme	25 580 962	31 660 190
Working for Wetlands	169 451	1 295 543
Peace Parks Foundation	367 755	80 122
Working for the Coast and dunes clearance	63 055	63 055
Tourism Guides	9 323 299	-
IP Infrastructure	7 683	8 823
IP Value Added Industries	10 706 409	11 949 349
Environmental Monitors	128 989	12 374 427
Environmental Monitors Host	4 972 995	-
Additional allocation- Infrastructure	1 177 212	1 587 487
Operation Pakisa Youth Training	58 492	415 925
Presidential Stimulus	-	273 400
Groen Sebenza Internship	10 000 000	6 584 335
Maintenance of game fence	16 173 243	-
	897 700	-
	<b>82 796 069</b>	<b>70 614 037</b>

## iSimangaliso Wetland Park Authority

Annual Financial Statements for the year ended 31 March 2022

### Notes to the Annual Financial Statements

Figures in Rand	2022	2021
<b>12. Unspent conditional grants and receipts (continued)</b>		
<b>Movement during the year</b>		
Balance at the beginning of the year	70 614 037	255 457 346
Opening grants receivable	(550 000)	-
Additions during the year	191 475 610	121 416 432
Grant income recognition during the year	(193 293 514)	(291 415 605)
Management fees	(3 990 611)	(1 941 353)
Administration fees	(4 857 776)	(5 937 330)
Personnel cost fees	(5 801 677)	(7 515 453)
Grants receivable at year end	29 200 000	550 000
<b>Balance at the end of the year</b>	<b>82 796 069</b>	<b>70 614 037</b>

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

Refer to note 16 for reconciliation of grants and subsidies.

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

#### 13. Park revenue

Gate entrance fees	10 025 697	6 952 171
Concession Fee	1 613 673	316 702
Activities and permit fees	4 554 668	2 444 793
Levies charged at gates	1 067 703	756 637
	<b>17 261 741</b>	<b>10 470 303</b>

#### 14. Investment revenue

##### Interest revenue

Bank	211 989	369 277
Prepaid accounts	87 014	187 247
	<b>299 003</b>	<b>556 524</b>

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.

## iSimangaliso Wetland Park Authority

Annual Financial Statements for the year ended 31 March 2022

### Notes to the Annual Financial Statements

Figures in Rand	2022	2021
<b>15. Other income</b>		
Sundry income	<b>1 147 691</b>	<b>356 371</b>
Included in other income in the current year is VAT recovery from retentions that were previously recognised inclusive of VAT. The Authority was registered as a VAT vendor during the current year and will be able to claim VAT input on all retentions that were accrued inclusive of VAT in prior years.		
Sundry cash income comprises of fruitless expenditure incurred in 2019 financial year and was repaid back in current year.		
<b>The amount included in Sundry income is as follows:</b>		
Rental income	434 687	324 535
Sale of maps at gates	62 173	16 950
VAT recovery	159 149	-
Retention prescribed	419 556	-
Sundry cash income	72 126	100
Sundry non-cash income	-	14 785
	<b>1 147 691</b>	<b>356 370</b>
<b>16. Grants and subsidies</b>		
Operating grants		
Unconditional grants #	84 011 697	175 793 496
Operation Pakisa Youth Training	273 400	1 093 600
Working for Water	28 904 730	20 401 470
Oceans and Cost	2 631 949	1 797 500
Lotto Art, Craft & Environment Programme	1 126 092	1 154
Presidential Stimulus	6 584 334	66 415 665
Groen Sebenza Internship	3 169 821	-
Working for Wetlands	1 650 054	2 654 609
Working for the Coast and dunes clearance	6 876 701	-
Tourism Guides	1 140	1 140
Environmental Monitors	26 012 447	22 809 193
Environmental Monitors Host	7 934 286	7 702 215
	<b>169 176 651</b>	<b>298 670 042</b>

## iSimangaliso Wetland Park Authority

Annual Financial Statements for the year ended 31 March 2022

### Notes to the Annual Financial Statements

Figures in Rand	2022	2021
<b>16. Grants and subsidies (continued)</b>		
<b>Capital grants</b>		
IP Equipment & Facilities	616 236	22 112 593
Maintenance of game fence	36 102 300	-
Additional allocation- Infrastructure	330 956	-
Tourism Infrastructure	22 677 739	2 970 717
IP Infrastructure	36 155 889	116 387 729
IP Value Added Industries	12 245 438	27 068 020
	<b>108 128 558</b>	<b>168 539 059</b>
	<b>277 305 209</b>	<b>467 209 101</b>

#### Grants receipts

Grants receipts during the year are as follows:

Conditional grants received	191 475 610	121 416 432
Unconditional grants received #	83 499 000	149 786 000
	<b>274 974 610</b>	<b>271 202 432</b>

Reconciliation of conditional grants movements:

#### IP Equipment & Facilities

Balance unspent at beginning of year	745 915	26 617 402
Conditions met - transferred to grant revenue	(616 236)	(22 112 592)
Conditions met - transferred to management fees	(42 977)	(1 547 794)
Conditions met - transferred to administration fees	(18 419)	(663 307)
Conditions met - transferred to personnel costs recoveries	(42 976)	(1 547 794)
	<b>25 307</b>	<b>745 915</b>

Conditions still to be met - remain liabilities (see note 12).

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



## iSimangaliso Wetland Park Authority

Annual Financial Statements for the year ended 31 March 2022

### Notes to the Annual Financial Statements

Figures in Rand	2022	2021
<b>16. Grants and subsidies (continued)</b>		
<b>NIHSS Humanities Hub</b>		
Balance unspent at beginning of year	501 071	526 071
Conditions met - transferred to grant revenue	-	(25 000)
	<b>501 071</b>	<b>501 071</b>

Conditions still to be met - remain liabilities (see note 12).

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
Current-year receipts	34 437 000	18 551 000
Conditions met - transferred to grant revenue	(28 904 730)	(20 401 470)
Conditions met - transferred to management fees	(2 022 922)	-
Conditions met - transferred to administration fees	(866 968)	-
Conditions met - transferred to personnel costs recoveries	(2 642 380)	-
	<b>-</b>	<b>-</b>

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.

## iSimangaliso Wetland Park Authority

Annual Financial Statements for the year ended 31 March 2022

### Notes to the Annual Financial Statements

Figures in Rand	2022	2021
<b>16. Grants and subsidies (continued)</b>		
<b>Oceans and Cost</b>		
Balance unspent at beginning of year	3 071 473	2 668 973
Grants receivable opening balance	(550 000)	-
Current-year receipts	550 000	1 650 000
Conditions met - transferred to revenue	(2 631 949)	(1 797 500)
Grants receivable (Note 8)	2 200 000	550 000
	<b>2 639 524</b>	<b>3 071 473</b>

Conditions still to be met - remain liabilities (see note 12).

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	<b>2 922</b>	<b>2 922</b>
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Conditions still to be met - remain liabilities (see note 12).

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

**Purpose of grant:**

Lubombo route development and marketing.

## iSimangaliso Wetland Park Authority

Annual Financial Statements for the year ended 31 March 2022

### Notes to the Annual Financial Statements

Figures in Rand	2022	2021
<b>16. Grants and subsidies (continued)</b>		
<b>Tourism Infrastructure</b>		
Balance unspent at beginning of year	31 660 190	35 076 343
Current-year receipts	20 000 000	-
Conditions met - transferred to grants revenue	(22 677 739)	(2 970 716)
Conditions met - transferred to management fee	(1 587 361)	(207 871)
Conditions met - transferred to administration fee	(680 299)	(148 479)
Conditions met - transferred to personnel costs recoveries	(1 133 829)	(89 087)
	<b>25 580 962</b>	<b>31 660 190</b>

Conditions still to be met - remain liabilities (see note 12).

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	1 295 543	1 296 698
Conditions met - transferred to revenue	(1 126 092)	(1 155)
	<b>169 451</b>	<b>1 295 543</b>

Conditions still to be met - remain liabilities (see note 12).

The Authority was awarded a grant by the National Lotteries Board for Youth Environmental Education, Art Skills and Craft

Skills. The contract commenced on 15 July 2010. Since inception of the project, expenditure totalling R7,127,943 (since

2011/12 to 2020/21: R6,001,851) has been spent.

**Purpose of grant:**

Youth Environmental education, Art skills & Economic Development Programme and craft programme.

## iSimangaliso Wetland Park Authority

Annual Financial Statements for the year ended 31 March 2022

### Notes to the Annual Financial Statements

Figures in Rand	2022	2021
<b>16. Grants and subsidies (continued)</b>		
<b>Working for Wetlands</b>		
Balance unspent at beginning of year	80 122	-
Current-year receipts	2 119 000	3 000 000
Conditions met - transferred to grant revenue	(1 650 054)	(2 654 609)
Conditions met - transferred to management fee	(115 381)	(185 688)
Conditions met - transferred to administration fee	(65 932)	(79 581)
	<b>367 755</b>	<b>80 122</b>

Conditions still to be met - remain liabilities (see note 12).

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	<b>63 055</b>	<b>63 055</b>
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Conditions still to be met - remain liabilities (see note 12).

The project is funded by Peace Parks Foundation.

**Purpose of grant:**

Special scientific research studies for the Transfrontier Conservation with Mozambique

## iSimangaliso Wetland Park Authority

Annual Financial Statements for the year ended 31 March 2022

### Notes to the Annual Financial Statements

Figures in Rand	2022	2021
<b>16. Grants and subsidies (continued)</b>		
<b>Working for the Coast and dunes clearance</b>		
Current-year receipts	16 200 000	-
Conditions met - transferred to grant revenue	(6 876 701)	-
	<b>9 323 299</b>	<b>-</b>

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	8 823	9 963
Conditions met - transferred to grants revenue	(1 140)	(1 140)
	<b>7 683</b>	<b>8 823</b>

Conditions still to be met - remain liabilities (see note 12).

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 Infrastructure**

Balance unspent at beginning of year	11 949 349	137 647 766
Current-year receipts	37 805 000	-
Conditions met - transferred to revenue	(36 155 889)	(116 387 729)
Conditions met - transferred to administration fee	(1 084 519)	(3 491 508)
Conditions met - transferred to personnel costs recoveries	(1 807 532)	(5 819 180)
	<b>10 706 409</b>	<b>11 949 349</b>

Conditions still to be met - remain liabilities (see note 12).

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.

## iSimangaliso Wetland Park Authority

Annual Financial Statements for the year ended 31 March 2022

### Notes to the Annual Financial Statements

Figures in Rand	2022	2021
<b>16. Grants and subsidies (continued)</b>		
<b>IP Value Added Industries</b>		
Balance unspent at beginning of year	12 374 427	39 442 448
Conditions met - transferred to revenue	(12 245 438)	(27 068 021)
	<b>128 989</b>	<b>12 374 427</b>
Conditions still to be met - remain liabilities (see note 12).		
The grant is funded by Department of Forestry, Fisheries and the Environment.		
<b>Purpose of grant:</b>		
Roads rehabilitation, housing, field ranger camp, libraries and ablution at schools using value add materials and development of craft market.		
<b>Environmental Monitors project</b>		
Balance unspent at beginning of year	-	6 745 549
Current-year receipts	32 546 072	17 215 432
Conditions met - transferred to revenue	(26 012 447)	(22 809 193)
Conditions met - transferred to administration fee	(1 560 630)	(1 151 788)
	<b>4 972 995</b>	<b>-</b>
Conditions still to be met - remain liabilities, see note 12.		
The grant is funded by Department of Forestry, Fisheries and the Environment.		
<b>Purpose of grant:</b>		
To fund the environmental monitors		
<b>Environmental Monitors Host</b>		
Balance unspent at beginning of year	1 587 487	1 751 761
Current-year receipts	8 000 000	8 000 000
Conditions met - transferred to revenue	(7 934 286)	(7 702 215)
Conditions met - transferred to administration fee	(475 989)	(462 059)
	<b>1 177 212</b>	<b>1 587 487</b>

## iSimangaliso Wetland Park Authority

Annual Financial Statements for the year ended 31 March 2022

### Notes to the Annual Financial Statements

Figures in Rand	2022	2021
<b>16. Grants and subsidies (continued)</b>		
Conditions still to be met - remain liabilities (see note12).		
The grant is funded by Department of Forestry, Fisheries and the Environment.		
<b>Purpose of grant:</b>		
To fund the environmental monitors.		
<b>Additional allocation- Infrastructure</b>		
Balance unspent at beginning of year	415 925	415 925
Conditions met - transferred to revenue	(330 956)	-
Conditions met - transferred to personnel costs recoveries	(16 548)	-
Conditions met - transferred to administration fee	(9 929)	-
	<b>58 492</b>	<b>415 925</b>
Conditions still to be met - remain liabilities (see note 12).		
The grant is funded by Department of Forestry, Fisheries and the Environment.		
<b>Purpose of grant:</b>		
Infrastructure refurbishment and coast care.		
<b>Operation Pakisa Youth Training</b>		
Balance unspent at beginning of year	273 400	1 367 000
Conditions met - transferred to revenue	(273 400)	(1 093 600)
	<b>-</b>	<b>273 400</b>
Conditions still to be met - remain liabilities (see note 12).		
The grant is funded by Department of Forestry, Fisheries and the Environment.		
<b>Purpose of grant</b>		
To assist in youth training.		

## iSimangaliso Wetland Park Authority

Annual Financial Statements for the year ended 31 March 2022

### Notes to the Annual Financial Statements

Figures in Rand	2022	2021
<b>16. Grants and subsidies (continued)</b>		
<b>Presidential Stimulus</b>		
Balance unspent at beginning of year	6 584 335	-
Current-year receipts	10 000 000	73 000 000
Conditions met - transferred to revenue	(6 584 335)	(66 415 665)
	<b>10 000 000</b>	<b>6 584 335</b>

Conditions still to be met - remain liabilities (see note 12).

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

#### **Purpose of grant**

To maintain infrastructure assets within the park.

#### **Groen Sebenza grant**

Current-year receipts	19 818 538	-
Conditions met - transferred to revenue	(3 169 821)	-
Conditions met - transferred to management fee	(221 888)	-
Conditions met - transferred to administration fee	(157 484)	-
Conditions met - transferred to personnel costs recoveries	(96 102)	-
	<b>16 173 243</b>	<b>-</b>

Conditions still to be met - remain liabilities (see note 12).

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

#### **Purpose of grant**

To provide learnership training and employment opportunities to youth (youth empowerment).



## iSimangaliso Wetland Park Authority

Annual Financial Statements for the year ended 31 March 2022

### Notes to the Annual Financial Statements

Figures in Rand	2022	2021
<b>16. Grants and subsidies (continued)</b>		
<b>Maintenance of game fence</b>		
Current-year receipts	10 000 000	-
Conditions met - transferred to revenue	(36 102 300)	-
Grants receivable as at 31 March 2022 (Note 8)	27 000 000	-
	<b>897 700</b>	<b>-</b>

Conditions still to be met - remain liabilities (see note 12).

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

#### ***Purpose of grant***

To maintain fence infrastructure surrounding and within the park.

### **17. Public contributions and donations**

Donations in kind	-	<b>4 299</b>
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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**

Figures in Rand	2022	2021 Restated*
<b>18. Personnel costs</b>		
Basic salary- Permanent employees	30 350 192	30 198 659
Basic salary- Environmental monitors	7 708 822	7 130 272
Basic salary- Groen Sebenza Interns	1 010 456	-
Travel, cellphone allowance and reimbursements	1 144 065	1 031 354
Medical aid - company contributions	1 095 728	-
Pension and provident fund contributions	1 254 187	-
Skills development levy	388 986	248 976
UIF	173 326	-
Leave expense	156 019	1 326 181
Payroll processing	28 287	55 713
Recruitment	2 265	699
Workmens compensation	202 297	197 261
Training and employee wellness	436 803	261 840
Other costs related to personnel	-	619
	<b>43 951 433</b>	<b>40 451 574</b>
<b>19. Project costs</b>		
<b>Project costs comprises:</b>		
- Chemicals, materials & equipment hire and uniforms	3 968 168	5 208 377
-Marine compliance monitoring	1 747 500	1 519 565
- Coast care cleaning	52 283 658	42 489 514
-Recruitment, induction and accommodation	2 002 674	-
-Transport and equipment hire	1 430 954	-
	<b>61 432 954</b>	<b>49 217 456</b>
<b>20. Professional, consulting and legal fees</b>		
Professional and consulting	19 939 233	13 067 393
Legal fees	312 354	6 134 371
	<b>20 251 587</b>	<b>19 201 764</b>

## iSimangaliso Wetland Park Authority

Annual Financial Statements for the year ended 31 March 2022

### Notes to the Annual Financial Statements

Figures in Rand	2022	2021 Restated*
<b>21. Depreciation, amortisation and impairment</b>		
Depreciation, amortisation and impairment comprises:		
- Depreciation on property, plant & equipment	37 758 384	33 205 330
- Depreciation on Investment property	4 693 156	5 068 183
- Amortisation on Intangible assets	335 081	186 808
- Impairment on on property, plant & equipment	-	126 751
- Impairment on on investment property	-	2 064 140
	<b>42 786 621</b>	<b>40 651 212</b>
<b>22. Lease rentals on operating lease</b>		
<b>Equipment</b>		
Contractual amounts	79 911	80 745
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.		
<b>23. Contracted services</b>		
<b>Contracted services comprises of:</b>		
Repairs and maintenance to assets: Refer to note 3	63 478 572	86 264 295
Cleaning services signage and visitors facilities	12 156 972	22 980 221
Gate management and access control costs	11 258 353	12 074 001
Security	22 757 142	21 299 694
IT support	49 347	222 985
	<b>109 700 386</b>	<b>142 841 196</b>
<b>24. Loss on disposal and write off of fixed assets</b>		
<b>Loss on disposal and write off of fixed assets comprises:</b>		
- Property, plant & equipment	4 238 765	8 791 332
- Investment property	1 763 697	4 117 205
-Intangible assets	12 290	-
	<b>6 014 752</b>	<b>12 908 537</b>

## iSimangaliso Wetland Park Authority

Annual Financial Statements for the year ended 31 March 2022

### Notes to the Annual Financial Statements

Figures in Rand	2022	2021
<b>25. Other operating expenses</b>		
Advertising and publicity	367 629	265 332
Audit fees - internal	2 874 556	899 473
Auditors remuneration	1 408 095	1 047 838
Bank charges	220 952	152 606
Board expenses	1 419 662	1 649 077
Covid 19 materials	106 825	-
Computer expenses	64 844	85 909
Donations	2 480 000	14 649
Electricity, water, sewer and rates	702 041	601 339
Game purchases and management	-	90 278
Insurance	178 417	125 152
Issue of maps	-	10 670
License fees	663 699	525 423
Marketing and promotion	627 449	1 127 630
Postage and courier	-	940
Printing, stationery and inventory consumed	573 991	461 038
Minor assets and other expenses	19 468	6 047
Staff refreshments, consumables, fuel and cleaning	164 265	125 442
Telephone, fax and internet expenses	822 143	912 983
Training	8 265 013	5 374 973
Travel, accommodation and catering expenses	1 290 778	293 348
Workshops & meetings	956 581	1 181 139
	<b>23 206 408</b>	<b>14 951 286</b>
<b>26. Auditors' remuneration</b>		
Fees	1 408 095	1 047 838

## iSimangaliso Wetland Park Authority

Annual Financial Statements for the year ended 31 March 2022

### Notes to the Annual Financial Statements

Figures in Rand	2022	2021
<b>27. Cash generated from (used in) operations</b>		
(Deficit) surplus	1 304 644	172 856 398
Adjustments for:		
Depreciation and amortisation	42 786 622	40 651 212
Loss on disposal of assets	6 014 753	12 908 536
Debt impairment	792 010	-
Donations in kind	-	(4 299)
Retention forfeiture	(419 556)	-
<b>Changes in working capital:</b>		
Inventories	6 033	(256 280)
Receivables from exchange transactions*	(257 493)	775 974
Other receivables from non-exchange transactions	(28 650 000)	(550 000)
Trade and other payables *	2 718 210	(22 945 344)
VAT	(16 701 687)	(42 868 431)
Unspent conditional grants and receipts	12 182 032	(184 843 309)
	<b>19 775 568</b>	<b>(24 275 543)</b>

\*Only movement in operating payables and receivables were adjusted in working capital. All payables receivables (prepayments) relating to acquisition of assets were adjusted under cash paid to acquire assets.

### 28. Commitments

#### Authorised capital expenditure

##### Approved and contracted for

• Building and structures	-	8 217 928
• Roads	7 633 457	26 897 239
• Investment property	19 255 635	45 887 663

#### Total capital commitments

**26 889 092**      **81 002 830**

#### Total capital commitments

Total approved and contracted for	26 889 092	81 002 830
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#### 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.

**Notes to the Annual Financial Statements**

Figures in Rand	2022	2021
<b>28. Commitments (continued)</b>		
<b>Operating leases - as lessee (expense)</b>		
Operating lease payments represent rentals payable by the Authority for photocopiers. The contracts in respect of photocopiers commenced in December 2021 and expires in 23 November 2024. No contingent rent is payable.		
The future rental commitments are:		
<b>Minimum lease payments</b>		
Payable during next financial year	99 416	-
Payable 2 to 3 years after reporting date	165 694	-
	<b>265 110</b>	<b>-</b>

**29. Contingencies**

**The Authority had the following contingent liabilities:**

Construction contract	12 038 123	12 038 123
Fire Claim	35 067 037	35 067 037
	<b>47 105 160</b>	<b>47 105 160</b>

**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 is 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.

**Contingent assets**

## iSimangaliso Wetland Park Authority

Annual Financial Statements for the year ended 31 March 2022

### Notes to the Annual Financial Statements

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#### 30. Related parties

Relationships

Parent department

Department of Forestry, Fisheries and the Environment (DFFE)

Other entities controlled by DFFE

-South African National Parks  
-South African National Biodiversity Institute (SANBI)  
-South African Weather Services  
-Marine Living Resources Fund

#### 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, South African Weather Services and Marine Living Resources Fund. 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

##### Approved allocation of funding with related parties

DFFE-Operations for the next financial year

Infrastructure & equipment for the next financial year

EPWP programs and presidential stimulus

41 300 000	123 089 000
95 861 000	-
215 583 000	137 288 000

#### Related party transactions

##### Transfers from related party

DFFE-Grants received

274 974 610	271 202 432
-------------	-------------

#### Key management information

Class	Description	Number
Non-executive board members	All independent	7
Executive board members	CEO	1
Executive management	Departmental heads	4

#### Key management-related activities

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

## iSimangaliso Wetland Park Authority

Annual Financial Statements for the year ended 31 March 2022

### Notes to the Annual Financial Statements

Figures in Rand

#### 30. Related parties (continued)

##### Remuneration of management

##### Board members

##### 2022

	Meeting attendance fees and Reimbursements	Total
Non-Executive Directors		
Prof A T Nzama (Chairperson)	254 748	254 748
Mr MI Tembe (Deputy Chair)	207 934	207 934
Mrs N Cawe	125 167	125 167
Mr L Lankalebalele	124 517	124 517
Mr GG Nair	107 260	107 260
Mrs L Noge-Tungamirai	121 336	121 336
Prof CP Small	84 462	84 462
	<b>1 025 424</b>	<b>1 025 424</b>

##### 2021

	Meeting attendance fees	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
	<b>1 019 556</b>	<b>49 491</b>	<b>1 069 047</b>



**Notes to the Annual Financial Statements**

Figures in Rand

**30. Related parties (continued)**

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

**Executive Directors and Senior management**

**2022**

	Basic salary	Allowances & Reimbursive expenses	Medical Aid	Provident Fund/ Retirement annuity	Other statutory contributions	Total
<b>Name</b>						
Chief Executive Officer	1 910 849	71 093	63 082	91 862	21 416	2 158 302
Chief Financial Officer	1 341 903	120 475	34 394	68 445	16 147	1 581 364
Executive Manager Biodiversity	1 446 348	143 684	39 644	-	17 794	1 647 470
Executive Manager SEED	1 167 020	437 723	43 688	67 946	16 254	1 732 631
Executive Manager Tourism	1 113 903	432 495	50 449	68 445	16 179	1 681 471
	<b>6 980 023</b>	<b>1 205 470</b>	<b>231 257</b>	<b>296 698</b>	<b>87 790</b>	<b>8 801 238</b>

**2021**

	Basic salary	Allowances & Reimbursive expenses	Medical Aid	Provident Fund/ Retirement annuity	Other statutory contributions	Total
<b>Name</b>						
Chief Executive Officer	1 857 426	96 720	65 019	68 553	14 556	2 102 274
Chief Financial Officer (1 month)	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 SEED	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
	<b>5 583 499</b>	<b>1 067 432</b>	<b>201 354</b>	<b>180 572</b>	<b>50 931</b>	<b>7 083 788</b>

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

### Notes to the Annual Financial Statements

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#### 31. 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.

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.

## iSimangaliso Wetland Park Authority

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### Notes to the Annual Financial Statements

Figures in Rand	2022	2021
<b>32. Public Private Partnership</b>		
<b>Rich Rewards (Pty) Ltd and Mabibi Development Company (T/A Thonga Beach)</b>		
The authority has a public private partnership agreement for periods of 30 years with the following two entities: 1) Rich Rewards (Pty) Ltd 2) Mabibi Development Company (T/A Thonga Beach)		
The agreement was entered to allow private entities to operate and help improve tourism activities within the area.		
Both companies have the right to access to designated area within the park. The agreement allows them to control all activities around the designated area. These entities can erect buildings at camp sites from which they can provide accommodation and camping activities to their visitors. They are further allowed access to drive with their visitors within the park.		
The authority's contribution is limited to granting of concession contract, and giving reasonable assistance in the form of advice in dealing with the relevant Authorities. The authority reserves the right of ownership of the designated area and PPP's may not pledge any land nor assets erected against any borrowings for the duration of the agreement. No financial assistance is provided to the Concessionaire.		
All immovable assets constructed by the concessionaire shall be transferred to the Authority at the end of the agreement at no cost.		
<b>Concession Fees</b>		
Concessionaire agrees to pay the authority concession fee as determined in the agreement. Both entities pay a basic concession fee monthly (subject to increase annually as per agreement).		
Concessionaires shall pay additional concession fee should the basic concession fee be less than calculated concession fee. Calculated concession fee is based on percentage of revenue generated by the concessionaire annually.		
The authority is further entitled to receive performance bond as security on inception of the agreement.		
There was no breach of contract by either party during the reporting period.		
<b>Concession fees</b>		
Concession fees for the year	1 651 831	364 208

**Notes to the Annual Financial Statements**

Figures in Rand	2022	2021
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**33. 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 66 489 and increased depreciation charges for future by the same amount.

**34. Comparative figures**

During the year, Equipment and facilities grant and Equipment and facilities 17/18 grant were aggregated together as these are of same nature. The aggregation in the notes to financial statements was adjusted for retrospectively. There is no impact on total amounts presented in the financial statements.

During the year, interest income as disclosed in note 14 was split to separate interest earned from bank and interest earned on prepayments to suppliers. This resulted in R187,247 in prior year being reclassified from interest from bank to interest from prepayments.

Under property plant and equipment (see note 3), "Transport assets" were previously disclosed as "Motor vehicles."

Under intangible assets (see note 5), "Website and App" was previously disclosed as "Website (internal development)"

**35. 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 receivables from non-exchange transaction	-	550 000
Increase in unspent conditional grants (Oceans and coast)	-	(550 000)

**Error 2**

The Authority did not correctly accrue for all work done in prior year. Additions to work in progress relating to property plant and equipment amounting to R199,527 (Boreholes and reservoirs R199,527) was not accrued for. Related grants revenue (IP Equipment & Facilities) and fees claimable from the grant were also not adjusted for correctly. Another invoice from a service provider providing security was incorrectly understated by R1,000 in prior year.

Payroll processing costs amounting to R4,673 were incorrectly not accounted for in the prior year.

**Notes to the Annual Financial Statements**

Figures in Rand	2022	2021
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**35. Prior period errors (continued)**

**Error 2 (continued)**

The construction of Dredger access control involved pavements ( roads) and the guard house (building). The full costs under construction were allocated to buildings in prior year. This error was corrected by reallocating the portion of roads pavements amounting to R401,730 from buildings under construction to roads. The error does not affect the total carrying values of property, plant and equipment, but rather the the classification between the two classes of assets.

The construction of Mkuze environmental camp involved buildings, pavements ( roads), water tanks, and Solar system (operating equipment). The full costs under construction were allocated to buildings in prior year. This error was corrected by reallocating costs from buildings to other categories within property, plant and equipment as follows:

-Roads (pavements) amounting to	R129,671
-Reservoirs and boreholes(Water tanks).	R217,407
-Operating equipment (solar systems)	R872,331

The error does not affect the total carrying values of property, plant and equipment, but rather the the classification between the different classes of assets.

Further, additions to work in progress relating to property plant and equipment amounting to R256,189 (Roads and Bridges R256,189) and road maintenance costs amounting to R84,910 were not accrued for. Related grants revenue (IP Infrastructure and Presidential grant ) and fees claimable from IP infrastructure grant were also not adjusted for correctly.

The Authority was authorised to utilise the interest from grants to fund 2022 budget in prior year. The accumulated interest was correctly recognised as income as at 31 March 2021, with the exception of R16,911 for working for wetlands that was erroneously omitted. This adjustment was corrected retrospectively by reducing amounts owing to donors and increasing grants income with the same amount.

The correction of the error results in adjustments as follows:

**Statement of financial position**

Increase in cost of property, plant and equipment (Roads and bridges)	-	256 189
Increase in cost of property, plant and equipment (Boreholes and reservoirs)	-	199 527
Decrease in trade and other payables (amounts owing to donors)	-	16 911
Decrease in unspent conditional grants (IP Equipment & Facilities)	-	233 447
Decrease in unspent conditional grants (IP Infrastructure)	-	280 187
Decrease in unspent conditional grants (Presidential grant)	-	84 910
Decrease in receivables from exchange transactions (prepaid expenses)	-	(199 527)
Increase in trade payables	-	(350 015)
	-	<b>521 629</b>

**Notes to the Annual Financial Statements**

Figures in Rand	2022	2021
<b>35. Prior period errors (continued)</b>		
<b>Error 2 (continued)</b>		
<b>Statement of financial performance</b>		
Increase in grants and subsidies income	-	(16 911)
Increase in personnel costs recoveries	-	(26 939)
Increase in management fees income	-	(13 967)
Increase in admin fees income	-	(13 769)
Increase in grants income (IP Equipment & Facilities)	-	(199 527)
Increase in grants income (IP Infrastructure)	-	(259 432)
Increase in grants income (Presidential grant)	-	(84 910)
Increase in personnel costs	-	4 673
Increase in contracted services costs (repairs and maintenance)	-	<b>84 910</b>
Increase in contracted services costs (security)	-	1 000
Increase in Depreciation expense	-	3 243
	-	<b>(521 629)</b>

**Error 3**

**Community levy**

The Authority incorrectly accounted for levy charged at the gate in prior years. Visitors entering the park are charged an additional R5 that the Authority uses for community building activities. Decision on how the funds are used and how much can be used in a year are all in control of management of iSimangaliso and no binding agreement exist between the authority and the community. The authority previously accounted for the levy as liability upon receipt, and would reduce the liability when funds are spent for the benefit of the community. Further, the authority would record income (other income) upon spending as if a condition has been met.

The correction of the error resulted in the levy being recognised in full as income upon gate entry, as no liability exist.

**Employer Tax Incentive**

The Authority claimed for Employer Tax Incentive( ETI) incorrectly in prior year due to errors on the settings for submitting EMP 201 forms to SARS. The error was retrospectively corrected and a liability was raised amounting to R647,604.

**Personnel costs for monitors**

Personnel costs for monitors were incorrectly presented under project costs (wages) in prior year. These costs are for employees employed directly by the Authority for cleaning the park, for which they receive monthly salaries. The error was corrected by reallocating all salary costs for monitors from project expenses to personnel costs. No journal entry was processed as this was only a mapping error on the financial statements.

The errors were corrected retrospectively and the impact results in adjustments as follows:

## iSimangaliso Wetland Park Authority

Annual Financial Statements for the year ended 31 March 2022

### Notes to the Annual Financial Statements

Figures in Rand	2022	2021
<b>35. Prior period errors (continued)</b>		
<b>Error 3 (continued)</b>		
<b>Statement of financial position</b>		
Decrease in payables (Community levy)	-	4 391 795
Increase in opening accumulated surplus	-	(4 687 162)
Increase in payables (Employee related)	-	(647 604)
	-	<b>(942 971)</b>
<b>Statement of financial performance</b>		
Increase in park revenue	-	870 133
Decrease in other income: Training and bursary income expense recoupments	-	(1 165 500)
Decrease in other income: Employer Tax Incentive	-	647 604
Increase in personnel costs (Monitors Salaries)	-	7 130 272
Decrease in Projects costs	-	(7 130 272)
	-	<b>352 237</b>
<b>Error 4</b>		
During 2021 financial year, the Authority was registered as a VAT vendor and was allowed to submit returns for periods from 2018 financial year. The Authority adjusted comparative figures to reflect the impact of VAT as if it was a registered VAT vendor in prior years. The impact of the adjustments is as follows:		
<b>Statement of financial position</b>		
Decrease in property, plant and equipment	-	(19 697 586)
Decrease in investment property	-	(2 485 389)
Decrease in intangible assets	-	(158 843)
Increase in VAT receivable	-	86 889 743
Decrease in trade and other payables (retention)	-	1 031 434
Increase in opening accumulated surplus	-	(44 021 312)
	-	<b>21 558 047</b>
<b>Statement of financial performance</b>		
Decrease in park revenue	-	1 570 545
Decrease in project costs	-	(1 231 690)
Decrease in professional, consulting and legal fees	-	(2 715 883)
Decrease in depreciation, amortisation and impairment	-	(89 470)
Decrease in lease rentals on operating lease	-	(12 111)
Decrease in contracted services	-	(17 780 305)
Decrease in other operating expenses	-	(1 299 134)
	-	<b>(21 558 047)</b>

## iSimangaliso Wetland Park Authority

Annual Financial Statements for the year ended 31 March 2022

### Notes to the Annual Financial Statements

Figures in Rand	2022	2021
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#### 36. 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

###### 2021

		As previously reported	Correction of error	Restated
Property, plant and equipment	3	663 313 830	(19 241 870)	644 071 960
Investment property	4	99 253 698	(2 485 389)	96 768 309
Intangible Assets	5	1 368 127	(158 843)	1 209 284
Receivables from exchange transactions	7	5 967 225	(199 527)	5 767 698
Receivables from non-exchange transactions	8	-	550 000	550 000
VAT receivable	9	-	86 889 743	86 889 743
Trade and other payables	11	(44 248 035)	4 442 521	(39 805 514)
Unspent conditional grants	12	(70 662 580)	48 544	(70 614 036)
Accumulated Surplus		(781 576 010)	(69 845 179)	(851 421 189)
		<b>(127 951 872)</b>	<b>-</b>	<b>(127 951 872)</b>

##### Statement of financial performance: Extract

###### 2021

		As previously reported	Correction of error	Re-classification	Restated
Park revenue		(11 170 715)	700 412	-	(10 470 303)
Personnel costs recoveries/fees		(7 488 514)	(26 939)	-	(7 515 453)
Management fees		(1 927 386)	(13 967)	-	(1 941 353)
Administration fees		(5 923 561)	(13 769)	-	(5 937 330)
Other income	15	(2 169 475)	1 813 104	-	(356 371)
Grants and subsidies	16	(466 648 322)	(560 780)	-	(467 209 102)
Personnel costs	18	33 316 630	4 673	7 130 272	40 451 575
Project costs	19	57 579 418	(1 231 690)	(7 130 272)	49 217 456
Professional, consulting and legal fees	20	21 917 647	(2 715 883)	-	19 201 764
Depreciation expense	21	40 737 439	(86 227)	-	40 651 212
Lease rentals on operating lease		92 856	(12 111)	-	80 745
Contracted services	23	160 535 591	(17 694 395)	-	142 841 196
Contracted services	25	16 250 420	(1 299 134)	-	14 951 286
<b>Net adjustments</b>		<b>(164 897 972)</b>	<b>(21 136 706)</b>	<b>-</b>	<b>(186 034 678)</b>



## iSimangaliso Wetland Park Authority

Annual Financial Statements for the year ended 31 March 2022

### Notes to the Annual Financial Statements

Figures in Rand	2022	2021	
<b>36. Prior-year adjustments (continued)</b>			
<b>Cash flow statement: Extract</b>			
<b>2021</b>			
	As previously reported	Correction of error	Restated
Cash flow from operating activities			
Park revenue	11 646 951	(700 413)	10 946 538
Personnel costs	271 202 432	2 698 741	273 901 173
Interest income	556 524	(187 247)	369 277
Personnel costs	(32 022 502)	(6 487 341)	(38 509 843)
Cash paid to suppliers	(251 123 385)	(20 200 889)	(271 324 274)
	<b>260 020</b>	<b>(24 877 149)</b>	<b>(24 617 129)</b>
Cash flow from investing activities			
Purchase of property, plant and equipment	(144 458 530)	22 372 950	(122 085 580)
Purchase of investment property	(13 026 451)	2 330 914	(10 695 537)
Purchase of investment property	(1 476 626)	173 283	(1 303 343)
	<b>(158 961 607)</b>	<b>24 877 147</b>	<b>(134 084 460)</b>
<b>37. Risk management</b>			
<b>Liquidity risk</b>			
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.			
<b>Statement of financial position: Extract</b>			
<b>Financial instrument</b>			
Trade and other payables		34 179 578	40 836 948
Unspent conditional grants		82 796 069	70 614 037
		<b>116 975 647</b>	<b>111 450 985</b>

**Notes to the Annual Financial Statements**

Figures in Rand	2022	2021
<b>37. Risk management (continued)</b>		
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	4 296 287	5 767 698
Receivables from non exchange transactions	29 200 000	550 000
Cash and cash equivalents	62 810 842	126 296 970
VAT receivable	103 591 430	86 889 743
<b>Debtors past due</b>		
>120 days	1 319 983	823 325
>90 days	117 787	101 276
>60 days	-	219 958
>30 days	403 824	286 152
	<b>1 841 594</b>	<b>1 430 711</b>

Included in debtors past due are government debtors totalling R310,066(Prior year R482,338 ). The risk associated with government debtors is considered low. Government debt owing for more than 120 days of R181,376 (Prior year R349,370) is in respect of utilities payable by Ezemvelo KZN Wildlife.

**Other risks**

**Notes to the Annual Financial Statements**

Figures in Rand	2022	2021
<b>37. Risk management (continued)</b>		
<b>Interest rate risk</b>		
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.		
<b>38. Going concern</b>		
As at 31 March 2022, the Authority had accumulated surplus of R 852 725 834 and total assets exceeded total liabilities by R852 725 834.		
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.		
<b>39. Fruitless and wasteful expenditure</b>		
Opening balance	7 977 222	265 775
Fruitless and wasteful expenditure incurred in current year	-	7 855 698
Less: Amounts written off and awaiting condonment	(122 362)	(144 251)
	<b>7 854 860</b>	<b>7 977 222</b>

Prior year fruitless expenditure of R838 relates to interest on late payment to suppliers and R7,854,860 related to overpricing by suppliers on work performed.

During the 2020 financial 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. Of this amount, R72,126 was repaid back in the current year.

During the 2022 financial year, the board approved to write off fruitless expenditure arising from prior years.

## iSimangaliso Wetland Park Authority

Annual Financial Statements for the year ended 31 March 2022

### Notes to the Annual Financial Statements

Figures in Rand	2022	2021
<b>40. Irregular expenditure</b>		
Opening balance	90 133 679	4 792 036
Add: Irregular Expenditure - incurred during the year	41 240 986	92 029 622
Less: Amounts written off and awaiting condonment	(90 133 679)	(6 687 979)
	<b>41 240 986</b>	<b>90 133 679</b>

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 2021 financial 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 R14,790,577 (Prior year: R6,348,501) was incurred in the current year due to services that were procured from suppliers who did not meet the pre-qualifying evaluation criteria and R26,270,409 (Prior year: R83,785,178) due to construction related services that were procured from suppliers who were not registered with Construction Industry Development Board (CIDB).

During the 2022 financial year, the board approved to write off irregular expenditure arising from prior year.

#### 41. Events after the reporting date

##### Procurement restrictions:

During the year, National Treasury issued a circular relating to Preferential Procurement Regulations, 2017 - Minister of Finance v Afribusines NPC [2022] ZACC 4. This circular effectively froze any procurement of goods and serves for values above R30,000. After year end, the Authority received an exemption to allow the procurement of goods and serves which were prohibited by the circular mentioned above.









# iSimangaliso

*Wetland Park*



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