

**Budgetary Review and Recommendations Report (BRRR) of the Portfolio Committee on Environment, Forestry and Fisheries on the Annual Reports and Financial Statements of the Department of Forestry, Fisheries and Environment and Its Five Entities, namely: the South African National Parks (SANparks), Isimangaliso Wetland Park Authority (IWPA), South African Weather Service (SAWS), the South African National Biodiversity Institute (SANBI) as well as the Marine Living Resources Fund (MLRF) for the 2020/21 Financial Year, Dated 1 December 2021.**

The Portfolio Committee on Environment, Forestry and Fisheries (hereinafter the Committee), having considered the Annual Report of the Department of Forestry, Fisheries and Environment (DFFE) for the year under review 2020/21, as well as the performance of the entities reporting under the Department of Environmental Affairs, namely: the South African National Parks (SANParks), iSimangaliso Wetland Park Authority (IWPA); South African Weather Service (SAWS); the South African National Biodiversity Institute (SANBI); and the Marine Living Resources Fund (MREF), and having further interacted with the Auditor-General of South Africa (AGSA), reports as follows:

## **1 INTRODUCTION**

### **1.1 MANDATE OF THE COMMITTEE**

The mandate of the Portfolio Committee is to enhance the principles of a developmental state through passing legislation and to facilitate public participation, monitoring and oversight functions over the legislative processes relating to the environment; confer with relevant governmental and civil society organs on the impact of environmental legislation and related matters; enhance and develop the capacity of committee members in the exercise of effective oversight over the Executive Authority. Thus, the core mandate of the Committee is to:

- Consider legislation referred to it;
- Conduct oversight of any organ of state and constitutional institutions falling within its portfolio;
- Consider international agreements; and
- Consider the budgets, strategic plans, annual performance plans and related performance reports and targets of the Department and entities falling within its portfolio.

## **2 PURPOSE OF THE BUDGETARY REVIEW AND RECOMMENDATIONS REPORT (BRRR)**

The Money Bills Procedures and Related Matters Amendment Act No 9 of 2009 (the Money Bills Act) sets out the process that allows Parliament through its committees to make recommendations to the Minister of Finance to amend the budget of a national Department. In October of each year, portfolio committees must compile the Budgetary Review and Recommendations Reports (BRRRs) that assess service delivery performance given the available resources; evaluate the effective and efficient use and forward allocation of resources; and may make recommendations on forward use of resources.

The BRRR is based on a comprehensive review and analysis of the previous financial year's performance, as well as performance to date. In addition to the Annual and Quarterly reports, the BRRR also sources documents for the Standing/Select Committees on Appropriations/Finance when they make recommendations to the Houses of Parliament on the Medium-Term Budget Policy Statement (MTBPS). The Budgetary Review and Recommendations Report of the Portfolio Committee is based on the information that it accessed through various engagements with the Department and its respective entities, namely, the SANParks; iSimangaliso; SAWS and SANBI; and MLRF as well as AGSA on their respective reports on the performance of the environmental portfolio.

To effectively undertake the oversight mandate of its work as required by the Money Bills Act, the Portfolio Committee on Environment, Forestry and Fisheries having received and considered briefings from the Department of Forestry, Fisheries and Environment and its respective entities, namely: the SANParks; iSimangaliso; SAWS; SANBI; and MLRF, as well as from the Office of the Auditor-General, and the Department of Planning, Monitoring and Evaluation (DPME) on 16, 17 and 18 November 2021 on the Annual Reports and Financial Statements of the Department and its entities for the 2020/21 financial year, reports as follows:

## **3 OVERVIEW OF THE AUDITOR-GENERAL'S AUDIT OUTCOME REPORT FOR 2020/21**

The Auditor-General of South Africa (AGSA) has a constitutional mandate and, as the Supreme Audit Institution (SAI) of South Africa, established to strengthen our country's democracy by enabling

oversight, accountability and governance in the public sector through auditing of public governance and annual performance targets, *inter alia*. In so doing, the Auditor-General builds public confidence in the manner in which the *environmental portfolio* is governed and administered on behalf of the South African population.

In line with this mandate, the Auditor-General of South Africa provided an overview of the audit outcomes and other findings in respect of the *environmental portfolio* for the period under review – the 2020/21 financial year. The AGSA reported that the overall audit outcomes in the portfolio remained unchanged when compared with the prior year (2019/20), with the exception of Marine Living Resources Fund (MLRF), which improved from a *qualified* to an *unqualified audit opinion*, with findings on compliance with legislation in the current year under review (2020/21). The Department remained unchanged with a qualified audit opinion with findings on the annual performance report and compliance with legislation. SANBI remained unchanged with an unqualified audit opinion with findings on the annual performance report and compliance with legislation. Finally, SANParks, SAWS and iSimangaliso's audit outcomes remained unchanged with *unqualified audit opinions with findings on compliance with legislation*.

It is further noting that DFFE, SANParks, SANBI, iSimangaliso and MLRF submitted financial statements that contained material misstatements. As a result, these errors had to be corrected for these affected entities to receive unqualified audit opinions. However, the Department was unable to correct all the identified material misstatements which resulted in a qualified audit opinion. These material misstatements on the Annual Financial Statements were due to inadequate reviews by management prior to submission for audit. Majority of the material misstatements identified for the portfolio was on expenditure and disclosure notes. These could also be attributed to slow progress in addressing internal control deficiencies identified by internal and external auditors. Some of the findings raised are recurring despite discussions held with the auditees on the implementation of preventive control measures. Finally, the Department had qualifications in the areas of irregular expenditure, Public Private Partnership, capital commitments and capital work-in-progress. The Department, SANBI, iSimangaliso and MLRF did not implement effective action plans to address significant internal control deficiencies relating to compliance with legislation. These audit outcomes and findings are further described in the following sections, for the Department and the respective entities:

### **3.1 DEPARTMENT OF FORESTRY, FISHERIES AND ENVIRONMENT**

The audit opinion of the Department remained unchanged, having retained the same audit outcome of a *qualified audit opinion* in the 2020/21 financial year as in the prior years (2019/20 & 2018/19). The Auditor-General noted that the Department did not improve the quality of its performance reporting, there were findings on the usefulness and reliability of reported performance information, primarily due to lack of adequate monitoring and reporting of useful and reliable performance information. The Department incurred R1.03 billion of irregular expenditure (IE), which constitutes 85% of the total irregular expenditure in the portfolio, the majority of which is due to the Department's incorrect application of the objective assessment against predetermined functionality criteria. Of the total fruitless and wasteful expenditure amounting to R8 million that was identified in the current year, R3.11 million (39%) was incurred by the Department as a result of overpayment to suppliers and funds allocated to implementing agents not spent in accordance with the approved memorandum of understanding. DFFE reported IE for investigation.

### **3.2 ISIMANGALISO WETLAND PARK AUTHORITY**

For the 2020/21 financial year, the iSimangaliso Wetland Park Authority retained an *unqualified audit opinion with findings on compliance with key legislation*, just as in the prior year (2019/20). The entity incurred an irregular expenditure of R99.88 million in the 2020/21 financial year as it procured services that were not in line with the service level agreement, and was not compliant with supply chain management prescripts. This was seemingly due to a historic contract, which was entered into in 2017 between the entity and the service provider.

### **3.3 SOUTH AFRICAN NATIONAL BIODIVERSITY INSTITUTE (SANBI)**

SANBI remained unchanged with an *unqualified audit opinion with findings on the annual performance report and compliance with legislation*, as in the prior year (2019/20), which was an improvement over the previous *two* financial statements (2018/19 & 2017/18), as the public entity progressed from a

qualified audit opinion to an *unqualified audit opinion with findings on compliance with key legislation*. SANBI retained findings on the usefulness of reported performance information due to targets not being specific. The entity incurred an irregular expenditure of R17.5 million and fruitless and wasteful expenditure of R0.6 million in the current 2020/21 financial year. SANBI's fruitless and wasteful expenditure was incurred due to penalties and interest on late payments, overpayment of suppliers. Consequence management remains a challenge at SANBI. The nature of irregular expenditure still need their investigations to start or to be concluded so that the necessary disciplinary actions can be taken against staff who have caused such irregular, fruitless and wasteful expenditure, although some investigations on the irregular expenditure balances have been initiated.

### **3.4 SOUTH AFRICAN NATIONAL PARKS (SANPARKS)**

For the 2020/21 financial year, SANParks audit outcome remained the same as in the 2019/20, 2018/19, 2017/18 and 2016/17 financial years, having obtained *unqualified audit opinion with findings on compliance with key legislation*. Irregular expenditure amounting to R43.4 million was identified at SANParks on critical contracts for service delivery relating to IT systems as poor supply chain management practices were applied, whereas SANParks also incurred a fruitless and wasteful expenditure of R200 thousand. There is overall regression in supply chain management (SCM) compliance across the portfolio. Consequently, there is no effective and appropriate steps taken to prevent irregular expenditure and/or fruitless and wasteful expenditure, and quotation or bid award was not approved at the appropriate level at SANParks.

### **3.5 SOUTH AFRICAN WEATHER SERVICE (SAWS)**

The South African Weather Service's audit outcome remained unchanged in the year under review (2020/21) with *unqualified audit opinion with findings on compliance with legislation*. This is a continuation of the Entity's unqualified audit opinion achieved in the prior year (2019/20), which showed SAWS commitment to recover from a *qualified audit opinion with findings* in the past 2018/19 financial year. SAWS incurred irregular expenditure, amounting to R23.8 million on critical contracts for service delivery, relating to IT systems as poor supply chain management practices were applied. Of the total fruitless and wasteful expenditure amounting to R8 million identified in the 2020/21 financial year, R4.11 million (51%) was fruitless and wasteful expenditure as a result of payment of a cancelled contract module, penalties and interest on late payments. Notwithstanding, SAWS is the only entity in the portfolio, which the Auditor-General commended for submitting financial statements free of material misstatements.

### **3.6 MARINE LIVING RESOURCES FUND (MLRF)**

The Marine Living Resources Fund improved from a *qualified audit opinion* in the prior year (2019/20) to an *unqualified audit opinion with findings on compliance with legislation* in the current year under review (2020/21). The non-compliance with legislation identified in 2020/21 is similar to that reported in the prior year, as MLRF failed to implement effective action plans to address significant internal control deficiencies relating to compliance with legislation. MLRF is among the *five* auditees that submitted financial statements, with material misstatements, which if not subsequently corrected, would have earned the Entity a qualified audit opinion. MLRF incurred R57 000 of the total irregular expenditure of R1.2 billion of the entire portfolio identified in the 2020/21 financial year, and the Entity had no fruitless and wasteful expenditure. Nevertheless, MLRF did not report its previous year's fruitless and wasteful expenditure for investigation.

## **4 OVERVIEW OF PERFORMANCE BY THE DEPARTMENT OF FORESTRY, FISHERIES AND ENVIRONMENT (DFFE) IN THE 2020/21 FINANCIAL YEAR**

The Department is mandated to ensure the protection of the environment and conservation of natural resources, balanced with sustainable and climate change-resilient development and the equitable distribution of the benefits derived from natural resources. In its quest for better use and engagement of the natural environment, the Department is guided by its constitutional mandate, as contained in *section 24* of the Constitution of the Republic of South Africa of 1996. Consequently, the Department fulfils its mandate through formulating, coordinating and monitoring the implementation of national environmental policies, programmes and legislation with the additional support from entities such as the iSimangaliso Wetland Park Authority, SANBI, SANParks and the SAWS.

The execution of the Department's mandate, in the year under review (2020/21), is reflected in the performance of its *nine* departmental programmes outlined below, which operate within the context of the Department's *Strategic Outcome-oriented Goals*, comprising:

- Environmental Economic Contribution Optimised;
- Environmental/ Ecological Integrity Safeguarded and Enhanced;
- Socially Transformed and Transitioned Communities;
- Global Agenda Influenced and Obligations Met; and
- A Capable and Efficient Department

The Department of Forestry, Fisheries and Environment (DFFE) is directly responsible for delivering on, and coordinating the work and priorities outlined in Outcome 10 (*Environmental Assets and Natural Resources that are Valued, Protected and Continually Enhanced*) of the 12 Government Outcomes, and also make a contribution to other outcomes, mainly Outcome 4 (*Decent Employment through Inclusive Economic Growth*). The two outcome-oriented goals of the Department (1. Environmental assets conserved, valued, sustainably used, protected and continually enhanced; and 2. Enhanced socio-economic benefits and employment creation for the present and future generations from a healthy environment) are actually aligned to Outcome 10 and priorities. The progress made in achieving the two outcomes are summarised below.

The Outcome 10 Delivery Agreement addresses first, the key sub-outcome from the National Development Plan (NDP) Vision 2030 of ensuring that "*Ecosystems are sustained and natural resources are used efficiently*". Consequently, under the *Biodiversity and Conservation Programme*, South Africa's conservation estate increased from a baseline of 15.74% to 16.08% (19 615 823.46ha/121 991 200ha) hectares of land under formal conservation. Similarly, 22 strategic water sources were delineated, and *one* wetland (Ingula Nature Reserve) of international significance (Ramsar site) was designated. In terms of compliance and enforcement, 254 enforcement notices were issued for non-compliance with environmental legislation; 39 criminal cases were finalised and dockets handed over to the National Prosecuting Authority; and 910 officials were trained in environmental compliance and enforcement to build the requisite capacity. In addition, 5 886 compliance inspections conducted in the six priority fisheries; and 295 verifications of right holders were conducted.

The Department's contribution to alleviate the triple challenges of inequality, poverty, and unemployment mainly takes place via the Environmental Programmes Programme, where 19 613 Full Time Equivalent jobs were created (equivalent to one-year full time job) as well as 58 652 work opportunities. The Department further created 2 118 jobs in the forestry sector, and ensured provision of certain key services in certain programmes, such as the development and approval of the "Small-Scale Aquaculture Support Programme Implementation Plan". "*Alternative Livelihood Strategy*" for fishing communities was developed and approved. This Strategy seeks to reduce the prevalence of fishing activities by substituting them with lower impact livelihood activities that provide at least equivalent benefits. In terms of wildfire management, all (100%) the 1 791 wildfires that arose were successfully suppressed, inter alia. The Department had 129 annual performance targets in the year under review, achieved 65% (84/129) of the targets, exceeding 34 targets of the 84; partially met 25% (32/129); and was 10% (13/129) off target.

#### **4.1 PROGRAMME 1: ADMINISTRATION**

The purpose of the Programme is to provide leadership, strategic, centralised administration, executive support, corporate services and facilitate effective cooperative governance, international relations and environmental education and awareness. The programme is made-up of six sub-programmes, including Management; Corporate Affairs; Environmental Advisory Services; Financial Management; Office Accommodation; and Environmental Sector Coordination. The Department's performance in this Programme can be summarised as having successfully achieved 67 per cent (10/15) of its targets; and partially or substantially achieved 35 per cent (5/10). Although 67 per cent appears to be a better achievement than the prior year's (2019/20) achievement, the Department had more targets at the time when it successfully achieved 65 per cent (11/17) of its targets; and partially or substantially achieved 35 per cent (6/17). However, this number of targets and achievement were less than the number of targets and proportion of achievement in the previous year (2018/19), which were 77 per cent (24/31) achievement of targets; and partial or substantial achievement of 23 per cent (7/31). It is obvious that

the number of annual performance targets has steadily declined in the *Administration Programme* over the past *three* consecutive years.

#### **4.2 PROGRAMME 2: REGULATORY COMPLIANCE AND SECTOR MONITORING (RCSM)**

The purpose of the *Regulatory Compliance and Sector Monitoring (RCSM) Programme* is to promote the development and implementation of an enabling legal regime and licensing/authorisation system to ensure enforcement and compliance with environmental law. In this regard, the Department achieved 92 per cent (11/12) and substantially achieved *eight* per cent (1/12) of its performance targets, which is more than the Department's achievement in the prior year (2019/20) where it achieved 60 per cent (6/10) and substantially achieved 40 per cent (4/10) of its performance targets. The 2019/20 achievement was less than the 67 per cent achievement of performance targets (8/12) and substantial achievement of 33 per cent of the remaining targets (4/12) that the Department attained in the 2018/19 financial year. Although the Department finalised and handed over to the NPA 39 criminal cases less than the 56 in the prior year, this does not actually mean much, as there is no indication of the total number of dockets pending processing. Notwithstanding, the Department's achievement under the *RCSM Programme* in the 2019/20 financial year was both below the 2018/19 and the 2017/18 financial year achievements where the Department successfully met all its annual performance targets (12/12) in the later (2017/18).

#### **4.3 PROGRAMME 3: OCEANS AND COASTS**

The purpose of the *Oceans and Coasts Programme* is to promote, manage and provide strategic leadership on oceans and coastal conservation. The programme is made-up of five sub-programmes, including Oceans and Coasts Management; Integrated Coastal Management; Oceans and Coastal Research; Oceans Conservation; and Specialist Monitoring Services. The Department's performance in this Programme can be summarised as having successfully met 60 per cent of the annual performance targets (6/10) and partially achieved 40 per cent (4/10) of the set targets. This departmental performance in this Programme is below the 82-per cent attainment of the annual performance targets (9/11) and partial achievement of 18 per cent (2/11) of the set targets that the Department obtained in 2019/20. However, the prior year's achievement might appear to be a significant achievement when looked at on its own. This impressive achievement pales in the light of the other previous year's achievement when the number of targets are considered. For example, 77 per cent of the annual performance targets (17/22) were successfully achieved; 14 per cent (3/22) were partially achieved; and *nine* per cent of its targets (2/22) were not met. This achievement was below the other previous year's (2017/18), where the Department met 82 per cent (18/22) of the annual performance targets, with *three* of those having been exceeded; *two* targets were partially achieved; and another *two* targets were not met. It is apparent that the departmental targets in this Programme in the year under review were actually half of the past two prior years, respectively.

#### **4.4 PROGRAMME 4: CLIMATE CHANGE AND AIR QUALITY**

The purpose of the Programme is to improve air and atmospheric quality, lead and support, inform, monitor and report efficient and effective international, national and significant provincial and local responses to climate change. The programme is made-up of seven sub-programmes, which comprise Climate Change Management; Climate Change Mitigation; Climate Change Adaptation; Air Quality Management; South African Weather Service; International Climate Change Relations and Negotiation; and Climate Change Monitoring and Evaluation. It is in this regard that out of the *Programme's* Annual Performance Plan of a total of 18 targets, 14 targets (1/18) were achieved, *three* targets (3/18) were substantially achieved and *one* (1/18) was off target. This translates into 78 per cent success, 17 per cent partial achievement and *five* percent failure. It is noteworthy that there are more targets in the current review year relative to the past review year (2019/20) where the *Programme's* Annual Performance Plan had a total of 13 targets, of which 12 targets (12/13) were achieved and *one* target (1/13) was substantially achieved, translating into 92 per cent success and *eight* per cent partial achievement. Prior year's (2018/19) 75 per cent (12/16) success rate met exactly the same number of targets, but with more targets than in 2019/20. Significant achievements in this *Programme* then related to the processing of all Phase 1 carbon budget applications within 6 weeks; development of Mitigation Potential Analysis 2019; operationalisation of Climate Change Information Management System (CCIMS); and the effective processing of all Annual Pollution Prevention Plans (PPP), consistent with the applicable regulations. It further emerged during the engagement with the Department that the *National Climate Change Bill* would be tabled in Parliament in the 2020/21 financial year.

#### 4.5 PROGRAMME 5: BIODIVERSITY AND CONSERVATION

The purpose of the *Biodiversity and Conservation Programme* is to ensure the regulation and management of all biodiversity, heritage and conservation matters in a manner that facilitates sustainable economic growth and development. The Programme consists of eight sub-programmes, including Biodiversity and Conservation Management; Biodiversity Planning and Management; Protected Areas Systems Management; iSimangaliso Wetland Park Authority; South African National Parks; South African National Biodiversity Institute; Biodiversity Monitoring and Evaluation; and Biodiversity Economy and Sustainable Use. The Department's performance in this Programme shows that out of the 17 targets, 13 targets were fully met and *two* targets each were partially met and unmet. Out of a total of 13 targets in 2019/20, 12 targets were fully met and *one* target was partially met. In contrast, of the 22 annual targets, 18 targets (18/22) were fully met, two targets (2/22) were partially met and missed, respectively, in the prior year (2018/19). This translated into 82 per cent success, *nine* per cent partial achievement and *nine* per cent off target. This was better than the achievement in the 2017/18 financial year where the Department achieved 16 targets, reflecting 73 per cent success, whereas the remaining *six* annual targets were partially achieved. Thus, the Department achieved more in 2018/19 than in the current year under review and any other year referenced here.

#### 4.6 PROGRAMME 6: ENVIRONMENTAL PROGRAMMES

The purpose of the *Environmental Programmes Programme* is to implementation of expanded public works and green economy projects in the environmental sector. The programme is made-up of *five* sub-programmes, consisting of Environmental Protection and Infrastructure Programme; Working for Water and Working on Fire; Green Fund; Environmental Programmes Management; and Information Management and Sector Coordination. It suffices to state that this *Programme* had 23 annual performance targets in the year under review, achieved 11 (11/23), partially achieved *nine* (9/23) and did not meet *three* (3/23). This translates into 48 per cent success, 39 per cent partial success and 13 per cent failure. Similarly, the *Programme* had 15 annual performance targets in 2019/20, of which *four* (4/15) were achieved (27 per cent), *nine* (9/15) were partially achieved (60 per cent) and *two* (2/15) were unmet (13 per cent). The achievements in these past *two* (2020/21 & 2019/20) financial years reflect ongoing poor performance in the *Environmental Programmes Programme*, considering the 2018/19 financial year where of the 16 annual performance targets, *six* (6/16) were achieved (38 per cent), *seven* targets (7/16) were partially achieved (44 per cent) and *three* (3/16) annual performance targets were not met (18 per cent). This again was a poor performance relative to 2017/18 where the *Programme* had a total of 18 annual performance targets, of which 15 were achieved, reflecting 83 per cent success rate, whereas the *three* remaining targets, which were partially achieved, made up 17 per cent.

#### 4.7 PROGRAMME 7: CHEMICALS AND WASTE MANAGEMENT

The purpose of the *Chemicals and Waste Management Programme* is to manage and ensure that chemicals and waste management policies and legislation are implemented and enforced in compliance with chemicals and waste management authorisations, directives and agreements. The Programme is made-up of five sub-programmes, which include Chemicals and Waste Management; Hazardous Waste Management and Licensing; General Waste and Municipal Support; Chemicals and Waste Policy, Evaluation and Monitoring; and Chemicals Management. The Annual Performance Plan of this *Programme* for the 2020/21 financial year covered *nine* performance targets, of which *all* were achieved, with exceedances in *eight* of them. Conversely, the 2019/20 performance achievement was suboptimal as the *Programme* had only *eight* annual performance targets, of which a total of *four* were achieved (50 per cent), *three* targets (3/8) were partially achieved (38 per cent) and a target (1/8) was not met (12 per cent). This 2019/20 performance achievement was suboptimal even when compared to the 2018/19 financial year where the Department had 15 annual targets, of which a total of *nine* were achieved (60 per cent), *five* targets (5/15) were partially achieved (33 per cent) and a target (1/15) was not met (7 per cent). At a time when the Department had fewer targets, the performance was still unsatisfactory despite this being a flagship programme for tackling some of South Africa's triple challenge of inequality, poverty and unemployment.

#### 4.8 PROGRAMME 8: FORESTRY AND NATURAL RESOURCE MANAGEMENT

The Forestry Branch derives its core mandate from the Conservation of Agricultural Resources Act (CARA) No. 43 of 1983, National Veld and Forest Fire Act No. 101 of 1998, and the National Forests Act (NFA) No. 84 of 1998. Through CARA, the Department promotes the conservation of the soil, water sources and vegetation and the combating of weeds and invasive plants. The NFA promotes the sustainable management, development and transformation of the sector for the benefit of all. The mandate excludes some aspects of indigenous forests. The Forestry Branch executes the forestry management and development function with internal capacity, short-term contracts and through its partners such as the Forestry Charter Council and the South African Forestry Company Limited, a State-Owned Company (SAFCOL). The Veld and Forest Fire Act is a concurrent and local government function, and pertains to combating fires on land, forests and mountains. The Department directly manages Category B and C plantations (mostly land reform plantations), and indirectly contracted Category A plantations through lease agreements to four private forestry companies and the SAFCOL.

In the year under review (2020/21), the Forestry Branch had 12 annual performance targets, achieved 50 per cent (6/12), partially met 42 per cent (5/12) and did not meet *eight* per cent of the targets (1/12). This shows a decrease in performance when compared to 2019/20, where the Forestry Branch committed to the achievement of *nine* targets as set out in the 219/20 Annual Performance Plan, notwithstanding the variation in the number of performance targets. The Branch fully achieved 78 per cent (7/9) of the set targets, with exceedances in some instances. This was a slight decrease of 2 per cent from the 80 per cent achieved in the 2018/19 financial year. The achieved targets include rehabilitation of indigenous forests and agricultural land, piloting of agro-forestry projects in two provinces, and writing reports. The target on the recommissioning of the Western Cape State forest plantation was missed in the 2018/19 financial year due to failure to establish six legal entities to oversee the plantation. The target was missed again in the 2019/20 financial year due to inability to appoint a service provider. The undertaking was that the recommissioning of the plantations will continue in the 2020/21 financial year, but was not included in the APP. Another target that was missed is the weather-dependent planting of trees in temporary unplanted areas due to poor rainfall and high temperatures. The missed hectares (393 ha) was added to the target of 2020/21 to make it 1 280 ha.

#### **4.9 PROGRAMME 9: FISHERIES MANAGEMENT (MARINE LIVING RESOURCES FUND)**

The Fisheries Management Branch has an entity that carries out most activities called the Marine Living Resources Fund (MLRF). The Fisheries Management function is a national competency, except for some aquaculture functions. Marine Living Resources Act (MLRA), No. 18 of 1998 establishes the MLRF that, in terms of the Public Finance Management Act No. 1 of 1999, is a Schedule 3A Public Entity. The MLRF is the primary source of funding for the operational activities of the Fisheries Management Branch (the Branch) of the Department. The MLRF generates the other income from levies on fish products, licence fees and permits, fines, sales of confiscations, and harbour fees. In terms of section 10(3) of the MLRA, the Director-General of the Department administers the MLRF in consultation with the Minister. The staff of the Fisheries Branch, in partnership with other stakeholders in the fishing industry, execute the functions of the MLRF.

The Fisheries Branch, including the MLRF had 13 annual performance targets in the year under review (2020/21), of which 62 per cent (8/13) were achieved, 23 per cent (3/13) were partially attained and 15 per cent (2/13) were unmet. It is obvious that the 2020/21 achievement is better than the prior year, but there is also a need to consider the number of performance targets in the past two respective years. Similarly, the Fisheries Branch (and the MLRF) accounted for all the fifteen targets on the 2019/20 Annual Performance Plans in the annual reports. The Branch fully achieved 60 per cent (9 out of 15) of the set targets and, in some instances, exceeded goals. The slight increase is 7.1 per cent from the 52.9 per cent achieved in the 2018/19 financial year. The fully met or exceeded targets include the supported Operations Phakisa projects; development of fish stock recovery plans; fisheries investigations, inspections and joint operations under Operation Phakisa; and writing of reports. Since the management of patrol and research was under the South African Maritime Safety Authority, the vessels have been operational, resulting in the Monitoring, Control and Surveillance function consistently exceeding its set targets. The availability of small crafts, favourable weather conditions and fishing activities are responsible for the sustained achievement of law enforcement targets.

The targets not achieved include the creation of jobs under the Working for Fisheries Programme, finalisation of the Aquaculture Development Bill, revision of fisheries policies and the fishing rights allocation to the small-scale fisheries. The main reasons for not achieving the targets is due to poor contract management, inadequate consultations on the Bill and general administrative challenges.

These listed targets were missed in the 2018/19 financial year, and again in the then period under review (2019/20).

## **5 OVERVIEW OF PERFORMANCE BY THE DEPARTMENTAL ENTITIES**

### **5.1 ISIMANGALISO WETLAND PARK AUTHORITY**

The iSimangaliso Wetland Park Authority in KwaZulu-Natal was established in terms of the World Heritage Convention Act (Act No 49 of 1999), with the mandate to ensure that effective and active measures were taken in the Park for the protection and conservation of World Heritage Convention values; promote empowerment of historically disadvantaged communities living adjacent to the Park; promote, manage, oversee, market and facilitate optimal tourism and related development in the Park; and encourage, sustain, invest and contribute to job creation. Covering a 3 280-square kilometres area, iSimangaliso is the third largest park in South Africa and the first listed World Heritage Site in South Africa in 1999.

In the year under review (2020/21), iSimangaliso met all its 61 annual performance targets across its four programmes of *Corporate Support Services*, *Biodiversity Conservation*, *Tourism and Business Development*, and *Socio-Economic Environmental Development*. For the 2019/20 financial year, the iSimangaliso Wetland Park Authority had a total of 68 performance targets, of which the entity met 59 (59/68), while *nine* targets (9/68) were off target. This reflected about 87 per cent success against predetermined objectives for the 2019/20 financial year. This was better than the 2018/19 financial year, where the iSimangaliso Wetland Park Authority had a total of 35 performance targets, of which the entity met 27 of its targets, while *four* targets each were partially or substantially met and off target. This reflected about 77 per cent success against predetermined objectives for the 2018/19 financial year. The entity had more targets in 2019/20, nearly double the target it had in the prior year, but still achieved a higher success rate unlike the parent Department at the time.

### **5.2 SOUTH AFRICAN NATIONAL BIODIVERSITY INSTITUTE (SANBI)**

SANBI was established in September 2004, in terms of the National Environmental Management: Biodiversity Act (Act No 10 of 2004). The mandate of the Institute is to monitor and report regularly on the status of South Africa's biodiversity, which includes all listed threatened or protected species, ecosystems and invasive species; and the impact of any genetically modified organisms that have been released into the environment. The Institute is also mandated to act as an advisory and consultative body on matters relating to organs of State and other biodiversity stakeholders; coordinate and promote the taxonomy of South Africa's biodiversity; manage, control and maintain all national botanical gardens, herbaria and collections of dead animals that may exist; and advise the Minister of Environmental Affairs on any matter regulated in terms of the Act, and any international agreements affecting biodiversity that are binding on South Africa.

In the year under review (2020/21), SANBI had 44 targets, *one* target higher than it had in the prior year (2019/20). The entity achieved 39 of its targets (89%), partially achieved *three* targets (7%) and was off target on *two* targets (4%) in the 2020/21 financial year. This is indeed a significant achievement, relative to 2019/20, where SANBI had 43 planned targets of which the Institute achieved 29 and partially achieved 11 and *three* targets were off target. This translated into the total achievement percentage of 67 per cent, 26 per cent partial achievement and *seven* per cent non-achievement in the prior reporting period. However, the 2019/20 performance achievement was below that of the other year (2018/19), where SANBI had 42 planned targets of which it achieved 37, partially achieved *four* and *one* target was off target. This translated into the total achievement percentage of 88 per cent, 9.6 per cent partial achievement and 2.4 per cent non-achievement, which is higher than the 2019/20 success rate.

### **5.3 SOUTH AFRICAN NATIONAL PARKS**

SANParks' mandate is derived from the National Environmental Management: Protected Areas Act (Act No 57 of 2003), which is to conserve, protect, control and manage national parks and other defined protected areas and biological diversity. SANParks is a *Schedule 3A Entity*, in terms of the PFMA. Thus, the mandate of SANParks is to develop, expand, manage and promote a system of sustainable national parks that represents biodiversity and heritage assets, through innovation and best practice for the just and equitable benefit of current and future generations.

The South African National Parks had 50 targets in the year under review (2020/21), of which the Entity fully met 42 targets, partially met and did not meet *four* targets each. This translates into 84 per cent success rate and *eight* per cent for partial achievement and non-achievement, respectively. Conversely, SANParks met 41 of its targets out of 60, with some of those 41 being exceedances; *nine* targets were partially or substantially achieved; and 10 targets were not met. This translates into 68 per cent achievement, 15 per cent partially achieved and 17 per cent unachieved. The details of SANParks performance against predetermined objectives for the 2019/20 financial year are contained in the entity's annual report for the year under review, which is below its performance in the 2018/19 financial year where the entity recorded 74 per cent achievement, *nine* per cent partially achieved and in 17 per cent unachieved. Notwithstanding, the entity had more performance targets in 2018/19 than in the review year. Similarly, SANParks attained a better success rate in 2017/18 where it achieved 72 per cent of its goals, with 11 per cent being work in progress and 17 per cent being off target.

#### 5.4 SOUTH AFRICAN WEATHER SERVICE (SAWS)

The mandate of the South African Weather Service (SAWS) was established in terms of the South African Weather Service Act (Act No 8 of 2001), which is to provide *two* distinct services, i.e., the public good service, which is funded by government and commercial services where the *user pays principle* applies. This entails maintaining, extending and improving the quality of meteorological services; providing risk information, which is essential for minimising the impact of disasters; collecting meteorological data over oceans; and fulfilling government's international obligations under the World Meteorological Organisation and the International Civil Aviation Organisation.

In the period under review (2020/21), the South African Weather Service had 20 annual performance targets; achieved 14 targets; partially met *four*, and did not meet *two* targets. This translates into 70 per cent success, 20 per cent partial success and 10 per cent 'no success.' However, for the prior year (2019/20), SAWS achieved 14 of its 21 targets; substantially achieved *five* targets; and did not meet *two* of its planned targets. Overall, SAWS achieved a total performance percentage of 66.7, substantially achieved 23.8 per cent and did not achieve 9.5 per cent. This was unfortunately below SAWS' performance in the 2018/19 financial year, where the entity achieved 23 of its 33 targets; substantially achieved *eight* targets; and did not meet *two* of its planned targets. Overall, SAWS achieved a total performance percentage of 70, substantially achieved 24 per cent and did not achieve *six* per cent. Thus, the entity recorded a higher success rate when it had more targets than in the review year.

### 6 COMMITTEE OBSERVATIONS

Following the Committee's interaction with the AGSA, Department of Environmental Affairs and its *four* departmental entities as well as the Fisheries (MLRF) and the Forestry branches on their annual reports, financial statements and the audit outcomes in the period under review (2020/21 financial year) as well as engagements with their respective quarterly reports for the current year, the Committee made the following observations:

#### 6.1 COMMITTEE OBSERVATIONS ON THE AUDITOR-GENERAL'S FINDINGS

The Committee welcomed the audit report and findings by the Auditor-General for the Department of Forestry, Fisheries and Environment (DFFE) and the *five* departmental entities for the 2020/21 financial year and noted the following:

- The Committee noted with concern that none in the environmental portfolio received a clean audit, although there had been some improvement in performance compared to the prior (2019/20) financial year, especially when the audit outcome of MLRF is considered;
- Preparation of financial statements remained a concern at the Department and its entities (SAWS, SANBI, iSimangaliso & MLRF), as material adjustments had to be made to the financial statements submitted for auditing;
- The Committee noted that consequence management, procurement and contract management were a general concern in the Department and its entities although the irregular expenditure has decreased within the *portfolio* in the current review year. Irregular expenditure arose due to inadequate monitoring of compliance with supply chain management (SCM) laws and regulations;
- The Committee noted with concern that for the period under review (2020/21), the Department had finalised 51 disciplinary cases pertaining to serious audit findings, but only dismissed an individual on the basis of irregular conduct;

- The Committee raised concerns about resignations of officials who might wish to escape justice by not waiting to answer charges against them in the Department or court of law. The Committee would like to know what happens to such officials who are not processed through Department's disciplinary processes or against whom a case has not been opened with the police. This means that out of 51 cases only about 18 cases could eventually be processed;
- The Committee is concerned that only one entity of the Department (SAWS) submitted its annual financial statement to AGSA free of material misstatements in the period under review;
- The Committee noted the reduction in the irregular expenditure reported and wondered whether it could be attributed to the COVID-19 pandemic lockdowns;
- The Committee appreciate AGSA investigations conducted in accordance with the Public Finance Management Act (PFMA) and Supply Chain Management policies, and emphasised that it was up to the Department to enforce the necessary consequence management depending on the merit of the allegations; and
- The Committee noted AGSA's phased extended mandate to issue Heads of Departments, Directors-General or accounting entities such as boards with certificate for unauthorised, irregular, fruitless and wasteful expenditure and appreciated the fact that there were no findings in respect to the environment portfolio.

## 6.2 COMMITTEE OBSERVATIONS ON THE DEPARTMENT OF PLANNING, MONITORING AND EVALUATION (DPME) FINDINGS

- The Committee appreciated the detailed presentation provided by the DPME, although it focused on *two* government priorities in respect to the performance of DFFE for the period up to 31 March 2021, and was of the view that it would be useful for DPME to come up with proposals on how the Department could implement its recommendations;
- The Committee noted the immense challenge DPME faced, being such a small department with few officials mandated to verify, monitor and evaluate the work of all the governmental departments and to ensure consistency in the process;
- The Committee appreciated the DPME's views on inclusive growth and for its initiative to request the National Treasury to identify areas with huge potential for job creation in the environment and the agricultural sectors and commit more budget to these sectors in order to address the challenge of poverty and unemployment in South Africa;
- On the issue of "*just transition*" and renewable energy, the Committee noted that there were no projects as such in the Limpopo Province, which posed risk in terms of renewable energy projects following a certain geographic pattern, and welcomed the fact that the Department of Agriculture has been consulted by DPME to address this;
- The Committee also welcomed the DPME engagement with Department of Labour regarding creation of sustainable and holistic government jobs in the energy sector wherein *eight* million people were unemployed in South Africa during the period under review; and
- The Committee further noted that the PricewaterhouseCoopers (PWC) has conducted a comprehensive study on the potential job gains *versus* losses regarding *just transition* towards a renewable and clean future and urged DPME to use that Report in order to identify the areas that needed to be prioritised, and to stop being frightened to move away from "dirty energy."

## 6.3 DEPARTMENT OF FORESTRY, FISHERIES AND ENVIRONMENT

- The Committee noted the improvement in the '*environmental*' *portfolio* in the 2020/21 financial, where the Marine Living Resources Fund and four other public entities received an *unqualified audit opinion with matters of emphasis*. However, the Committee is still concerned that the Department received a *third qualified audit opinion with two matters of emphasis*;
- The Committee noted the unauthorised, irregular expenditure, wasteful and fruitless expenditure, non-compliance with the supply chain management legislation and overpayment of invoices, indicating weak internal controls and poor record keeping on financial accountability;
- The Committee noted the Audit Action Plan that the Department is implementing to address some of the issues raised by AGSA;
- The Committee noted the skills development in terms of workshops for employees and the appointment of the Chief Financial Officer and full capacitation of the SCM Unit, particularly the appointment of the Director responsible for Acquisition Contract Management;
- The Committee noted the appointment of the audit service provider for *six* months that would assist the Department to improve its financials, as it can no longer rely on AGSA to sort out its financial matters;

- The Committee appreciated the information presented as well as the Department's transparency regarding the challenges it faced because the Committee oversight role is to ensure that public funds are spent in the best interest of all South Africans. It is therefore imperative to ensure that every cent is accounted for and spent in order to improve the lives of all our people;
- The Committee wondered whether or not some of the non-compliance could be attributed to the Department's hiring process;
- The Committee also appreciated the disciplinary actions and consequence management taken against officials that were not complying with the PFMA and the related policies and hoped that officials that were found to have transgressed, their performance should be monitored to ensure that they do not re-offend at a later stage;
- The Committee also noted the 65 per cent underspending by the *Chemicals and Waste Programme*;
- The Committee was concerned about Public-Private Partnership (PPP) arrangement that AGSA flagged that it was not in line with accounting standards. The Department must update the Committee on the status of the PPP;
- The Committee raised concerns about the delays in finalising disciplinary cases, in particular, the senior manager in the Department who was facing allegations and was suspended yet the Department still paid the individual;
- The Committee noted the contradictions between the reporting by the officials of the Department of Agriculture, Land Reform and Rural Development and DFFE on the transfer of biological products, which resulted in a qualified opinion. The Department stated that the section 42 process of the PFMA for the transfer of these biological assets was still outstanding. On the contrary, the Department of Agriculture, Land Reform and Rural Development stated categorically that its audit outcomes were improved due to the transfer of these biological assets during their presentation to the Portfolio Committee on Agriculture, Land Reform and Rural Development;
- The Committee noted the Department's admission that forests and trees are a critical tool in reducing greenhouse gases from the atmosphere. Yet, the temporary unplanted areas (TUPs) in the Department's category B and C plantations remain high (used to be above 34% as measured against the industry norm of 3 to 4 per cent). In 2019/20, the Department planted 551.5 hectares instead of 945 hectares in TUPs. The Committee raised its concern that in the year under review, the Department did not plant even a single hectare, thus missing this critical deliverable of planting trees in 1 279.5 hectares of land entirely. Their proposed remedial action is to remove the annual target of planting trees in TUPs due to supply chain complications, erratic rainfall patterns and limited time for implementation;
- The Department must explain the reasons for blaming supply chain processes and limited time for planting. At face value, the provided reasons could reflect poor planning on the side of the Department;
- The Committee noted the Report published by the South African Medical Research Council of a study, which they conducted in two landfill sites in Gauteng and found that waste pickers suffer from respiratory illness;
- The Committee raised a concern in relation to delays in filling of vacant posts in the *Corporate Services* when there are so many technological platforms that could have been used. The Department adjusted its vacancy target from 8 per cent national standard of 10 per cent and reported that the target was achieved because the vacancy rate stood at 6.6 per cent (271/4 090), however, on page 142 the vacancy rate stood at 13 per cent (536/4 090);
- The Committee commended the MLRF for achieving an un *qualified audit opinion* for the 2020/21 financial year;
- The Committee noted the article in the *Daily Maverick* that appeared in October 2020 on illegal abalone poaching in Kleinmond, and wondered what the relationship between the Department and fishing communities was like, and whether the Department had implemented an alternative livelihood strategy; and
- The Committee was concerned about the delays in tabling the *Aquaculture Development Bill* in Parliament, and the *Inland Fisheries Policy*.

#### 6.4 ISIMANGALISO WETLAND PARK AUTHORITY

- The Committee appreciated the iSimangaliso Wetland Park Authority's achievement of an *unqualified audit opinion*, though with findings;
- The Committee welcomed the implementation of the audit action plan that has been developed to address the audit findings relating to, amongst others, the irregular expenditure amounting to

R99.88 million for 2020/21, deriving from the procurement of services that were not in line with service level agreement and not compliant with supply chain management despite this being an historical contract which was entered into in 2017 and would end in July 2022;

- The Committee noted the incident of the Chief Financial Officer who resigned and an employee responsible for an irregular expenditure. The Committee was concerned that the CFO resigned without the money being recouped, however, the Committee was satisfied that the employee responsible for the irregular expenditure was currently paying back the money owed;
- The Committee noted with concern why the investigation into the breach of the estuary mouth has taken this long to be finalised, and the fact that officials conducted interviews only during the investigation;
- The Committee welcomed the PESF grant used to refurbish ailing infrastructure projects;
- The Committee also noted the lawsuit against iSimangaliso relating to a fire incident, which was alleged that it started from the Park forest and spread to the neighbouring SiyaQhubeka forests;
- The Committee raised concerns that there were still strained relations between the Park and local farmers, and urged the Park to strengthen its relations with farmers; and
- The Committee also raised a concern on the shooting incident involving *three* small-scale fishers wherein *one* was killed by rangers in the Park and urged the Park to undertake poverty alleviation programmes in nearby communities.

## 6.5 SANBI

- The Committee welcomed the appointment of the Chief Executive Officer for SANBI;
- The Committee congratulated SANBI for improvements in its audit outcome;
- The Committee noted with concern how confident the entity was to be able to implement several of the processes by 30 November 2021, for example, the finalisation of the SOP, as well as training sessions; and
- The Committee noted that it would monitor SANBI's progress and requested SANBI to provide a progress report on the implementation of these action items by 6 December 2021.

## 6.6 SOUTH AFRICAN NATIONAL PARKS

- The Committee congratulated SANParks for the *unqualified audit opinion* for the 2020/21 financial year;
- The Committee noted that it should consider commercialising some of its assets and use existing facilities to generate alternative revenue;
- The Committee commended SANParks' vaccination roll-out programme and urged them to encourage those employees who did not want to be vaccinated to participate;
- The Committee was concerned about the culling facility in Skukuza that has been closed yet it was generating income for the Entity, although SANParks responded that the facility was still in operation, but there was limited culling of elephants at the facility;
- The Committee appreciated the Resource Mobilisation Strategy and cautioned SANParks from receiving donations from donors who have conflict of interest;
- The Committee noted with concern that SANParks was still unable to meet the target of achieving *two* per cent "People with Disabilities";
- The Committee noted with concern that the Entity was able to spend 100 per cent of its allocated budget yet it did not achieve *all* its set annual performance plan targets;
- The Committee raised concern that communities residing next to the Kruger National Park were living in abject poverty and encouraged SANParks to include local communities in Park projects, as this would enhance their sense of ownership in the Park;
- The Committee noted the relocation of excess elephants to the Greater Limpopo Transfrontier Conservation Area rather than culling them;
- The Committee raised concerns about the effectiveness of the Greater Limpopo Transfrontier Conservation Framework and the dropping of the fence to protect iconic species, such as rhino and elephant from poaching;
- The Committee was concerned about SANParks' claims about rhino poaching statistics, considering the fact that about two-thirds of rhinos have been poached in the past decade and that the Park has failed to reduce the poaching of rhinos;
- The Committee raised a concern about the construction of the Skukuza Lodge, which has since become a white elephant as people were not booking accommodation, and hence requested the feasibility study that was done;

- The Committee noted the job opportunities that were not realised due to the target of rehabilitating degraded land not being met and whether the outstanding hectares would be added to the Entity's 2021/22 target;
- The Committee noted with concern the investigation conducted by the South African Human Rights Council (SAHRC) into claims of racism by white rangers towards their black counterparts. The Committee requested that a Report should be submitted to the Committee;
- The Committee also urged SANParks to create the right conditions for PWDs to enter and access the utilities;
- There should be more activities to ensure that educational and awareness programmes are brought to schools, particularly those in rural and township areas; and
- The Committee proposed that SANParks, SANBI, the Marine Living Resource Fund and iSimangaliso should create a common outreach programme for children in rural schools to expose them to the opportunities available and provide bursaries, in an effort to fight poverty, inequality and unemployment.

## 6.7 SAWS

- The Committee commended SAWS for improvements in its audit outcome, considering the many challenges it faced in the previous years and was pleased that consequence management has been introduced. The development of the Recovery Policy for those staff members who resigned before the disciplinary hearings would still be liable for the transgressions, is commendable;
- The Committee noted with concern the delays in the case involving the former CEO who has since resigned and wanted a regular update;
- The Committee also noted that SAWS was one of the most important entities of the Department, however, there was no organisational sustainability as important targets were not achieved;
- The Committee also noted that there were challenges in revenue generation given the lockdown and the economy being stagnant, however, this needed to be addressed and an alternative revenue generation plan should be developed and implemented;
- The Committee noted and appreciated the R100 million grant SAWS received for upgrading critical infrastructure and refurbishing some of the SAWS sites, thereby addressing some of the challenges in achieving the targets;
- The Committee was concerned that not much attention was paid to people living with disabilities and urged the Entity to prioritise this matter. However, it appreciated the appointment of a service provider to assist the Entity to take into account the concerns of employees who did not want to disclose their disabilities; and
- The Committee also noted the *Global Atmospheric Watch Programme* which would assist South Africa in atmospheric observation in the region. The monitoring of greenhouse gases is critical towards the country's efforts towards climate change.

## 7 CONCLUSION AND RECOMMENDATIONS

The Portfolio Committee, in its conclusions, thanked officials from the AGSA, DPME, Department and entities for their professional conduct and skills in continually updating their knowledge base in line with key government policies such as the National Development Plan, and other international and regional protocols and conventions that relate to their work. The Committee commends the ongoing efforts at various levels in government to sustain the country's natural resources, comprising the natural environment and the different components thereof. These natural resources constitute the bedrock of our economic and social development; underpins our economy, health and safety, which are the very elements that encourage us as citizens to live and work in our country, although this reality is not always appreciated by us all. Overall, the Portfolio Committee considers the performance of the Department and entities satisfactory, as more remains to be done, especially in terms of meeting predetermined objectives as well as the need to obtain a *clean audit* across the portfolio. It is in this regard that the Committee recommends the following:

### 7.1 RECOMMENDATIONS (FOR THE COMMITTEE)

- The Committee welcomed the Auditor-General's extended mandate and hopes to work more closely with the Auditor-General to ensure in-depth oversight to ensure that all issues raised by the Auditor-General are addressed expeditiously to prevent loss and wastage of public resources;

- The Portfolio Committee should closely monitor the implementation of the recommendations of the AGSA directed at the Department and entities to ensure that all those recommendations are implemented to ensure desired results;
- The Department should update the Committee on the current extent of temporary unplanted areas in the country and breakdown to provincial level; and
- The Committee should ensure that departmental and entity officials as well as boards responsible for any negative audit outcome should be held to account.

## **7.2 DEPARTMENT OF PLANNING, MONITORING AND EVALUATION**

- The Department should study the PricewaterhouseCoopers (PWC) Report to identify the areas that needed to be prioritised; and
- The Department should brief the Committee in the next quarter on the Performance Report of DFFE and associated recommendations.

## **7.3. DEPARTMENT OF FORESTRY, FISHERIES & ENVIRONMENT**

- The Executive Authority (Minister of Forestry, Fisheries & Environment) should pay due attention to the Auditor-General's findings and take such necessary action against staff for *irregular expenditure* and *fruitless and wasteful expenditure* in the Department and/or entities to ensure that public funds are used optimally for the greatest public good. This is necessary in light of Auditor-General's determination that *irregular expenditures* would have been prevented, had effective and appropriate steps been taken to avert them;
- The Executive Authority should ensure that *repeat findings* do not occur or public funds are not used in a *trial-and-error* fashion to obtain clean audits;
- The Minister should ensure that her Department fully complies with s40(1)(b) of the PFMA that provides the timeframe for submitting financial statements, considering the ensuing challenges in the preparation of annual financial statements;
- The Department should ensure that its Audit Action Plan is implemented to the latter to ensure that there is no room for any *unclean audit opinion* in moving forward from the 2020/21 audit outcome. The progress that the Department makes in this regard should be presented to the Committee on a quarterly basis; and
- *Internal control systems* must be strengthened to prevent even 'mundane' things such as *misstatements*. It is only when the Department and entities become concerned about *misstatements* in the annual financial statements submitted to the Auditor-General for auditing purposes can *wasteful and fruitless* and *irregular expenditures* be fully detected and curtailed. It is only when we hold staff accountable for a hundred rand or so, that staff will be alerted to the need to protect and use public money more appropriately.

## **7.4 ISIMANGALISO WETLAND PARK AUTHORITY**

- A detailed Report should be submitted to the Committee on the irregular expenditure incurred by the former CFO and consequence management taken thereafter;
- The Committee proposed that SANParks, SANBI and the iSimangaliso should create a common outreach programme for children in rural schools to expose them to the opportunities available and provide bursaries, in an effort to fight poverty, inequality and unemployment; and
- The Entity should holistically implement its Audit Action Plan to ensure that all audit matters identified by the Auditor-General are addressed for the Entity to obtain a clean audit outcome at the end of the running financial year.

## **7.5 SOUTH AFRICAN NATIONAL BIODIVERSITY INSTITUTE (SANBI)**

- The Committee proposed that SANParks, SANBI and iSimangaliso should create a common outreach programme for children in rural schools to expose them to the opportunities available and provide bursaries, in an effort to fight poverty, inequality and unemployment;
- The Committee requests to prioritise the Kids in the Gardens/Parks programme to develop affinity for nature;
- SANBI indicated that it has education centres at all the national botanical gardens to raise awareness, but had developed additional ways to get information to targeted groups. The Entity should present these other developed additional ways, its dual pricing policy and cleaner energy initiatives that it undertakes to the Committee;

- The Committee requests SANBI to submit a progress report on the implementation of its Audit Action Plan on 6 December 2021 as well as the results/outcome of a number of consequence management cases, which SANBI was managing, with progress being reported to the audit risk committee on quarterly basis;
- SANBI should update the Committee on the status of infrastructure in its national botanical gardens, but more so at the National Zoological Gardens in Pretoria that needed immediate attention already in the 5<sup>th</sup> Administration; and
- SANBI should develop and table a clear plan for improving the status of those venues that obtained average green star rating to improve the rating in the future.

#### **7.6 SOUTH AFRICAN NATIONAL PARKS (SANPARKS)**

- SANParks should submit the investigative report conducted by the South African Human Rights Council (SAHRC) into claims of racism by white rangers towards their black counterparts to the Committee;
- The Committee should be provided with quarterly updates on the status of white and black rhinos in our national parks and other forms of protected areas for oversight purposes without communicating this information in a manner that compromises the wellbeing of these iconic species;
- The Kruger National Park should present how park-related projects have assisted neighbouring communities in terms of poverty relief and in tackling the challenge of unemployment;
- SANParks must submit to the Committee its updated donor list quarterly; and
- The Committee directed SANParks, SANBI and iSimangaliso to create a common outreach programme for children in rural schools should be exposed to the opportunities available and provide bursaries, in an effort to fight poverty, inequality and unemployment.

#### **7.7 SOUTH AFRICAN WEATHER SERVICE (SAWS)**

- The Committee requests a comprehensive report on criminal cases against employees who had been charged for wrongdoing at SAWS, whether they had resigned or not and further needs SAWS to clarify why it had witnessed such a high rate of staff turnover at the executive management;
- SAWS should explain how it addressed the allegations of improper appointments at SAWS; and
- SAWS should update the Committee about alternative revenue generation plan, given the lockdown and the economy being stagnant, to maintain the Entity afloat and the critical infrastructure running.

#### **7.8 MARINE LIVING RESOURCES FUND (MLRF)**

The Minister should capacitate the Fisheries Branch to facilitate the effective allocation of small-scale fishing rights and curb the slow progress to prevent illegal activities by small-scale fishers. In fact, the fishing rights allocation process (FRAP) has often resulted in the Fisheries Management Branch being in the media spotlight due to alleged corrupt activities conducted by officials within the Branch and/or Court cases instituted by commercial fishing companies;

- There is also a need to look into the concerns raised by small-scale and artisanal fishers that they were not benefitting from the FRAP as it favours commercial fisheries. Where rights were allocated to small-scale fishers, they were minimal, for a short period and were not accompanied by proper support programmes to ensure that the fishers derive livelihoods and economic benefits from such rights;
- The accounting support extended by the National Treasury to clean up poor governance and ineffective financial management at the Fisheries Branch should be extended until there is a hand over to the new CFO in the MLRF; and
- Online and other expeditious alternative ways for application and granting of fishing licenses should be devised for the whole fisheries sector to effectively eliminate the current inefficient system, which requires them to travel to Cape Town for permitting purposes.

*The Minister should submit a detailed response to the Committee on all the recommendations made in this report within 90 days after the adoption of this report by the National Assembly.*

**The Portfolio Committee on Environment, Forestry and Fisheries recommends the adoption of this Budgetary Review and Recommendation Report (BRRR) for the Department of Forestry, Fisheries and Environment and its Public Entities for the 2020/21 financial year.**

Report to be considered.